

# SUMMARY PROSPECTUS

## MANAGEM



### CAPITAL INCREASE BY CASH CONTRIBUTION AND OFFSET OF CLAIMS

RESERVED FOR CURRENT SHAREHOLDERS AND HOLDERS OF PREEMPTIVE SUBSCRIPTION RIGHTS

---

Number of shares to be issued: 832,609 shares

Subscription price: MAD 1,169 / share

Par value: MAD 100 / share

Exchange ratio: 1 new share for 11 old shares

Total amount for the transaction (including the issuance premium): MAD 973,319,921

Nominal amount of the transaction: MAD 83,260,900

Subscription period: from June 23<sup>rd</sup>, 2017 to July 24<sup>th</sup>, 2017

---

#### Advisory Body and General Coordinator

ATTIJARI FINANCES CORP.



Institution in charge of the registration of the transaction at the Casablanca Stock Exchange

ATTIJARI INTERMEDIATION

Centralizing body and collector of subscription orders

ATTIJARIWAFABANK

**ATTIJARI**  
*Intermédiation*



#### APPROVAL OF THE MOROCCAN CAPITAL MARKETS AUTHORITY (AMMC)

In accordance with the provisions of the circular of the Moroccan Capital Markets Authority (AMMC), based on article 14 of the Dahir providing law n° 1-93-212 of September 21<sup>st</sup>, 1993 as amended and supplemented, the original version of this prospectus was approved by the AMMC on June 13<sup>th</sup>, 2017 under reference VI/EM/015/2017

## **DISCLAIMER**

On June 13<sup>th</sup>, 2017, the Moroccan Capital Markets Authority (AMMC) approved a prospectus relating to the capital increase of Managem.

The prospectus approved by the AMMC is available at any time at the head office of Managem and the financial advisor Attijari Finances Corp. It is also available within 48 hours' notice at the offices of the institutions responsible for collecting subscription orders.

The prospectus is available to the public on the AMMC website ([www.ammc.ma](http://www.ammc.ma)) and on the Casablanca Stock Exchange website ([www.casablanca-bourse.com](http://www.casablanca-bourse.com)).

## **PART I. TRANSACTION OVERVIEW**

## **I. TRANSACTION FRAMEWORK**

The Board of Directors of Managem, held on March 14<sup>th</sup>, 2017 under the chairmanship of Mr. Imad TOUMI, decided to propose to the Extraordinary General Meeting, a capital increase of a maximum amount of MAD 1,000,000,000, issue premium included, by issuing new shares, to be fully paid up in cash and/or by the offset unquestionable, liquid and due claims on the Company.

The Extraordinary General Meeting of shareholders of Managem, held on May 4<sup>th</sup>, 2017, decided to increase the share capital, including the issue premium, by a maximum amount of one billion (1,000,000,000) Dirhams, by issuing new shares with a par value of 100 Dirhams, to be fully paid up upon subscription, both for the par as well as the issue premium, by contributions in cash and/or by the offset of unquestionable, liquid and due claims on the Company. The new shares that will be created shall carry dividend rights from the date of final completion of the capital increase and shall, upon their creation, be identical in all respects to the existing shares and subject to all the provisions of the by-laws and decisions of the General Meetings.

The same General Meeting, in application of the provisions of articles 189, 190 and 191 of Law 17-95 relating to limited companies, as amended and supplemented by laws 20-05 and 78-12, decided that the shareholders:

- may exercise their preemptive subscription rights for the new shares on an irreducible basis, proportionately to the number of shares that they then own in the current share capital;
- shall also have a subscription right on a reducible basis. Consequently, if shareholders do not subscribe to the shares to which they are entitled on an irreducible basis, such shares will therefore be awarded to the shareholders who subscribed on a reducible basis to a greater number of shares, proportionately to their share in the current share capital and within the limits of their requests and with no allocation of fractional shares.

If the irreducible and reducible subscriptions do not absorb the entire capital increase, the Board of Directors may decide either to limit the capital increase to the subscriptions collected during the subscription period or extend the subscription period.

The same General Meeting issued a delegation of powers to the Board of Directors for the purpose of implementing such capital increase, setting its terms and conditions, recording the completion thereof and amending the by-laws accordingly.

In accordance with the delegation of powers conferred by the Extraordinary General Meeting, the meeting of the Board of Directors, held on June 2<sup>nd</sup>, 2017, decided to set the issue price for the new shares at MAD 1,169 per share. Consequently, the Board noted that the maximum number of new shares would be 832,609 shares for a par value of MAD 100 each, with an issue premium of MAD 1,069 per share.

The share capital of the Company would therefore be increased by a maximum amount of MAD 83,260,900, to go from MAD 915,869,900 to a maximum amount of MAD 999,130,800.

As a consequence of the above, shareholders' preemptive rights on an irreducible basis may be exercised on the basis of one (1) new share for eleven (11) old shares.

The Board of Directors granted full powers to the Chief Executive Officer or any other person specifically appointed by him for the purpose of:

- signing the prospectus with regard to this transaction, to be submitted to the AMMC for approval;
- setting the starting and closing dates for the subscription period;
- informing shareholders of the terms and conditions of the capital increase;
- collecting subscriptions and corresponding payments;
- In the event of a capital increase in cash, opening a non-disposable account with a bank of the company under the section "Managem – Capital increase";

- In the event that the shares are paid up by the offset of claims, drawing up the statement of account provided for by the Law and have it certified by Statutory Auditors;
- If applicable, limiting the final amount of the capital increase to that of the subscriptions collected at the end of the subscription period;
- If applicable, extending the subscription period if subscriptions for irreducible and reducible shares have not absorbed the entire capital increase;
- Drawing up, signing, and filing with the Registry of the Commercial Court of Casablanca - or having filed by any authorized holder - the subscription and payment statement, the subscription and payment report, the application for an amendment to the Commercial Register and any other documents required by the Law;
- More generally, carrying out all the formalities including any filing, declarations, and publications.

Furthermore, in accordance with Article 199 of Law 17-95 relating to public limited companies, the statutory auditors of the Company submitted their report on the statement of account established on June 6<sup>th</sup>, 2017 on the shareholders' current account granted by SNI to its subsidiary, Managem.

The statutory auditors have therefore certified the accuracy of this statement of account, with a credit balance of MAD 670,006,506 dated June 6<sup>th</sup>, 2017, held by SNI on the Company.

## II. OBJECTIVE OF THE TRANSACTION

The objective of this transaction is to strengthen Managem's balance sheet structure in order to complete its mining development program in Morocco and abroad, particularly the copper project in Tizert (AGM subsidiary), the Tri-K project in Guinea (SMM subsidiary), the extension of the pilot gold project in Sudan (Manub subsidiary), etc. Having adopted a genuine expansion plan, the Group's objectives are to:

- Ensure the development of the Group's business;
- Fund the Group's investments;
- Consolidate Managem's financial structure by increasing its borrowing capacity;
- Optimize financing costs particularly by alleviating the financial costs related to the shareholders' current accounts.

## III. INFORMATION RELATING TO THE SECURITIES TO BE ISSUED

<b>Nature of the securities</b>	Shares of the same class, and fully paid up
<b>Legal form of the securities</b>	The shares will all be bearer shares from the admission of the securities on the Casablanca Stock Exchange and fully dematerialized and eligible to Maroclear operations
<b>Maximum number of securities to be issued</b>	832,609
<b>Maximum amount of the transaction</b>	MAD 973,319,921
<b>Subscription price</b>	MAD 1,169
<b>Par value</b>	MAD 100
<b>Issue premium</b>	MAD 1 069
<b>Date of entitlement</b>	January 1 <sup>st</sup> , 2017
<b>Payment for the securities</b>	The shares which are the subject of this prospectus, shall be fully paid up and free of any obligation
<b>Tradability of the securities</b>	The shares which are the subject of this prospectus, shall be freely tradable at the Casablanca Stock Exchange

<b>Listing line</b>	<b>1<sup>st</sup> line</b>
<b>Preemptive subscription rights</b>	<p>For the subscription of the new shares that are related to the capital increase, the preemptive subscription rights reserved to the shareholders by article 189 of law 17-95 on limited companies as amended and supplemented shall be maintained.</p> <p>During the entire subscription period from June 23<sup>rd</sup>, 2017 to July 24<sup>th</sup>, 2017, the preemptive subscription rights relating to the current transaction shall be freely traded on the Casablanca Stock Exchange under the same conditions as the Managem stock itself. The preemptive subscription rights must be exercised during this period under penalty of forfeiture.</p> <p>Holders of preemptive subscription rights may subscribe, on an irreducible basis, to one (1) new share for eleven (11) old shares. It is also possible to subscribe to shares on a reducible basis.</p> <p>Furthermore, each shareholder may, if they wish, waive their preemptive subscription right on an individual basis.</p> <p>The subscription to new shares is reserved for existing shareholders of the Company and holders of preemptive subscription rights. Consequently, they will be entitled to a subscription right on an irreducible basis on the new shares to be issued.</p> <p>The preemptive subscription rights can only be exercised up to a maximum number of preemptive subscription rights allowing for the subscription of a whole number of new shares. The shareholders or transferees of preemptive subscription rights who do not have a sufficient number of preemptive subscription rights to purchase a whole number of new shares as a result of their subscription on an irreducible basis may purchase or sell preemptive subscription rights at market conditions, during the subscription period.</p> <p>The preemptive subscription rights forming fractional shares may be sold or supplemented on the market during the subscription period.</p> <p>If some shareholders did not subscribe to the shares to which they were entitled on an irreducible basis, such shares will therefore be awarded to the shareholders who subscribed, on a reducible basis, to shares proportionately to their share in the current share capital and within the limits of their requests.</p> <p>The shareholders who wish to exercise their preemptive right will have 20 trading days starting from June 23<sup>rd</sup>, 2017.</p> <p>The theoretical price for such preemptive subscription rights (PSR) is calculated in the following way:</p> <p><b>PSR</b> = (Closing price of the Managem share the day prior to the detachment of the PSR<sup>1</sup> – Subscription price – Dividend per share related to FY2016) x ([Number of new shares] / [Number of old shares + Number of new shares])</p>
<b>Listing date of new shares</b>	August 3 <sup>rd</sup> , 2017
<b>Characteristics of the listing of preemptive subscription rights</b>	<p>Ticker: SMNGA</p> <p>Name: DS MNG 1/11 2017</p> <p>Trading cycle: Fixing</p>
<b>Paying-off of the order book</b>	The Casablanca Stock Exchange will proceed to the paying-off of the order book of the Managem securities on June 20 <sup>th</sup> , 2017
<b>Listing date of new securities</b>	The shares issued from this capital increase will be listed in the first line.
<b>Associated rights</b>	All the shares enjoy the same rights as far as the distribution of profits and liquidation are concerned. Each share entitles its holder to one voting right during the meetings. No share entitles its holder to double voting rights.

<sup>1</sup>Corresponding to the date the preemptive subscription right is exercised

## IV. STOCK EXCHANGE LISTING

### IV.1. Indicative schedule for the transaction

Order	Steps	Date
1	Receipt by the Casablanca Stock Exchange of the complete transaction file	12/06/2017
2	Issuance of the notice of approval of the Casablanca Stock Exchange for the transaction	13/06/2017
3	Receipt by the Casablanca Stock Exchange of the summary prospectus approved by AMMC <b>before 11:00 am</b>	13/06/2017
4	Publication in the official list of the Casablanca Stock Exchange relating to the capital increase	13/06/2017
5	Publication of an excerpt of the summary prospectus in an official journal by the issuer	15/06/2017
	Detachment of the preemptive subscription rights:	
6	<ul style="list-style-type: none"><li>▪ Publication of the theoretical value of the subscription right</li><li>▪ Adjustment of the share price</li><li>▪ Paying-off of the order book</li></ul>	20/06/2017
7	Listing of preemptive subscription rights and start of the subscription period	23/06/2017
8	Closing of the subscription period	24/07/2017
9	Cancellation of preemptive subscription rights	25/07/2017
10	Meeting of the Board of Directors with the purpose of ratifying the capital increase	31/07/2017
11	Receipt by the Casablanca Stock Exchange of the results of the transaction and the minutes of the meeting of the body having ratified the capital increase	01/08/2017
12	Issuance of new securities	02/08/2017
13	<ul style="list-style-type: none"><li>▪ Admission of new shares</li><li>▪ Recording of the stock exchange transaction</li><li>▪ Announcement of the results of the transaction published in the official list</li></ul>	03/08/2017
14	Publication of the results by the issuer	04/08/2017

N.B.: In the event of an extension of the subscription period, a notice shall be published by the Casablanca Stock Exchange specifying, in particular, the new subscription period and the subsequent steps in the schedule following this extension.

### IV.2. Characteristics for the listing of preemptive subscription rights

<b>Ticker</b>	SMNGA
<b>Name</b>	DS MNG 1/11 2017
<b>Trading cycle</b>	Fixing
<b>Listing date of the rights</b>	23/06/2017

### IV.3. Characteristics of the listing of the new securities

<b>Name</b>	MANAGEM
<b>Sector</b>	Mines
<b>Compartment</b>	Main market
<b>Trading method</b>	Continuous
<b>Ticker</b>	MNG
<b>Listing line</b>	1 <sup>st</sup> line
<b>Investment company in charge of registering the transaction</b>	Attijari Intermédiation

### IV.4. Financial intermediaries

Type of financial intermediaries	Name	Address
Advisory body and General coordinator	Attijari Finances Corp.	163, Avenue Hassan II Casablanca
Institution in charge of the registration of the transaction at the Casablanca Stock Exchange	Attijari Intermédiation	163, Avenue Hassan II Casablanca
Centralizing body and collector of subscription orders	Attijariwafa bank	2, boulevard Moulay Youssef Casablanca
Order-collecting bodies	Securities custodian/preemptive subscription rights to be exercised	

## V. TERMS AND CONDITIONS OF THE SUBSCRIPTION

### V.1. Subscription period

The subscription transaction for the capital increase, which is the subject of this summary prospectus, can be subscribed at the centralizing agent and order collector as well as with the custodians during the subscription period from June 23<sup>rd</sup>, 2017 to July 24<sup>th</sup>, 2017.

If the subscriptions on an irreducible and reducible basis have not absorbed the entire capital increase, the subscription period may be extended by a decision of the Board of Directors of the Company or its Chairman, after favorable opinion from the Casablanca Stock Exchange. The Company shall inform the Casablanca Stock Exchange and the AMMC, at the latest on the closing date of the subscription period (July 24<sup>th</sup>, 2017) before 10:00 am, of the decision to extend the subscription period. Upon receipt of the decision of the Chairman of the Board or of the Minutes of the Board meeting having approved such decision, the Casablanca Stock Exchange shall publish a notice indicating the extension period of the subscription period if applicable.

### V.2. Beneficiaries

The capital increase, which is the subject of this summary prospectus, is open to all current shareholders and to the holders of preemptive subscription rights.

As of August 3<sup>rd</sup>, 2017, the shares issued in the framework of this transaction shall be freely tradable in the Casablanca Stock Exchange by all investors.

### V.3. Submission of subscription forms

The shareholders who wish to take part in this transaction are invited to submit to the collectors of subscription orders, a subscription form in accordance with the template provided and annexed to this prospectus between June 23<sup>rd</sup>, 2017 and July 24<sup>th</sup>, 2017. The subscription forms may be revoked at any time until the end of the subscription period.



#### V.4. Identification of subscribers

The collectors of subscription orders in the framework of this transaction must ensure that the subscriber is the holder of securities or subscription rights prior to acceptance of the subscription.

To this effect, they must obtain a copy of the document certifying this identification, and attach it to the subscription form along with the documents warranting that they are part of one of the categories described below:

Category of subscribers	Documents to attach
Moroccan natural persons living in Morocco	Photocopy of the national identity card
Moroccan natural persons living abroad	Photocopy of the national identity card
Foreign natural persons living in Morocco	Photocopy of the residency card
Foreign natural persons living abroad	Photocopy of the pages of the passport containing the person's identity as well as the issue and expiry dates of the document
Legal persons incorporated under Moroccan law (excluding UCITS)	Photocopy of the trade register
Legal persons incorporated under foreign law	Any document which is authentic in the country of origin and proving the affiliation to the category or any other means deemed acceptable by the centralizing body
UCITS incorporated under Moroccan law	Photocopy of the approval decision:  -for mutual funds, the certificate of deposit at the Court registry  -For SICAVs, the model of registration with the trade register
Qualified investors incorporated under Moroccan law (excluding UCITS)	The model of registration with the trade register including the corporate purpose warranting the subscriber's affiliation to this category
Authorized investment firm incorporated under foreign law	Photocopy of the by-laws or any document which is authentic in the country of origin, photocopy of the approval decision issued by the competent authority.
Banks incorporated under Moroccan law	The model of registration with the trade register including the corporate purpose warranting the subscriber's affiliation to this category
Moroccan Associations	Photocopy of the by-laws and of the file deposit slip
Underage child	Photocopy of the page of the family record book warranting the date of birth of the child

All subscriptions that do not comply with the aforementioned identification requirements shall be null and void. The subscription orders are irrevocable after the end of the subscription period.

#### V.5. Opening of accounts

The subscription transactions are recorded on a cash and securities account in the name of the subscriber. In addition to the requirements relating to the identification and the constitution of one file per client, the new account holders will have to sign an account opening agreement (securities/cash) with the custodian.

Accounts can only be opened by the account holders, it is strictly forbidden to open an account through a proxy.

A proxy for a subscription cannot under any circumstances allow the opening of an account for the principal.

The opening of accounts for underage children and incapacitated adults can only be carried out by the legal representative of the underage child or the incapacitated adult (the father, the mother or the legal guardian). In that respect, the custodians will require any document warranting the incapacity of the incapacitated adult whose subscription was carried out by his legal representative. For underage children, the subscriptions may be recorded on their accounts or on that of their legal representative (the father, the mother or the legal guardian).

#### **V.6. Terms & conditions of the subscription**

The subscription must be made to the custodian who keeps the securities or the preemptive subscription rights to be exercised.

Such custodian will immediately lock up the securities or the preemptive subscription rights corresponding to the subscription. All the subscriptions will be made in cash or by offset of claims on the Company, the new shares shall be reserved on a preemptive and irreducible basis to the holders of preemptive subscription rights on the basis of 1 new share for 11 preemptive subscription rights. The subscription forms shall be signed by the subscriber or his agent and date stamped by the collector of subscription orders.

The subscription of new shares is reserved to current shareholders of the company and to the holders of preemptive subscription rights. Consequently, they will have a subscription right on an irreducible basis on the new shares to be issued.

Holders of preemptive subscription rights will have a subscription right on an irreducible basis.

Shareholders will have a subscription right on a reducible basis, for the purpose of distributing the unabsorbed shares by the exercise of the right of subscription on an irreducible basis. This distribution will be made proportionately to the number of old shares owned by the subscribers and within the limits of their requests and with no allocation of fractional shares.

The new shareholders will be able to subscribe to this transaction on the same basis as the existing shareholders by purchasing subscription rights on the market. These subscription rights shall be offered for sale by existing shareholders who do not wish to subscribe to the capital increase. They will be listed during the entire subscription period. The buying and selling of preemptive subscription rights may be exercised through an authorized intermediary (investment company).

The centralizing body and the collector of subscription orders, as well as anybody entitled to collect subscription orders, must ensure that the subscriber is the holder of securities or subscription rights prior to acceptance of the subscription, and that the subscriber has the financial ability to meet its obligations. They are obliged to accept subscription orders from any person eligible to participate in the transaction, provided that such person provides the necessary financial guarantees. In the event of a subscription by the offset of claims, the custodian of the securities account / preemptive subscription rights shall make sure, prior to the acceptance of the subscription, of the existence of the liquid, due claim held by the subscriber, through the presentation of the statutory auditors' report on the claim to be converted.

In the event that the subscriptions received on an irreducible and reducible basis do not absorb the entire capital increase, the Board of Directors may limit the amount set for the capital increase to the amount corresponding to the subscriptions received, or extend the subscription period.

#### **V.7. Subscription on behalf of third parties**

The subscriptions on behalf of third parties are authorized within the following limits:

- The subscriptions on behalf of third parties are accepted provided that the subscriber submits a duly signed and legalized proxy provided by the principal and defining the exact scope of the proxy (proxy for all types of account movements on cash and securities, or a proxy specific to the subscription of the Managem capital increase transaction). In the event that it does not already have this document, the collector of orders is obliged to obtain a copy and attach it to the subscription form;
- The proxy must indicate the references of the cash and securities account of the principal, in which are respectively indicated, the movements on securities or cash relating to the Managem shares, which are the subject of this transaction;
- Subscriptions for children under the age of 18 are authorized, provided they are carried out by the father, the mother, the legal guardian or the legal representative. In the event that it does not already have this document, the collector of orders is obliged to obtain a copy of the page of the family record book indicating the date of birth of the child, if applicable. In this case, the movements are either credited to an account open in the name of the underage child, or on the cash or securities account open in the name of the father, the mother, the legal guardian or the legal representative;
- In the event of a portfolio management mandate, the manager can subscribe on behalf of a client whose portfolio he manages only by submitting a duly signed and legalized proxy by the principal or the management mandate if the latter provides for a specific provision in that respect. Management companies are exempted from submitting these supporting documents for the UCITS that they manage.

#### **V.8. Procedure for the exercise of preemptive subscription rights**

To exercise their preemptive subscription rights, their holders must submit an exclusive request to their custodians during the subscription period and set the corresponding subscription price (plus the stock exchange and intermediation commissions inclusive of all taxes). Preemptive subscription rights must be exercised by their holders, under penalty of forfeiture before the end of the subscription period. The custodian will immediately proceed to the locking up of the preemptive subscription rights corresponding to the subscription.

On the day prior to the closing of the subscription period, investment companies are obliged to publish the list of the pending sell orders for the preemptive subscription rights to the custodians of the clients that have formulated such orders.

Furthermore and in accordance with article I.2.27 of the circular released by AMMC, the orders for the transfer of rights must be transmitted to the brokerage firm through the custodians. However, if the brokerage firm receives an order for the transfer of rights directly from its client, it must immediately inform the custodian of such rights. Brokerage firms must not accept orders for the transfer of rights which they do not preserve, on the last day of the validity of the subscription rights.

#### **V.9. Allocation procedures**

The shares subscribed on an irreducible basis shall be allocated proportionately to the number of preemptive subscription rights held by each subscriber.

In addition to the subscriptions on an irreducible basis, shareholders may subscribe on a reducible basis. In this manner, the shares issued and unsubscribed on an irreducible basis shall be allocated to subscribers on a reducible basis up to the amounts requested by them and in proportion to the number of shares held.

#### **V.10. Treatment of fractional shares**

Managem's shareholders who do not hold a number of shares and/or rights that are multiples of eleven (11) must proceed to the purchase or sale of the number of shares, at market conditions and prior to the subscription period, or of the necessary rights issue during the subscription period.

## **VI. METHODS FOR THE CENTRALIZATION, SUBSCRIPTION PAYMENTS AND RECORD-KEEPING**

### **VI.1. Centralization of subscription orders**

As a centralization agent for the Managem shares and a collecting body for subscription orders, Attijariwafa bank will collect all the completed subscription forms linked to this transaction from authorized custodians.

At the end of the subscription period, Attijariwafa bank will communicate to Managem's management the list of subscribers and subscribed amounts and will communicate the overall results of the transaction to the Casablanca stock exchange.

The subscription forms, as well as the detailed list of subscribers, must be submitted to the centralizing agent on July 25<sup>th</sup>, 2017 noon at the latest.

The account keepers shall transfer the subscription rights exercised on the centralization account in the name of Attijariwafa bank, open with the central custodian, Maroclear.

The account keepers shall wire to Attijariwafa bank, via SRBM, the subscription amounts on an irreducible basis, plus stock exchange and brokerage commissions inclusive of all taxes.

No later than the 3<sup>rd</sup> business day following the close of the subscription period, and upon the unwinding of the preemptive subscription rights purchased by the subscriber on the stock exchange during the last three days of this same period, the collecting account keeper shall provide to Attijariwafa bank the corresponding subscription form, transfer the complement of the preemptive subscription rights to the centralization account at Maroclear, and make the wire of the corresponding subscription amount via SRBM.

### **VI.2. Subscription payment and book-entry**

Attijariwafa bank is in charge of the book-entry of the new shares at Maroclear.

#### **VI.2.1. Subscription by cash contribution**

The paying-up of the amounts corresponding to the subscriptions by cash contribution to this capital increase must be made in cash, by check, or by debiting the account of the subscriber which is in the books of its custodian, and paid to the centralizing agent no later than the closing date of the subscription period.

It should be noted that the checks must be cashed no later than the closing date of the subscription period.

The amount of the payments must be equal to the subscribed amount plus the stock exchange commission (0.1% of the subscribed amount exclusive of taxes), the brokerage commission (0.6% of the subscribed amount exclusive of taxes) and the clearing/settlement commission (0.2% of the subscribed amount exclusive of taxes). The commissions are billed by the custodians.

A 10% VAT shall be applied to the various commissions.

Attijariwafa bank, the centralizing agent and collecting body for subscription orders, shall pay these amounts into a special account reserved for the transaction, the subject of this prospectus: "Managem - Capital increase". The book-entry date of the new shares shall correspond to the settlement date, August 2<sup>nd</sup>, 2017.

#### **VI.2.2. Subscription by offset of claims**

The claim related to the shareholder current account held by SNI on the Company has been established at MAD 670,006,506. Moreover, the Statutory Auditors of the Company have issued their report certifying the accuracy of said statement of account.

The centralizing agent must record the offset of the claim through the subscription form and the report of statutory auditors on the statement of account related to the claims to be offset.

The stock exchange commission, the brokerage commission and the clearing/settlement commission shall be billed by the custodians and must be paid by the subscriber (including applicable 10% VAT) to the centralizing agent no later than the closing date of the subscription period.

The book-entry date of the new shares shall correspond to the settlement date, August 2<sup>nd</sup>, 2017.

#### **VI.3. Brokerage firm in charge of recording the transaction**

Attijari Intermédiation is in charge of recording the transaction at the Casablanca Stock Exchange. The registration of the transaction at the stock exchange shall be done on August 3<sup>rd</sup>, 2017. The registration price corresponds to the subscription price as laid down within the framework of this transaction, ie MAD 1,169 per share.

#### **VI.4. Terms for repaying the remaining amount**

The repayment of the remaining amounts in cash to the subscribers shall be done on August 2<sup>nd</sup>, 2017.

#### **VI.5. Arrangements for publishing the results of the transaction**

The results of the transaction shall be published in the official list by the Casablanca Stock Exchange on August 3<sup>rd</sup>, 2017, and shall be published by Managem in a newspaper of legal notices no later than August 4<sup>th</sup>, 2017.

## **PART II. GENERAL PRESENTATION OF MANAGEM**

## I. MANAGEM'S ACTIVITY

Managem Group was established in 1928 and currently operates in three business lines: research, operations and upgrading.

Managem Group has developed a real expertise in terms of controlling mining operations, upgrading ores, exploration, innovation, and sustainable development approach, which it currently exports to other African countries<sup>2</sup>.

With a qualified human capital, Managem is working on improving the quality of its production, the safety of its mining operations and profitability.

Managem's historic business consists in exploring, extracting, upgrading, and marketing the various ores, namely base metals (copper, zinc, lead), precious metals (gold and silver), special metals (cobalt cathode, nickel, etc.) from hydrometallurgical operations, and lastly useful substances (fluorine).

## II. INFORMATION ON MANAGEM'S CAPITAL

### II.1. General information

On April 30<sup>th</sup>, 2017, the share capital of Managem stood at MAD 915,869,900, fully paid up. It is divided into 9,158,699 shares with a par value of MAD 100 each.

### II.2. Shareholding structure and history

Managem's shareholding structure has changed as follows over the last three years:

Shareholders	31/12/2014		31/12/2015		31/12/2016	
	Number of shares	% of the capital and voting rights	Number of shares	% of the capital and voting rights	Number of shares	% of the capital and voting rights
SNI	7 457 625	81.4%	7 457 625	81.4%	7 457 625	81.4%
CIMR	581 137	6.3%	654 286	7.1%	654 286	7.1%
Other shareholders - free float	1 119 937	12.2%	1 046 788	11.4%	1 046 788	11.4%
<b>Total</b>	<b>9 158 699</b>	<b>100.0%</b>	<b>9 158 699</b>	<b>100.0%</b>	<b>9 158 699</b>	<b>100.0%</b>

*Source: Managem*

On March 21<sup>st</sup>, 2014, CIMR crossed the threshold of 5% of the capital of Managem. As of December 31<sup>st</sup>, 2016, CIMR held 7.1% of the Company's capital.

With the exception of the foregoing, no major change in the shareholding structure of Managem has been recorded over the past 3 years.

<sup>2</sup> Democratic Republic of the Congo, Gabon, Sudan, Guinea and Congo Brazzaville

### III. BOARD OF DIRECTORS

On April 30<sup>th</sup>, 2017, the composition of Managem's Board of Directors was as follows:

Members of the Board of Directors	Current position	Appointment	Latest renewal/ratification	Expiry of the term	Affiliation with Managem Group
Imad TOUMI	Chairman and Chief Executive Officer	28/01/2016	GM of 27/05/2016	GM called to approve the 2020 accounts	Chairman and Chief Executive Officer
Bassim JAI HOKIMI	Director	04/06/2002	GM of 22/05/2014	GM called to approve the 2019 accounts	Director
Hassan OURIAGLI	Director	09/11/2009	GM of 15/05/2015	GM called to approve the 2020 accounts	Director
Ramses ARROUB	Director	11/03/2015	GM of 15/05/2015	GM called to approve the 2020 accounts	Director
Noufissa KESSAR	Director	10/09/2015	GM of 27/05/2016	GM called to approve the 2021 accounts	Director
SNI rep. by Aymane TAUD	Director	27/05/2011	GM of 27/05/2011	GM called to approve the 2016 accounts	Director
ONHYM rep. by Amina BENKHADRA	Director	16/09/1996	GM of 22/05/2014	GM called to approve the 2019 accounts	Director
SIGER rep. by Hassan OURIAGLI	Director	04/06/2002	GM of 22/05/2014	GM called to approve the 2019 accounts	Director

*Source: Managem*

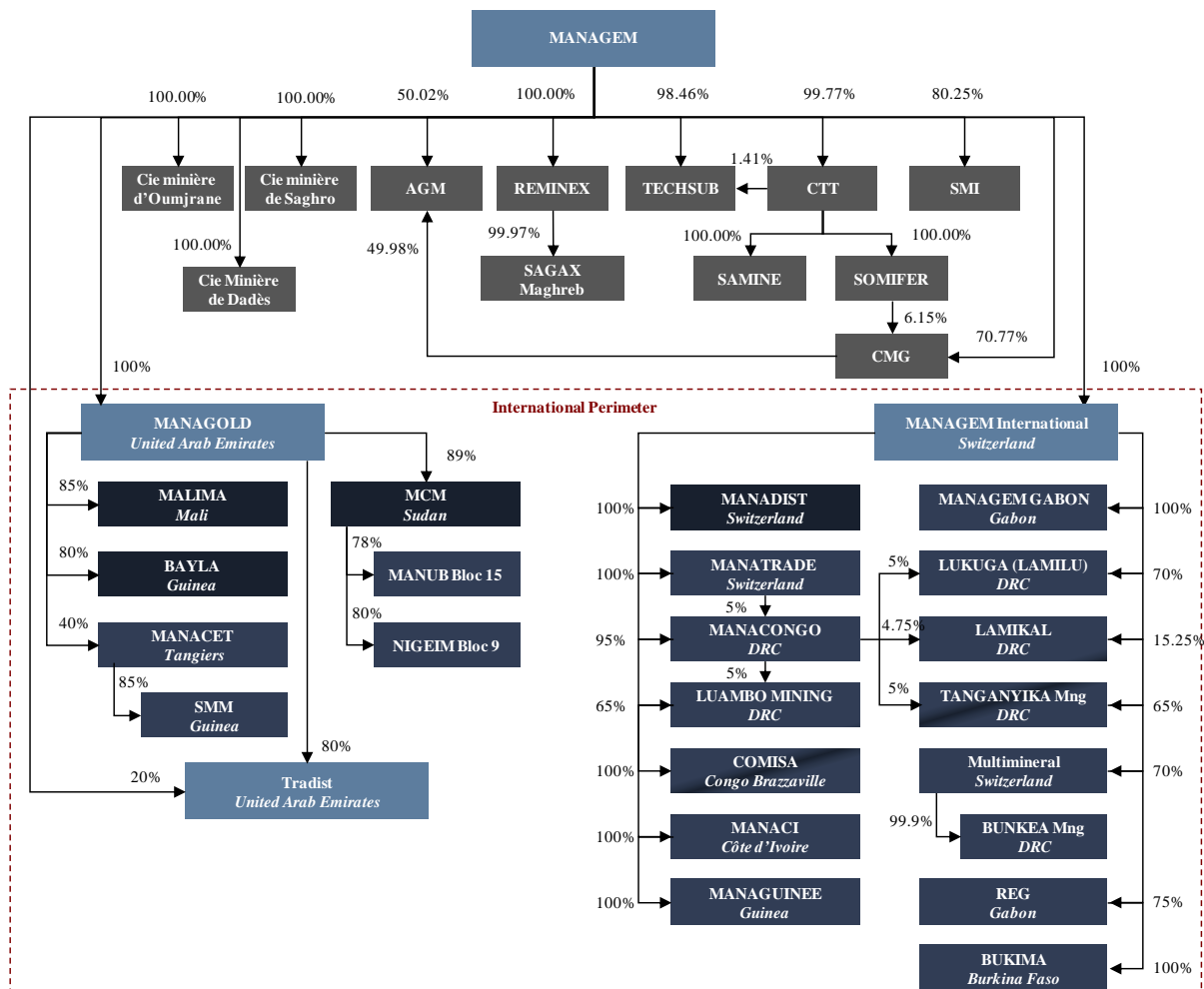
The draft resolutions of the AGM of June 16<sup>th</sup>, 2017 propose to renew the term of office of the director of SNI, represented by Mr. Aymane TAUD, for a 6-year term. Furthermore, the same draft resolutions propose to take note of the change in the permanent representative of SIGER, who now is Mr. Mounir EL MAJIDI.



#### IV. LEGAL STRUCTURE

Managem has subsidiaries at the national and international levels. The Group structure as at April 30<sup>th</sup>, 2017 was as follows:

##### Managem's legal structure as at April 30<sup>th</sup>, 2017



Source: Managem

### **PART III. FINANCIAL SITUATION OF MANAGEM GROUP**

## I. CONSOLIDATED INCOME STATEMENT

The following table presents the evolution of the aggregates of the consolidated income statement of Managem Group over the 2014 – 2016 period:

In MAD millions	2014	2015	2016	Var. 15/14	Var. 16/15
<b>Turnover</b>	<b>3 839.8</b>	<b>4 317.0</b>	<b>4 376.9</b>	<b>12.4%</b>	<b>1.4%</b>
Other revenues	90.4	-41.3	-12.7	<-100.0%	69.3%
<b>Revenue from ordinary activities</b>	<b>3 930.2</b>	<b>4 275.7</b>	<b>4 364.2</b>	<b>8.8%</b>	<b>2.1%</b>
Purchases, net of inventory variations	1 691.30	1727.9	1 636.9	2.2%	-5.3%
<b>Gross margin</b>	<b>2 238.9</b>	<b>2 547.8</b>	<b>2 727.3</b>	<b>13.8%</b>	<b>7.0%</b>
<i>(Gross margin/ Turnover)</i>	<i>58.3%</i>	<i>59.0%</i>	<i>62.3%</i>	<i>71 bps</i>	<i>329 bps</i>
Other external charges	-853.8	-897	-864.4	5.1%	-3.6%
Personnel expenses	-824.2	-905.3	-945.4	9.8%	4.4%
Taxes	-56.9	-65.8	-56.0	15.6%	-14.9%
Amortizations and operating provisions	-890.1	-876.9	-883.4	-1.5%	0.7%
Other net operating income (expenses)	832.1	807	697.1	-3.0%	-13.6%
<b>Current operating income</b>	<b>446.0</b>	<b>609.8</b>	<b>675.2</b>	<b>36.7%</b>	<b>10.7%</b>
Sale of assets	1	0.2	0.4	-80.0%	>100.0%
Earnings on financial instruments	-0.4	5.3	-6.6	>100.0%	<-100.0%
Other non-current operating income and expenses	-0.7	1.9	3.4	>100.0%	76.7%
<b>Income from operating activities</b>	<b>445.9</b>	<b>617.2</b>	<b>672.5</b>	<b>38.4%</b>	<b>9.0%</b>
<i>Operating margin (operating income/turnover)</i>	<i>11.6%</i>	<i>14.3%</i>	<i>15.4%</i>	<i>268 bps</i>	<i>107 bps</i>
Interest income	12.7	13.6	12.6	7.1%	-7.6%
Interest expenses	-176.6	-206.6	-206.0	17.0%	-0.3%
<b>Cost of net debt</b>	<b>-163.9</b>	<b>-193.0</b>	<b>-193.4</b>	<b>-17.8%</b>	<b>-0.2%</b>
Other financial income and expenses	28.6	-57.7	45.5	<-100.0%	>100.0%
<b>Financial income</b>	<b>-135.3</b>	<b>-250.7</b>	<b>-147.9</b>	<b>-85.3%</b>	<b>41.0%</b>
<b>Pre-tax income of consolidated companies</b>	<b>310.6</b>	<b>366.5</b>	<b>524.6</b>	<b>18.0%</b>	<b>43.1%</b>
<i>Pre-tax margin (pre-tax income/turnover)</i>	<i>8.1%</i>	<i>8.5%</i>	<i>12.0%</i>	<i>40 bps</i>	<i>350 bps</i>
Income tax	-88	-95.9	-110.0	9.0%	14.7%
Deferred taxes	3.1	-13.1	-17.3	<-100.0%	32.4%
<b>Consolidated net income</b>	<b>225.7</b>	<b>257.5</b>	<b>397.2</b>	<b>14.1%</b>	<b>54.2%</b>
<i>Net margin (net income/turnover)</i>	<i>5.9%</i>	<i>6.0%</i>	<i>9.1%</i>	<i>9 bps</i>	<i>311 bps</i>
Minority interest	43.8	52.6	108.7	20.1%	>100.0%
<b>Net income - Group share</b>	<b>181.9</b>	<b>204.9</b>	<b>288.5</b>	<b>12.6%</b>	<b>40.8%</b>
<b>EPS</b>	<b>19.9</b>	<b>22.4</b>	<b>31.5</b>	<b>12.6%</b>	<b>40.6%</b>

Source: Managem

## II. CONSOLIDATED BALANCE SHEET

The following table presents the evolution of the consolidated balance sheet of Managem Group between 2014 and 2016:

In MAD millions	2014	2015	2016	Var. 15/14	Var. 16/15
<b>ASSETS</b>					
Goodwill	318.2	319.5	319.8	0.4%	0.1%
Intangible assets	1 198.0	1 467.4	1 960.1	22.5%	33.6%
Tangible assets	4 390.0	4 477.5	4 382.1	2.0%	-2.1%
Investment properties	26.6	26.3	25.9	-1.3%	-1.5%
Other financial assets	299.5	279.8	304.2	-6.6%	8.7%
Deferred tax assets	248.9	279.7	272.7	12.4%	-2.5%
<b>Non-current assets</b>	<b>6 481.3</b>	<b>6 850.1</b>	<b>7 264.7</b>	<b>5.7%</b>	<b>6.1%</b>
Other financial assets	3.6	7.3	3.7	>100.0%	-49.3%
Inventory and work in process inventory	638.0	622.0	594.8	-2.5%	-4.4%
Accounts receivable	616.6	608.4	422.3	-1.3%	-30.6%
Other current receivables	1 366.7	1 663.1	1 721.3	21.7%	3.5%
Cash and cash equivalents	128.0	384.3	502.5	>100.0%	30.8%
<b>Current assets</b>	<b>2 752.9</b>	<b>3 285.2</b>	<b>3 244.6</b>	<b>19.3%</b>	<b>-1.2%</b>
<b>Total assets</b>	<b>9 234.2</b>	<b>10 135.3</b>	<b>10 509.3</b>	<b>9.8%</b>	<b>3.7%</b>

In MAD millions	2014	2015	2016	Var. 15/14	Var. 16/15
<b>LIABILITIES</b>					
Capital	915.9	915.9	915.9	0.0%	0.0%
Share premium and acquisition premium	784.0	784.0	784.0	0.0%	0.0%
Reserves	1 475.3	1 325.1	1 328.5	-10.2%	0.3%
Unrealized exchange gains or losses	93.4	203.3	230.9	>100.0%	13.6%
Net income - group share	181.9	204.9	288.5	12.6%	40.8%
<b>Shareholders' equity - group share</b>	<b>3 450.4</b>	<b>3 433.1</b>	<b>3 547.7</b>	<b>-0.5%</b>	<b>3.3%</b>
Minority interest	447.2	434.0	471.6	-2.9%	8.7%
<b>Consolidated shareholders' equity</b>	<b>3 897.7</b>	<b>3 867.1</b>	<b>4 019.4</b>	<b>-0.8%</b>	<b>3.9%</b>
Provisions	52.8	54.6	54.4	3.5%	-0.4%
Personnel benefits	112.4	127.5	156.1	13.5%	22.4%
Non-current financial debt	2 182.3	2 271.4	1 988.4	4.1%	-12.5%
Deferred tax liabilities	9.6	11.9	17.8	23.7%	49.6%
Other non-current payables	24.1	18.1	12.6	-24.8%	-30.3%
<b>Non-current liabilities</b>	<b>2 381.2</b>	<b>2 483.6</b>	<b>2 229.3</b>	<b>4.3%</b>	<b>-10.2%</b>
Current financial debt	1 137.0	1 741.1	2 238.5	53.1%	28.6%
Current accounts payable	779.5	977.0	902.0	25.3%	-7.7%
Other current payables	1 039.0	1 066.5	1 120.2	2.7%	5.0%
<b>Current liabilities</b>	<b>2 955.4</b>	<b>3 784.6</b>	<b>4 260.6</b>	<b>28.1%</b>	<b>12.6%</b>
<b>Total liabilities</b>	<b>9 234.2</b>	<b>10 135.3</b>	<b>10 509.3</b>	<b>9.8%</b>	<b>3.7%</b>

Source: Managem

## **PART IV. RISK FACTORS**

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

## **I. RISKS RELATED TO CHANGES IN PRICES OF RAW MATERIALS**

As a result of Managem's activity, its sales are conditioned by prices set on international markets. Its turnover may be significantly impacted by changes (increase or decrease) in prices of raw materials.

To limit the risks of fluctuation related to changes in prices of raw materials, Managem may use hedging instruments, traded on organized markets, for the products it sells.

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

It should be noted that Managem is resilient to changes in prices of raw materials, given the competitiveness of its "cash-cost". Indeed, the "cash-costs" of Managem's various products are well positioned relative to the competition.

## **II. CURRENCY RISK**

Export sales made by Managem are for the most part denominated in dollars and to a lesser extent in euros. Hence, the turnover may be considerably impacted by changes in the exchange rate.

To limit currency risk, Managem uses currency hedging contracts. It should be noted that this risk may be mitigated by the existing negative correlation between the dollar and the prices of raw materials.

## **III. RISKS RELATED TO RESOURCES AND RESERVES**

Mineral reserves constitute a fundamental element of the operations of a purely mining company. Hence, once the reserves are depleted, the mine is closed and the company's operations stop.

For Managem, this risk is mitigated by the fact that it has quality deposits with a significant discovery potential, good exploration performance, and low research costs. Indeed, each year, Managem dedicates a considerable budget to exploration, both at the local and international levels, so as to increase its current resources and have several sources of mineral supply, which limits this risk.

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

Furthermore, the ore grade remains a big uncertainty in the production level of a mining operations company. The in-depth knowledge of the site, the control of the production process, and expertise in research and development are all advantages that Managem has, which make it possible for it to contain the variation of the average ore grades identified each year within a stable bracket, or to smooth out the curve of the average ore grades to be as close as possible to the forecasted data developed by the operating program of each mine.

## **IV. TECHNICAL RISKS**

Technical risks are inherent to any mining operations company. To contain them, Managem has an in-depth knowledge of the deposits and facilities, control of the production process, and cutting edge expertise.

With regard to new projects, Managem conducts pilot tests, laboratory testing, as well as pre-production testing. This approach makes it possible to identify possible problems that may arise at the start of operations and to initiate corrective action that is essential to the smooth functioning of the operating phase.

## **V. RISKS RELATED TO SAFETY AND THE ENVIRONMENT**

In the light of the specific nature of the tasks related to the mining and hydrometallurgical industry, namely depths that can reach several hundreds of meters and the handling of hazardous products, there are risks for operations and employees.

To address them, Managem established several programs that aim to strengthen security in the mines and the production sites.

On the environmental front, Managem worked on setting up programs to adapt its production facilities and upgrade sites in order to meet international standards in the field, and to anticipate local regulations. In this framework, diagnoses are made on a regular basis and potential risks are carefully examined, and as a result environmental indicators are gradually improving.

## **VI. RISKS RELATED TO REGULATIONS**

Some incentives, particularly tax incentives, are given to exporter mining operations companies. The advantages they have may be reviewed or abrogated, and this may have an impact on Managem's activity and/or profitability.

In the light of the strategic nature of the mining sector and the review of tax advantages introduced by the budget bill for 2008, the risk of review of these tax advantages is limited.

## **VII. RISKS RELATED TO THE ACTIVITY ABROAD**

In the light of the planned international developments, Managem is exposed to risks related to local regulations and political instability in countries where the Group has a presence. Nonetheless, this risk is mitigated to the extent that it is incorporated into the profitability objectives of the projects. It is also mitigated by a geographic diversification strategy.

## **VIII. SOCIAL RISKS**

Social risks are managed by Managem through a policy of attentiveness and ongoing dialogue with the social partners, the granting of advantages that meet personnel needs, and the involvement of all the personnel in the implementation of the Group's vision.

## **IX. RISKS RELATED TO THE NON-RENEWAL OF LICENSES**

To avoid risks related to the non-renewal of licenses, Managem Group strictly applies the administrative procedure in force so that the renewal is issued. This procedure consists in:

- preparing a report of previous works carried out, as well as the expenses incurred, with the license for which a renewal is requested;
- preparing a report of projected works, as well as the budgets which will be mobilized within the framework of the operations;
- the operating licenses for which a renewal is requested are subject to systematic regulatory investigations on the field so that the Administration can see the work that was accomplished.

## **X. RISKS RELATED TO NATURAL DISASTERS**

To guard against damage that can be caused by a natural phenomenon such as a flood, Managem, prior to any launch of investment projects, carries out:

- environmental impact studies;
- the implementation of security plans consisting in the installation of fire systems, an evacuation plan, alarms, etc.

Likewise, Managem Group guards against possible natural phenomena by taking out insurance policies that would cover, whenever necessary, possible material losses and inventory losses, and a compensation for the production stoppage.

## **XI. RISKS RELATED TO MANAGEM'S CLIENTS**

Managem Group markets commodities, namely silver, gold, zinc, lead, copper and cobalt (recent listing) listed in the international markets. Hence, there is virtually no risk of losing a potential client due to the presence of market makers. Yet, for some niche or specialty products (zinc oxide and fluorine), this risk is managed through registration processes and expanding client portfolios.



**DISCLAIMER**

The aforementioned information is but one part of the prospectus approved by the AMMC (Moroccan Capital Markets Authority) under reference VI/EM/015/2017 on June 13<sup>th</sup>, 2017. The AMMC recommends reading the full prospectus available to the public in French.