

# PRESS RELEASE

## SMI 2019 ANNUAL RESULTS

- **Increase in turnover and improvement in the operating margin**
- **Strong increase in production following the startup of the new dyke treatment plant**

The Board of Directors of SMI met on 20<sup>th</sup> March 2020, and presided by Mr Imad TOUMI approved the financial statements for the year ended 31/12/2019:

Key figures in M MAD	2019	2018	Change in MMAD
<b>Turnover</b>	852	678	174
<b>EBITDA</b>	386	136	250
<b>Operating income</b>	113	-150	262
<b>Financial result</b>	-12	-19	-7
<b>Net income</b>	91	-179	270

SMI delivered a strong growth in turnover in 2019, up 26% to total 852 M MAD compared to 2018. This performance reflects both the significant increase in volumes sold which were up 18% as well as the improvement in silver prices, up 3%.

The new dyke treatment plant with an annual capacity of 300 KTTV was opened in 2019. The plant produced 19 MT during the year, allowing SMI to benefit from the improved trend in silver prices.

In line with the increase in sales, SMI's profitability recovered strongly with an EBITDA up 250 M MAD to generate a gross margin of 45% compared to 20% in 2018.

The growth in operating income reflects the increase in EBITDA, illustrating the considerable achievement made in improving operating efficiency in the year.

Net income grew by 270 M MAD to total 91 M MAD, reflecting the strengthening of SMI's fundamentals during 2019.

### DIVIDEND

To continue strengthening SMI's financial structure, the Board of Directors will recommend to the AGM that no dividend is distributed for the 2019 financial year.

### DEVELOPMENT & OUTLOOK

Following the successful startup of the dyke treatment plant, SMI aims to increase the production to 30 - 40 MT of silver p.a. We remain as committed as ever to transforming our mining waste into a resource, to creating value and to ensuring sustainable activity throughout the lifecycle of a mine.

In the context of the current health crisis, SMI is totally mobilised, as is Managem, and using all means available to protect its employees and local communities to limit the spread of the Covid-19 pandemic.