

# aradei

CAPITAL

## ARADEI CAPITAL S.A

Prospectus Summary relating to the Share Capital Increase reserved for the public through the issue of 520,833 new shares, with cancellation of the shareholders' preferential subscription rights

The AMMC-approved prospectus consists of:

- The Securities Note;
- The Reference Document relating to the 2023 financial year, registered by the AMMC on May 24, 2024, under the reference EN/EM/003/2024.

### Fixed Price Offer

Nature of securities	Ordinary shares
Subscription price	MAD 480
Nominal value	MAD 100
Number of new shares to be issued	520,833 shares
Maximum total amount of the operation (Including issue premium)	MAD 249 999 840
Subscription period	from 03/06/2024 to 07/06/2024 at 3:30 p.m. inclusive

This offer is not intended for Money Market and Short-Term Bond UCITS

Co-Financial Advisors	Co-Leaders of the Placement Syndicate
 CORPORATE FINANCE	 CAPITAL MARKETS
 VALORIS CORPORATE FINANCE	 VALORIS SECURITIES Société de Bourse
	 CAPITAL TRUST SECURITIES

### Members of the Placement Syndicate

 البريد بنك AL BARID BANK	 ALMA FINANCE GROUP	 ARTBOURSE	 Oaklins MEMBER FIRM	 ATLAS CAPITAL BOURSE	 IUPLINE SECURITIES	 التجاري وفا بنك Attijariwafa bank	 وفا للتبويصة Wafa Bourse	 BANQUE POPULAIRE
 BANK OF AFRICA BMCE GROUP	 BMCI GROUPE BNP PARIBAS	 BMCI BOURSE Groupe BNP PARIBAS	 CFG BANK	 التعاون الزراعي CREDIT AGRICOLE	 مصرف الحارث CREDIT DU HARB	 Sogecapital Bourse الفرقة العامة SOCIETE GENERALE		
 CIH BANK	 التجاري الوساطة Attijari Intermediation	 AL WASSIT SOCIETE DE BOURSE	 M.S.I.N SOCIETE DE BOURSE	 CDG CAPITAL BOURSE	 REDMED CAPITAL SECURITIES SOCIETE DE BOURSE	 BMCE CAPITAL BOURSE	 الفرقة العامة SOCIETE GENERALE	

### Approval of the Moroccan Capital Market Authority (AMMC)

In accordance with the provisions of the AMMC circular, issued pursuant to Article 5 of the Dahir Law No. 1 -12-55 dated December 28, 2012, promulgating Law No. 44-12 on public offerings and information required of legal entities and savings organizations, this prospectus was approved by AMMC on May 24, 2024, under reference no. VI/EM/011/2024.

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

- The Reference Document relating to the 2023 financial year, registered by the AMMC on May 24, 2024, under the reference EN/EM/003/2024;
- The Securities Note.

## Disclaimer

The Moroccan Capital Market Authority (AMMC) approved on date May 24, 2024, a prospectus relating to the increase in Aradei Capital S.A. share capital reserved to the public through the issue of 520 833 new shares, with cancellation of the shareholders' preferential subscription right.

The AMMC-approved prospectus is available at any time:

- At the registered office of Aradei Capital S.A.: Route secondaire 1029, Municipalité de Sidi Maârouf – 20180 - Casablanca and on its website: [www.aradeicapital.com](http://www.aradeicapital.com);
- From financial advisors:
  - Valoris Corporate Finance: Angle Route d'El Jadida et, Rue Abou Dhabi, Casablanca 20410
  - CFG Finance: 5-7, rue Ibnou Toufail, Casablanca
- From the Co-Leaders of the placement syndicate, within a maximum of 48 hours:
  - Valoris Securities: Angle Route d'El Jadida et, Rue Abou Dhabi, Casablanca 20410
  - Capital Trust Securities: 50, Boulevard Rachidi, Casablanca
  - CFG Marchés: 5-7, rue Ibnou Toufail, Casablanca

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

This summary is translated by the company Lissaniat under the joint responsibility of the said translator and Aradei Capital. In the event of any discrepancy between the contents of this summary and the AMMC-approved prospectus, only the approved prospectus will prevail.

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## **Part I. PRESENTATION OF THE OPERATION**

## I. Framework of the Operation

### I.1. General framework of the Operation

Aradei Capital Board of Directors, held on July 18, 2022, at 10.00 a.m., has taken decisions relating to the following main points:

- Proposal to authorize a share capital increase in one or several instalments up to a maximum amount (including the issue premium) of MAD 500,000,000, through the issue of new shares with a face value of MAD 100 each, to be issued at a subscription price (including the issue premium) ranging between MAD 440 and MAD 480 per share, reserved to the public with cancellation of the shareholders' preferential subscription right;
- Proposal of charging the operation expenses on the amount of the issue premium relating to the capital increase;
- Convening of an Extraordinary General Meeting on September 5, 2022, in order to deliberate on the capital increase operation and its terms.

The Extraordinary General Meeting held on September 5, 2022, after having taken cognizance of the Board of Directors' report and of the statutory auditors' special report on the cancellation of the shareholders' preferential subscription right, authorized, among other things, an increase in the registered capital reserved to the public up to a maximum amount (including the issue premium) of MAD 500,000,000.

The share capital increase will be conducted in one or several tranches by issuing shares at a subscription price included in a range between MAD 440 and MAD 480 per share (issue premium included), it being reminded that the unit nominal value of the Company's shares is MAD 100.

The new shares will be fully subscribed and paid up in cash.

The new shares will bear current dividend so as to be totally assimilated to the existing shares of the Company as from the date of the final realization of the capital increase.

The new shares will give right to the distribution of profits or allocation of reserves which could be decided by the Company as from the date of final completion of the increase in share capital or of each of its tranches, it being specified for all purposes that the new shares to be created by the Company in respect of the share capital increase or of each determined tranche will not give right to any distribution of profits or allocation of reserves, premiums or reduction of share capital, of any kind whatsoever, distributed before the date of completion of (i.) the relevant tranche of the share capital increase or (ii.) the share capital increase if it were to be carried out in one go.

The same meeting took the following decisions:

- Cancellation of the shareholders' preferential subscription rights in favor of the public in respect of the entire capital increase;
- Charging, subject to the condition precedent of the completion of the capital increase, of the costs arising from the said capital increase against the amount of the related issue premium;
- Delegation of powers to the Board of Directors, specifically for the purpose of:
  - to fix the definitive amount of the capital increase within the limit of the authorized amount and to fix the subscription price within the range referred to above (nominal value and issue premium);
  - to fix the conditions and modalities of the final realization of the capital increase as well as the characteristics of the said operation, to proceed with the correlative modification of the articles of association in order to reflect the new amount of the share capital, to carry out the steps necessary for the realization of the said capital increase, to note the subscription, the payment and the final realization of the capital increase;
  - to charge the costs of the capital increase to the issue premium;
  - and, generally, to take all useful measures and carry out all formalities necessary for the final realization of the capital increase.

The Company's Board of Directors, on October 18, 2022, using the delegation of powers granted to it by the Extraordinary General Meeting of September 5, 2022:

- Decided to increase the share capital by an amount of MAD 56,818,100 by issuing 568,181 shares at a unit subscription price of MAD 440 including MAD 100 as nominal amount and MAD 340 as issue premium, i.e., a global contribution of MAD 249,999,640 (hereinafter Capital Increase no. 1);
- fixed the final methods of conducting the Capital Increase no. 1 as well as the characteristics of the said operation.

The Capital Increase no. 1 amounted to MAD 249,999,640, including MAD 56,818,100 in nominal value and MAD 193,181,540 in issue premium.

The Company's share capital was thus increased from MAD 1,064,578,300 to MAD 1,121,396,400.

On May 23, 2024, the Company's Board of Directors, using the powers delegated to it by the Extraordinary General Meeting of September 5, 2022:

- decided to increase the share capital in cash by MAD 52,083,300 through the issue of 520,833 shares at a unit subscription price of MAD 480, of which MAD100 as nominal value and MAD 380 as issue premium, (hereinafter Capital Increase no. 2), representing a total contribution of MAD 249,999,840, of which MAD 52,083,300 as nominal value and MAD 197,916,540 as issue premium;
- set the final terms and conditions of the Capital Increase no. 2, as well as the characteristics of the said Operation.

The Operation must be fully subscribed. Failure to do so will render the Operation null and void, in accordance with the provisions of article 188 of law no. 17-95 relating to public limited companies, as amended and supplemented.

## II. Objectives of the Operation

The Operation, motivated by the size and the development prospects of the Company, would allow to achieve the following objectives:

- To provide equity financing for the acquisition of a minority stake in a real estate company owning operating real estate assets located in several Moroccan cities and fully leased to a well-known tenant, for a total investment of around MAD 270 million. As of May 23, 2024, the acquisition protocol is in the process of being signed;
- To enable institutional investors and the general public to access or strengthen their position in an asset class dedicated to commercial rental real estate;
- To optimize the company's financing costs.

### II.1. Intent of shareholders and directors

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

### II.2. Impact of the Operation

#### II.2.1. Impact of the operation on the company's equity

##### Impact on shareholders' equity

Following the capital increase covered by this operation, the shareholders' equity of Aradei Capital S.A. will be as follows:

kMAD, unless indicated	Position as of December 31, 2023	Impact of the Operation	Post-operation position
Number of shares (unit)	11 213 964	520 833	11 734 797
Share capital	1 121 396.4	52 083.3	1 173 479.7
Additional paid-in capital	843 762.6	197 916.5	1 041 679.2
Shareholders' equity	2 133 613.2	249 999.8	2 383 613.0

### Impact on consolidated equity

Following the capital increase covered by the present operation, the consolidated shareholders' equity of Aradei Capital will be as follows:

kMAD, unless indicated	Position as of December 31, 2023	Impact of the Operation	Post-operation position
Number of shares (unit)	11 213 964	520 833	11 734 797
Share capital	1 121 396.4	52 083.3	1 173 479.7
Additional paid-in capital	829 372.0	197 916.5	1 027 288.5
Shareholders' equity	4 500 158.0	249 999.8	4 750 157.8

### III. Schedule of the operation

The following table presents the Operation's schedule:

Order	Steps	Date
1	Issue of the Casablanca Stock Exchange Approval Notice relating to the Operation	24/05/2024
2	AMMC approval of the prospectus	24/05/2024
3	Publication by the Casablanca Stock Exchange of the notice relating to the Operation	27/05/2024
4	Publication of a press release by the Issuer in a legal announcement gazette	27/05/2024
5	Opening of the subscription period	03/06/2024
6	Closing of the subscription period at 3:30 pm inclusive	07/06/2024
7	Receipt of subscriptions by the Casablanca Stock Exchange before 6:30 pm	07/06/2024
8	Centralization and consolidation of subscriptions by the Casablanca Stock Exchange	10/06/2024
9	Processing of rejected applications by the Casablanca Stock Exchange	11/06/2024
10	Allocation of subscriptions and remittance by the Casablanca Stock Exchange of the list of subscriptions to the Issuer Delivery by the Casablanca Stock Exchange of allotments by account holder to the PS co-leaders before 12.00 p.m. Delivery by the Casablanca Stock Exchange of allotments of securities to PS members before 12.00 p.m.	12/06/2024
11	Holding of the meeting of the Issuer's body having to acknowledge the final completion of the Operation	13/06/2024
12	Receipt by the Casablanca Stock Exchange of the minutes of the Issuer's body having noticed the conducting of the Operation before 12:00 pm	14/06/2024
13	Admission of the new shares Registration of the operation on the Stock Exchange Publication of the Operation's results	21/06/2024
14	Publication of the results of the Operation in a legal announcement gazette and on the Issuer's website	26/06/2024
15	Settlement / Delivery of new securities	26/06/2024

## IV. Characteristics of the securities to be issued

### IV.1. Amount of the operation

Aradei Capital SA plans to conduct a cash capital increase of MAD 52,083,300 through the issue of 520,833 shares at a unit subscription price of MAD 480, of which MAD 100 as nominal value and MAD 380 as share premium. The total amount of the capital increase will be MAD 249,999,840, of which MAD 52,083,300 as nominal value and MAD 197,916,540 as issue premium.

### IV.2. Structure of the offer

Characteristics	Description
<b>Subscribers</b>	<p>Resident or non-resident natural persons of Moroccan or foreign nationality;</p> <p>Legal entities governed by Moroccan or foreign law not belonging to the categories of qualified investors as defined by article 3 of law no.44-12 and article 1.30 of AMMC circular no.03/19 as amended and supplemented, and having been in existence for more than one year as of the subscription date;</p> <p>Qualified investors under Moroccan law as defined by article 3 of law no.44-12 and article 1.30 of AMMC circular 03/19 as amended and supplemented, excluding money-market and short-term bond UCITS;</p> <p>Qualified foreign investors as defined by article 1.30 paragraph (c) of AMMC circular no.03/19 as amended and supplemented.</p>
<b>Amount of the offer</b>	MAD 249,999,840
<b>Number of shares</b>	520,833 shares
<b>In % of share capital after the Operation</b>	4.44%
<b>In % of the Operation</b>	100%
<b>Subscription price</b>	MAD 480 per share
<b>Minimum subscription per investor</b>	No minimum
<b>Subscription limit per investor</b>	<p>For all investors, except UCITS, 10% of the global number of shares offered within the framework of the Operation, representing 520,083 shares, i.e., MAD 24,999,840;</p> <p>For OPCVM, the minimum between:</p> <ul style="list-style-type: none"> <li>✓ 10% of the global number of shares offered within the framework of the Operation, representing 520,083 shares, i.e. MAD 24,999,840, and</li> <li>✓ 10% of the net assets of the OPCVM corresponding to the net asset value as of 31/05/2024.</li> </ul>
<b>Placement</b>	<p>For qualified investors of foreign law as defined by Article 3 of Law no. 44-12 and Article 1.30 of AMMC Circular no. 03/19, except UCITS: Co-leaders of the placement syndicate;</p> <p>For qualified investors of Moroccan Law as defined by Article 3 of Law no. 44-12 and Article 1.30 of AMMC Circular no. 03/19, except UCITS: Co-leaders of the placement syndicate;</p>



	For other categories of investors, except for monetary and short-term bond UCITS: All placement syndicate members.
<b>Subscription coverage</b>	<p>For natural or legal persons of Moroccan or foreign law (non-qualified), subscriptions must be covered at 100% by:</p> <ul style="list-style-type: none"> <li>✓ An effective deposit (handing over of cheque, cash or transfer) on the subscriber's account, and/or;</li> <li>✓ A collateral consisting of securities according to the following modalities: <ul style="list-style-type: none"> <li>government bonds: taken at a maximum of 100% of the value on the subscription date;</li> <li>Money market UCITS with daily net asset value: taken at a maximum of 100% of the value on the subscription date;</li> <li>Units of UCITS with daily net asset value (except money-market UCITS), term deposits, listed shares: taken at 80% maximum of the value at the subscription date;</li> </ul> </li> </ul> <p>For qualified investors of Moroccan law: no coverage at subscription time.</p> <p>For qualified investors of foreign law (i) justifying of more than one year of existence on the date of subscription of the current operation or (ii) having already conducted an operation on the primary or secondary market of the Casablanca Stock Exchange: no coverage at the time of subscription</p> <p>For qualified investors of foreign law (i) not having more than one year of existence on the date of subscription for the current operation and (ii) not having already conducted a transaction on the primary or secondary market of the Casablanca Stock Exchange: coverage at 30 % by an effective deposit (handing over of cheque, cash or transfer) or at 100 % by a bank guarantee</p> <p>Coverage by collateral is subject to the appreciation of each PS member retained by the subscriber. The subscription coverage in cash, cheque, transfer and/or collateral will have to remain blocked, until the allocation of securities on 12/06/2024.</p> <p>For all coverages, checks deposited to cover actual deposits must be presented for collection before the subscription is validated, transfers must be received before the subscription is validated, and the actual deposit must be debited from the subscriber's account and blocked immediately after the subscription.</p>
<b>Allocation terms and conditions</b>	<p>1<sup>st</sup> allocation: by iteration up to 100 shares per subscriber;</p> <p>2<sup>nd</sup> allocation: allocation of the remainder in proportion to the excess of applications over the 100 shares.</p>

### IV.3. Financial instruments offered

#### IV.3.1. Characteristics of the securities offered

<b>Nature of securities</b>	Ordinary shares, all of the same class
<b>Legal form</b>	The shares, subject of this operation, will all be bearer shares. These shares are entirely dematerialized and admitted to trading on Maroclear.
<b>Global amount of the operation</b>	MAD 249,999,840 of which MAD 52,083,300 as nominal value and MAD 197,916,540 as issue premium
<b>Total number of shares to be issued</b>	520,833 new shares to be issued in connection with the capital increase
<b>Subscription price</b>	MAD 480 per share
<b>1<sup>st</sup> listing procedure</b>	Fixed Price Offer (FPO)
<b>Nominal value</b>	MAD 100 per share
<b>Issue premium</b>	MAD 380 per share
<b>Payment of shares</b>	The shares offered will be fully paid up and free of any commitment.
<b>Listing line</b>	1 <sup>st</sup> line
<b>Entitlement date</b>	January 1, 2024 <sup>1</sup> (current dividend entitlement of the new shares, fully assimilated to the existing shares)
<b>Subscription period</b>	from 03/06/2024 to 07/06/2024 at 3:30 pm inclusive
<b>Tradability of shares</b>	The shares covered by this Operation are freely tradable. No statutory clause restricts the free trading of the shares making up the Company's capital. No commitment restricts the free trading of the shares covered by this Operation.
<b>Method of payment of shares</b>	In cash (excluding any payment by way of set-off against liquid and due receivables from the Company)
<b>Listing of shares covered by this operation</b>	The shares to be issued under this Operation will be admitted to the Main Market, compartment "Principal F" of the Stock Exchange
<b>ISIN code</b>	MA0000012460
<b>Listing date of new shares</b>	21/06/2024

<sup>1</sup> The new shares will entitle their holders to any distribution of profits or allocation of reserves that may be decided by the Company as from the date of final completion of the Operation, it being specified for all intents and purposes that the new shares to be created by the Company pursuant to the Capital Increase will not entitle their holders to any distribution of profits or allocation of reserves, premiums or reduction of capital of any kind whatsoever, distributed prior to the date of completion of the Operation.

<b>Rights attached to the newly issued shares</b>	All shares have the same rights in the distribution of profits and liquidation surpluses. Each share gives the right to one vote at the general meetings.
<b>Preferential subscription right</b>	The Extraordinary General Meeting of September 5, 2022 has decided to cancel the shareholders' preferential subscription rights in favor of the public (i.e., any person entitled to subscribe to the capital increase) for all the shares to be issued under the Operation.

#### IV.4. Listing characteristics of the shares to be issued

<b>Listing date</b>	21/06/2024
<b>Name</b>	ARADEI CAPITAL
<b>Ticker</b>	ARD
<b>Listing compartment</b>	Principal F
<b>Sector of activity</b>	Real Estate Investment Trusts
<b>Trading cycle</b>	Continuous
<b>Listing line</b>	1 <sup>st</sup> line
<b>Number of shares to be issued</b>	520,833
<b>Operation registration body</b>	CFG Marchés

#### IV.5. Elements for assessing the terms of the offer

##### IV.5.1. Determination of the subscription price

In accordance with the powers granted to it by the Extraordinary General Meeting of September 5, 2022, the Board of Directors, meeting on May 23, 2024, decided, among other things, to increase the share capital by an amount of MAD 249,999,840 through the issue of 520,833 shares at a unit subscription price of MAD 480, MAD 100 of which being the nominal amount and MAD 380 being the issue premium, i.e., a global contribution of MAD 249,999,840.

The said Board also fixed the final characteristics of the Operation.

The subscription price of MAD 480 represents a 4.4% discount to the closing share price as of May 22, 2024 (MAD 502.1).

##### IV.5.2. Valuation methodology

###### Discarded valuation methods

###### *Discounted cash flow (DCF)*

This method consists of calculating the value of a company's economic assets (enterprise value) by the sum of the future flows generated by them (free cash flow to the firm) discounted at the weighted average cost of capital. The weighted average cost of capital (WACC) is representative of the return requirement of the providers of funds (shareholders and creditors) weighted by their respective levels of commitment to the financing of the company's

economic assets. Once the enterprise value has been determined, the value of its equity is obtained by deducting, in particular, the net debt.

In a context where the Aradei share is traded daily on the Casablanca Stock Exchange in significant volumes, reaching more than MAD 41 million traded per day over the last twelve months, this method has been discarded in favor of a valuation method based on stock market prices, which more accurately reflects the value of Aradei Capital's equity.

#### *Discounted future dividends (DDM)*

This method, like the Discounted Cash-Flows (DCF) presented above, is based on the principle of discounted cash flows. It consists of calculating the value of the company's equity by discounting the future dividends expected to be paid to shareholders at the cost of equity (corresponding to the shareholders' return requirement). The value of equity ( $V_e$ ) corresponds to the sum of (i) the discounted dividends that the company can pay to its shareholders over the explicit horizon and (ii) the discounted terminal value.

In a context where the Aradei share is traded daily on the Casablanca Stock Exchange in significant volumes, reaching more than MAD 41 million traded per day over the last twelve months, this method has been discarded in favor of a valuation method based on stock market prices, which more accurately reflects the value of Aradei Capital's equity.

#### **Retained valuation methods**

The valuation method used for the valuation of Aradei Capital's securities in the framework of this Operation is the stock market price method.

The valuation by stock market prices consists in apprehending the value of a company by reference to its price observed on the stock market. The relevance of this method is based on the efficiency of the stock market on the one hand and on the liquidity of the share on the other. The method of valuation by stock market prices thus makes it possible to assess the value of its equity capital based on a weighted average of prices over a representative time horizon.

Aradei Capital is a company listed on the Casablanca Stock Exchange and presenting a significant liquidity<sup>2</sup> of 5.6% over a 12-month rolling period (from May 15, 2023 to May 13, 2024), the stock market prices allow to assess the value of its equity by basing it on an average of the price weighted by the volumes over a representative horizon<sup>3</sup>.

#### **IV.5.3. Valuation of Aradei Capital's equity**

The following table sets forth Aradei Capital's stock price as of October 12, 2022 and the volume-weighted average stock price for the 1-month, 3-month, 6-month and 12-month periods:

Analysis of Aradei Capital's share price (MAD)	Min.	Max.	Weighted average price	Market capitalization based on weighted average price
Spot, as of May 13, 2024	n.a.	n.a.	552.0	6 190 108 128
1 month (April 15 to May 13, 2024)	503	552	524.0	5 876 174 184
3 months (February 14 to May 13, 2024)	500	552	512.6	5 748 747 761
6 months (November 14 to May 13, 2024)	437	552	492.4	5 521 823 839
12 months (May 15, 2023 to May 13, 2024)	427	552	473.2	5 306 794 790

Source: Casablanca Stock Exchange

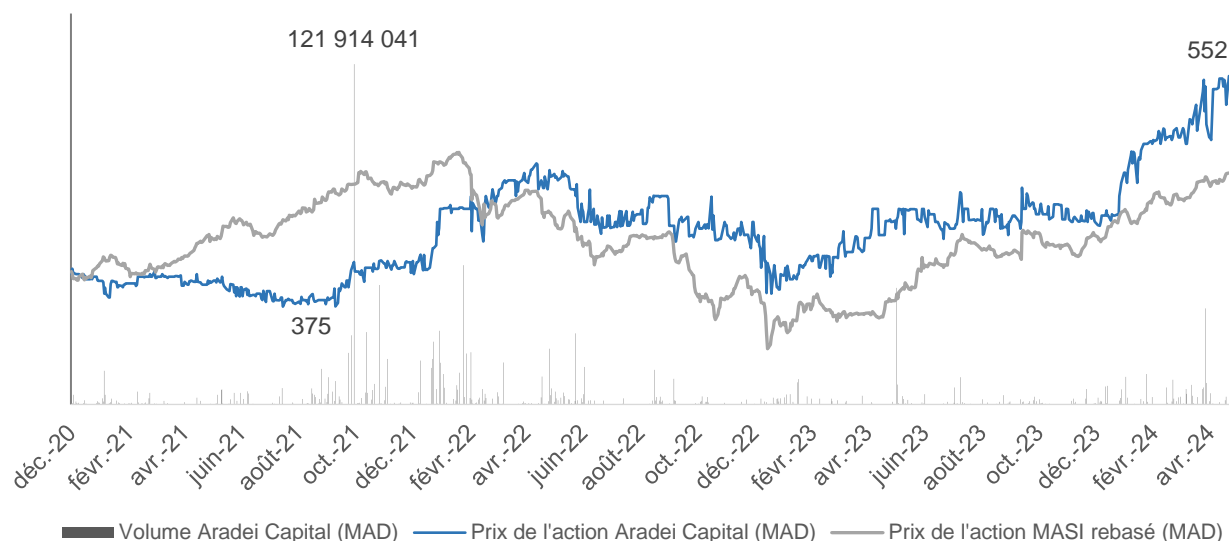
For all the horizons studied, the last price used for the calculation of the WAC is the Aradei Capital share price as of May 13, 2024.

The weighted average prices of Aradei Capital shares calculated over the periods of 1 month, 3 months, 6 months and 12 months are respectively MAD 524, 513, 492 and 473 per share, i.e., an equity valuation of MAD 5,876 million, MMAD 5,749, MMAD 5,522 and MMAD 5,307, respectively.

<sup>2</sup> Ratio de liquidité de la période = Somme des volumes échangé de 12 mois / Capitalisation boursière basée sur le CMP de 12 mois

<sup>3</sup> Weighted average price for the period = Sum of volumes traded for the period / Sum of quantities for the period

The following graph shows the evolution of Aradei Capital's share price since the Company's IPO (December 14, 2020) until May 13, 2024:



Source: Casablanca Stock Exchange

The table below shows the discount or premium on the subscription price of the shares involved in this operation (i.e., MAD 480 per share including the issue premium) compared with the average share price over the last one, three, six and twelve months:

In MAD	
ARD share subscription price	480
Share price as of May 13, 2024	552
Discount (-) / premium (+) compared to share price	-13.0%
WAC (1 month as of May 13, 2024)	524
Discount (-) / premium (+) compared with 1-month WAC	-8.4%
WAC (last 3 months to May 13, 2024)	513
Discount (-) / premium (+) compared with 3-month WAC	-6.4%
WAC (last 6 months to May 13, 2024)	492
Discount (-) / premium (+) compared to 6-month WAC	-2.5%
WAC (last 12 months to May 13, 2024)	473
Discount (-) / premium (+) compared to 12-month WAC	1.4%

On the basis of a subscription price of MAD 480/share, the P/NAV and P/FFO valuation multiples<sup>4</sup> induced appear as follows, the P/E multiples are not adapted to the valuation of a real estate company:

Multiples induced by subscription prices	P/ NAV		P/FFO		P/E	
	2022r	2023r	2022r	2023r	2022r	2023r
NAV / FFO / RN (in KMAD)	4 463 832	4 500 158	239 108	270 002	262 132	281 054

<sup>4</sup> P/E multiples (equity value / net income) are given for information only for Aradei Capital. Given the difference in financial structure with Immorente, comparison of P/E multiples is not appropriate.

<b>Multiple induced</b>	1.21x	1.20x	22.51x	19.94x	20.53x	19.15x
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The multiples induced for Aradei Capital are comparable to those observed for Immorente<sup>5</sup>.

Multiple observations for Immorente	P/NAV		P/FFO	
	2022r	2023r	2022r	2023r
NAV and FFO per share in (MAD)	103.0	103.5	5.0	5.2
<b>Multiple induced (price as of 13/05/2024)</b>	0.92x	0.92x	19.12x	18.30x

Source: Casablanca Stock Exchange

The Company has not carried out any significant capital transactions over the past twelve months that would enable it to determine the value of its shareholders' equity.

#### IV.5.4. Commitment to continuous information

In addition to its information obligations as a publicly traded company, Aradei Capital will continue to publish its net asset value at replacement cost twice a year, at the same time as the publication of its half-yearly and annual financial statements.

The latter is based on (i) the annual valuation of its real estate portfolio by an independent real estate valuer and (ii) the Company's consolidated financial statements.

The complete asset valuation reports prepared annually by the real estate valuer are available to the shareholders at the registered office of Aradei Capital. A summary report of these valuation reports prepared by the same expert is published on the Company's website.

#### IV.5.5. Impact of the Operation on the company's shareholding structure

Following the completion of the Operation, Aradei Capital's shareholding structure will be as follows:

Shareholders	Pre-operation position as 30/04/2024		Post Operation	
	Nb. Of shares	%	Nb. Of shares	%
Label'Vie SA	4 241 087	37.82%	4 241 087	36.14%
Government Employees Pension Fund (GEPF)	1 228 174	10.95%	1 228 174	10.47%
Best Financière SA	845 324	7.54%	845 324	7.20%
FCEC SARL	776 931	6.93%	776 931	6.62%
Banque Européenne pour la Reconstruction et le Développement (BERD)	550 722	4.91%	550 722	4.69%
BMCI	428 451	3.82%	428 451	3.65%
Kasba Resort SARL	74 624	0.67%	74 624	0.64%
REIM International Limited	33 114	0.30%	33 114	0.28%
Other shareholders	29	0.00%	29	0.00%
Floating	3 035 508	27.07%	3 035 508	25.87%
New shareholders (Floating)	-	-	520 833	4.44%
<b>Total</b>	<b>11 213 964</b>	<b>100%</b>	<b>11 734 797</b>	<b>100%</b>

Source: Aradei Capital, shareholders' position as of April 30, 2024

<sup>5</sup> Based on the Immorente share price as of May 13, 2024, i.e., MAD 94.89.

#### IV.5.6. Impact of the Operation on indebtedness

The Operation covered by the securities note being a capital increase, the latter has no impact on the indebtedness of Aradei Capital. The debt ratios (Gearing in particular) will mechanically improve following the reinforcement of the shareholders' equity.

#### IV.5.7. Impact of the Operation on governance

The Operation covered by the securities note is not expected to have any impact on the governance of Aradei Capital S.A.

#### IV.5.8. Impact of the Operation on strategic orientations

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

#### IV.5.9. Successful completion guarantee

The Operation covered by the securities note does not benefit from any successful completion guarantee.

#### IV.5.10. Target investors of the Operation

With the exception of money market and short-term bond UCITS, this Operation targets all categories of investors, namely:

- Natural persons, resident or non-resident, of Moroccan or foreign nationality;
- Legal Entities, of Moroccan or foreign Law, not belonging to the categories of qualified investors as defined by Article 3 of Law no. 44-12 and by Article 1.30 of AMMC Circular no. 03/19 and justifying of more than one year of existence at the subscription date;
- Qualified investors of Moroccan Law as defined by Article 3 of Law no. 44-12 and Article 1.30 of AMMC Circular no. 03/19 relating to financial operations and information, as amended and supplemented by Circular no. 02/20, except for money market and short-term bond UCITS;
- Qualified investors of foreign law as defined by article 1.30 paragraph (c) of the AMMC circular no. 03/19 as amended and supplemented.

### IV.6. Expenses related to the operation

#### IV.6.1. Miscellaneous commissions

The expenses relating to the operation that will be borne by the Issuer are estimated at approximately 1.76% of the amount of the capital increase. These expenses include commissions paid to:

- the financial advisors;
- the legal advisor;
- the members of the placement syndicate;
- the statutory auditors;
- the communication agency;
- the account holder;
- the AMMC;
- the Casablanca Stock Exchange
- the central depository Maroclear;
- the translation agency.

#### IV.6.2. Commissions charged to subscribers

As part of this placement Operation, each PS member explicitly and irrevocably undertakes, towards the Issuer, the Co-Leaders, the Co-Financial Advisers and the other PS members, to charge the subscribers, for all orders registered on the Casablanca Stock Exchange, the following commissions:

- 0.1% (excluding taxes) for the Casablanca Stock Exchange as the admission fee due to it at the time of registration on the Stock Exchange

- 0.2% (excluding taxes) for the settlement and delivery commissions;
- 0.6% (excluding taxes) for the brokerage firm. It is applied on the amount corresponding to the effective allocation at the time of settlement / delivery;

Value-added tax (VAT) at the rate of 10% will be applied additionally.

In order to ensure an equal treatment of subscribers, whatever the place of subscription, each PS member formally and expressly undertakes not to practice any rebate to subscribers nor any kind of repayment simultaneously or after subscription.

#### IV.6.3. Placement commissions charged to the Issuer

PS members will receive a commission of:

- 0.6% excluding tax on amounts allocated corresponding to orders submitted by natural persons or legal entities governed by Moroccan or foreign law, and qualified investors governed by Moroccan or foreign law.

This commission, payable by the Issuer, will be collected by CFG Marchés, which will be in charge of paying on the Bank Al-Maghrib accounts of each PS member its share, within the 30 days following receipt by CFG Marchés of the PS member invoice. The Casablanca Stock Exchange will be in charge of communicating, at the end of the allocation, the results of subscriptions and the amounts raised by each PS member to CFG Marchés and AMMC.

### IV.7. Placement Syndicate and Financial Intermediaries

#### IV.7.1. Placement syndicate and financial intermediaries

Type of financial intermediaries	Name	Address
<b>Financial Co-Advisors</b>	CFG Finance	5-7, rue Ibnou Toufail, Casablanca
	Valoris Corporate Finance	Angle Route El Jadida et rue Abou Dhabi, Casablanca
<b>Co-leaders of the placement syndicate</b>	CFG Marchés	5-7, rue Ibnou Toufail, Casablanca
	Capital Trust Securities	50, bd. Rachidi, Casablanca
	Valoris Securities	Angle Route El Jadida et rue Abou Dhabi, Casablanca
<b>Other PS members</b>	Al Barid Bank	798, bd Ghandi - Angle Boulevard Ghandi Et Boulevard Brahim Roudani à Casablanca
	Alma Finance Groupe	92, boulevard d'Anfa, Casablanca
	Artbourse	7, bd. Abdelkrim Al Khatabi, Casablanca
	Atlas Capital Bourse	88, rue Benbrahim El Marrakchi, quartier Hippodrome, Casablanca
	Attijari Intermédiation	163, avenue Hassan II, Casablanca
	Attijariwafa Bank	2, bd. Moulay Youssef, Casablanca
	Wafabourse	416, rue Mostapha El Maâni, Casablanca
	Banque Centrale Populaire	101, bd. Zerktouni, Casablanca
	Bank Of Africa	140, avenue Hassan II, Casablanca
	BMCE Capital Bourse	140, avenue Hassan II, 7 <sup>e</sup> étage, Casablanca
	BMCI	26, place des Nations Unies, Casablanca



	BMCI Bourse	Bd. Bir Anzarane, imm. Romandie I, Casablanca
	CDG Capital Bourse	7, bd. Kennedy, Anfa Sup, Casablanca
	CFG Bank	5-7, rue Ibnou Toufai, Casablanca
	Crédit Agricole du Maroc	Place des Alouyine, Rabat
	Crédit du Maroc	211, bd. d'Anfa, Casablanca
	CDM Capital Bourse	48-58, bd. Mohammed V. Casablanca
	CIH Bank	187, avenue Hassan II, Casablanca
	ICF Al Wassit	Espace Porte d'Anfa, 29, rue Bab El Mansour, Casablanca
	M.S.I.N	Imm. Zénith, Rés. Tawfiq, Sidi Maârouf, Casablanca
	Red Med Securities	23, rue Ibnou Hilal Quartier Racine, Casablanca
	Société Générale	55, bd Abdelmoumen, Casablanca
	Sogecapital Bourse	55, bd Abdelmoumen, Casablanca
	Upline Securities	101, bd. Zerkouni, Casablanca
<b>Body providing financial services for securities</b>	CFG Bank	5-7, rue Ibnou Toufai, Casablanca
<b>Centralizing body of the operation</b>	CFG Bank	5-7, rue Ibnou Toufai, Casablanca
<b>Body responsible for the registration of securities on the stock exchange (seller's side)</b>	CFG Marchés	5-7, rue Ibnou Toufai, Casablanca

#### IV.8. Capital ties with the financial intermediaries participating in the Operation

CFG Finance, co-financial advisor to Aradei Capital S.A, is a 100%-owned subsidiary of CFG Bank.

As of December 31, 2023, CFG Bank held a 60% stake in REIM Partners.

CFG Marchés, the organization responsible for registering securities on the stock exchange, is a 100%-owned subsidiary of CFG Bank.

As of December 31, 2023, Mr. Zouhair Bennani, a director of Aradei Capital S.A., holds a 4.8% stake in the capital of CFG Bank and is a director of CFG Bank.

#### IV.9. Subscription terms and conditions

##### IV.9.1. Subscription period

The Aradei Capital S.A. shares covered by the securities note will be available for subscription from 03/06/2024 to 07/06/2024 at 3.30 p.m. inclusive.

##### IV.9.2. Subscription terms

###### (a) Account opening

Except for minor children and incapable adults, subscription operations are registered in a securities and cash account in the name of the subscriber, opened with the same PS member where the subscription is made. In case this one does

not have the status of account keeper, the account can be opened with an institution having the status of account keeper.

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

- Copy of the client's identification document (national identity card (CIN), residence card, trade register, passport, etc.);
- Account opening contract duly signed by the subscriber and the PS member if the client has not already signed it.

Accounts can only be opened by the subscriber.

Accounts for minors and incapable adults can only be opened by the parent, guardian or legal representative of the minor or incapable adult.

It is strictly forbidden to open an account by proxy.

Subscriptions on behalf of third parties are authorized within the framework of a portfolio management mandate containing an express clause allowing this.

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

#### **(b) Subscription terms**

All subscriptions must be expressed in number of securities.

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

Subscriptions will be made using the subscription form, available at the PS members and integrated into the operation memorandum. A copy of the subscription form must be given to the subscriber with acknowledgement of receipt.

Subscription forms must be signed by the subscriber (or heir proxy within the framework of a portfolio management mandate allowing it), validated and time-stamped by the PS member.

Subscriptions are irrevocable after the closing of the subscription period.

All PS members, including those who will proceed to the collection of orders via an Internet platform, undertake to respect the procedure of collection of subscriptions.

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

PS members who collect orders via an internet platform must comply with the following rules:

- The client must be clearly identified, and the subscription act must be materialized (time stamping and archiving of subscription orders);
- The prospectus must be made available to the subscriber;
- All the mentions appearing on the subscription form must be transmitted to the client before their subscription;
- The subscription must be validated only if the cash account presents a sufficient balance to cover it according to the coverage methods defined in the securities note or if the guarantee or the collateral covers it entirely according to the coverage methods defined in the securities note;
- The amount of the cover must be blocked immediately after the subscription;
- The client must be informed that his subscription will be rejected in case of a formal defect;

- The PS members, who are not members of the placement syndicate, must be informed that they are not entitled to a guarantee;
- The PS members, proceeding to the collection of orders via an Internet platform, will have to close the subscription period at the same time as the other PS members, i.e., on 07/06/2024 at 3.30 p.m. inclusive;
- PS members, who will proceed to the collection of orders via an Internet platform, will have to make sure that the subscription ceilings are respected;
- PS members, who will proceed to the collection of orders via an Internet platform, must, before validating the subscription, receive acceptance of the Operation's terms and conditions from the subscriber, or make the subscriber validate a final confirmation form of the subscription, recapitulating the Operation's characteristics and the subscription order (a copy of the said confirmation must be filed by the PS member).

It is to be noted that PS members, collecting orders via an Internet platform, will reject subscriptions in case of absence of coverage according to the methods presented in the securities note or in case of incomplete file (Example: absence of an e-mail accepting the methods of the Operation, absence of a family record book for subscriptions of minors, etc.).

Subscriptions made by PS members or by their collaborators for their own accounts must be made on the first day of the subscription period.

#### **(c) Subscription on behalf of third parties**

Subscriptions on behalf of third parties are authorized in the following cases:

- Subscriptions on behalf of minors whose age is inferior to 18 years or on behalf of incapable adults are authorized provided they are made by the father, the mother, the tutor or the legal representative of the minor child or the incapable adult. The PS members are required, in case they do not already have it, to obtain a copy of the page of the family record book showing the date of birth of the minor child or to obtain a proof for the incapable adult when opening the account, or when subscribing for the account of the minor or the incapable adult in question, if need be, and to attach it to the subscription form. In this case, movements are made either to an account opened in the name of the minor or the incapable adult, or to the securities or cash account opened in the name of the father, mother, tutor or legal representative;
- Subscriptions on behalf of minors or on behalf of incapable adults must be made with the same PS member where the subscription of the father, mother, tutor or legal representative has been made;
- In case of a portfolio management mandate, the manager can subscribe on behalf of the client whose portfolio he manages only by presenting a power of attorney duly signed and legalized by their principal or the management mandate if it provides for an express provision in this sense. Authorized Moroccan or foreign management companies are exempted from presenting these documents for the UCITS they manage;
- Any agent within the framework of a portfolio management mandate, can transmit only one order on behalf of the same third party;

Subscriptions of foreign qualified investors can be communicated (i) directly to a PS member or (ii) via an international intermediary (broker) approved by a market authority member of the International Organization of Securities Commissions (IOSCO) and having an account opened with a PS member. The latter acts only as a business introducer, the deliveries will be made directly between the foreign qualified investors and the PS member.

#### **(d) Multiple subscriptions**

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

Each subscriber can transmit only one order for the account of each minor child or incapable adult.

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

Natural persons subscribing on behalf of minors and incapable adults must subscribe through a single PS member.

Any subscription on behalf of minors with several PS members is considered as multiple subscription.

Subscriptions made through several PS members, including those made on behalf of minors or incapable adults, are forbidden.

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

### (e) Subscriber Identification

The PS members must make sure that the subscriber belongs to one of the categories defined below. As such, they must obtain a copy of the document certifying the membership of the subscriber to the category and attach it to the subscription form.

Moreover, each body in charge of the investment must make sure that the subscriber's representative has the capacity to act on behalf of the subscriber either in their capacity of legal representative or by virtue of a mandate they have.

Subscriber Category	Documents to be attached
<b>Moroccan natural persons residing in Morocco</b>	Photocopy of national identity card or driver's license or passport
<b>Moroccan natural persons residing abroad</b>	Photocopy of national identity card or driver's license or passport
<b>Resident and non-Moroccan natural persons</b>	Photocopy of the resident card or passport
<b>Non-resident and non-Moroccan natural persons</b>	Photocopy of passport
<b>Minor child</b>	Photocopy of the page of the family record book attesting to the child's date of birth
<b>Incapable adult</b>	Any document proving the inability, at the discretion of the PS Member
<b>Legal persons under Moroccan law</b>	Photocopy of the trade register proving more than one year of existence at the date of subscription
<b>Legal entities under foreign law</b>	Photocopy of the trade register or equivalent document authentic in the country of origin and attesting to the membership of the category, and justifying more than one year of existence at the date of subscription
<b>Moroccan Associations</b>	Photocopy of the articles of association and photocopy of the receipt of the application form proving that the company has been in existence for more than one year at the date of subscription
<b>UCITS under Moroccan law (excluding money market and short-term bond UCITS)</b>	Photocopy of the approval decision and in addition: For Mutual Funds (FCP): the certificate of deposit at the court registry; For open-end investment companies (SICAV): the certificate of deposit at the court clerk's office and the model of the entries in the trade register.
<b>Qualified investors under Moroccan law (excluding UCITS)</b>	Photocopy of the articles of association and any document and evidence capable of attesting to the fulfillment of the conditions required for the status of qualified investor The legal entities referred to in paragraph (e) of article 1.30 of the AMMC Circular no. 03/19 must provide a proof of the agreement of the AMMC on their status of qualified investor
<b>Banks under Moroccan law</b>	Photocopy of the approval decision issued by Bank Al-Maghrib
<b>Qualified foreign investors</b>	Photocopy of the trade register or equivalent authentic in the country of origin and the copy of the approval attesting to the respect of the conditions required for the status of approved investor.

All subscriptions not complying with the above conditions will be null and void.

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

In case the PS members would already have these documents in the client's file, subscribers are exempted from producing these documents. In case the concerned investor is a corporate entity referred to within paragraph (e) of article 1.30 of the AMMC Circular no. 03/19, the PS member(s) must attach to the subscription form the above-mentioned documents.

## **IV.10. Modalities of treatment of orders**

### **IV.10.1. Rules of attribution**

At the end of the subscription period, the allocation of the 520,833 Aradei Capital shares offered to the public will be made in the manner described below:

#### **1<sup>st</sup> allocation**

As part of an initial allocation, shares will be allocated up to 100 shares per subscriber.

The shares will be allocated at the rate of one share per subscriber with priority to the highest applications. The mechanism of allocation of one share per subscriber, within the limit of his application, will be made by iteration until reaching a maximum of 100 shares per subscriber within the limit of the number of shares allocated. It is specified that, according to the number of subscribers served, the said maximum may not be reached.

#### **2<sup>nd</sup> allocation**

Following the 1<sup>st</sup> allocation, if the remainder of the securities offered ("RSO") resulting from this allocation is lower than the remainder of the securities requested ("RSR"), then the "RSO" will be allocated in proportion to the request.

The allocation ratio will be calculated as follows  $RSO / RSR$ .

In case the number of securities calculated by multiplying the remainder of securities applied for by the subscriber to the allocation ratio is not a whole number, this number of securities will be rounded down to the lower unit. The fractional shares will be allocated by level of one share per subscriber, with priority given to the highest applications.

According to the expressed global demand, some subscriptions might not be served.

In case the number of shares issued is not totally subscribed for, the operation will be considered null and void.

## **IV.11. Procedure of control and registration by the Casablanca Stock Exchange**

### **IV.11.1. Centralization of subscriptions**

During the subscription period, PS members will transmit daily to the Casablanca Stock Exchange, by 10:00 a.m. at the latest, via the subscription centralization tool (SCT), all subscriptions collected on previous days. Otherwise, they must enter consolidated subscription statistics on the SCT.

The PS members must transmit on 07/06/2024 before 6.30 pm to the Casablanca Stock Exchange, through the SCT, all the subscriptions collected within the framework of the operation. After this deadline, subscriptions will be rejected.

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

The Casablanca Stock Exchange will consolidate the various subscription files and reject subscriptions that do not comply with the subscription conditions predefined in this offering memorandum.

On 12/06/2024 before 12:00, the Casablanca Stock Exchange will communicate the allocation results to the PS members.

The cases leading to subscription rejections are summarized in the following table:

Case scenarios	Rejected subscription(s)
An individual who has subscribed on his or her own behalf and on behalf of their children, with different PS members	All subscriptions
Subscriber having subscribed more than once	All subscriptions
Moroccan or foreign individual having subscribed for their own account and for that of adult children	All subscriptions in the name of this individual, including those for their minor and adult children
Subscriptions not meeting the subscription limit	The subscriptions concerned
Subscriptions at several PS members	All subscriptions
Subscription made with a placement member not authorized to receive it	The subscription concerned

#### IV.11.2. Entities in charge of registering the operation

The registration of transactions in connection with this Operation (Seller's side) will take place on 21/06/2024 through the brokerage firm CFG Marchés.

All PS members having the status of brokerage firm will proceed to the registration of allocations they will have collected (Purchaser's side), on 21/06/2024, while the PS members not having the status of brokerage firm are free to designate the brokerage firm PS member, which will be in charge of registering their subscriptions at the Casablanca Stock Exchange.

These PS members must inform the chosen brokerage firm in writing with a copy addressed to the Casablanca Stock Exchange, and this, before the beginning of the subscription period.

The registration of transactions resulting from this operation will be made at the price of MAD 480 per share.

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

#### IV.12. Terms of settlement/delivery of securities

##### IV.12.1. Terms of settlement/delivery of securities

The settlement and delivery of securities covered by this operation, will take place on 26/06/2024 according to the procedures in force at the Stock Exchange.

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

Aradei Capital S.A. has moreover designated CFG Bank as the body in charge of the financial service of Aradei Capital securities issued within the framework of this securities note.

##### IV.12.2. Restitution of the remainder

The PS members undertake to reimburse to their clients, within a period not exceeding 3 working days as from the date of delivery of securities allocations to the PS members, i.e., on 19/06/2024, the cash remainders resulting from the difference between the net amount paid by their clients at subscription, and the net amount corresponding to their actual allocations.

The reimbursement of the balance must be made either by transfer to a bank or postal account, or by delivery of a check, and subject to the effective cashing by the intermediary of the amount deposited for the subscription.

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

#### IV.12.3.Publication of results

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The results of this operation will be published by the Casablanca Stock Exchange on the 21/06/2024 and by Aradei Capital S.A. through the press in a legal announcements gazette and on its website [www.aradeicapital.com](http://www.aradeicapital.com) at the latest on the 26/06/2024.

#### IV.12.4.Information procedures

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At the end of the Operation, and within a maximum period of 3 days from the publication of results, i.e., on 26/06/2024, each PS member will send to subscribers a notice containing the following minimum information:

- Subscription date;
- Instrument name;
- Requested quantity;
- Allocated quantity;
- Unit price;
- Gross amount at allocation ;
- Net amount after deduction of commissions and VAT on these commissions;
- Balance to be paid back to the subscriber if necessary;
- Commissions due to the PS member, the account holder and the Casablanca Stock Exchange.

LISSANIAT  
Rue de la République 13240  
Tél. 0527 65 34 09  
GSM: 0614 72 99 40



## I. Brief description of the activity

### I.1. General information

<b>Corporate name</b>	Aradei Capital S.A.
<b>Registered office</b>	Boulevard Zoulikha Nasri et AC 60, 20.190 – Casablanca, Maroc
<b>Phone</b>	05 22 63 98 98
<b>Fax</b>	05 22 33 53 58
<b>Website</b>	<a href="http://www.aradeicapital.com">www.aradeicapital.com</a>
<b>Legal form</b>	Limited Company with Board of Directors
<b>Date of incorporation</b>	02/07/1990
<b>Lifetime</b>	99 yeas
<b>Registration number in the trade register</b>	57 265 Casablanca
<b>Financial year</b>	From January 1 to December 31
<b>Corporate purpose</b>	<p>According to Article 3 of the bylaws of Aradei Capital SA, the company's purpose both in Morocco and abroad is:</p> <ul style="list-style-type: none"> <li>the construction or acquisition of buildings for the purpose of renting them, or any other form of making them available;</li> <li>holding furniture directly or indirectly, including in a future state of completion;</li> <li>conducting all the operations necessary for the operation of the said buildings, in particular the execution of construction, renovation and rehabilitation works;</li> <li>the purchase, lease, rental, management, operation, development and sale of all real properties built or not built for its own account;</li> <li>conducting all kinds of business operations;</li> <li>the acquisition of a direct or indirect shareholding in all operations or companies through the creation of companies, participation in their incorporation, or the capital increase of existing companies, through the purchase of securities, ownership rights;</li> <li>the purchase, sale and exchange of all securities and interests;</li> <li>taking, acquiring, exploiting, selling or granting any license, patent and trademark falling within the purpose of the company;</li> <li>and, more generally, all operations directly or indirectly related to the aforementioned purposes or likely to favor their realization and development.</li> </ul>
<b>Share capital as of 31/12/2023</b>	MAD 1,121,396,400, divided into 11,213,964 shares with a nominal value of MAD 100.
<b>Legal documents</b>	The Company's legal documents, namely the bylaws, the minutes of general meetings and the reports of the statutory auditors may be consulted at the Company's registered office.
<b>List of applicable legislation</b>	<p>Due to its legal form, the company is governed by the law no. 17-95 promulgated by the Dahir no. 1-96-124 of August 30, 1996 relating to joint stock companies, as amended and completed by the laws no. 81-99, 23-01, 20-05, 78-12, 20-19 and 19-20.</p> <p>Due to its activity, Aradei Capital is governed by Moroccan law and in particular:</p> <ul style="list-style-type: none"> <li>Law 39-08 forming the code of real rights as amended by law 69-16;</li> <li>Law 49-16 relating to the leases of buildings or premises rented for commercial, industrial and craft use;</li> <li>Law 07-03 relating to the revision of the amount of the rent of the premises for residential use or for professional, commercial, industrial or artisanal use</li> </ul>

	<p>promulgated by the Dahir no. 1-07-134 of 19 kaada 1428 (November 30, 2007);</p> <ul style="list-style-type: none"> <li>• Law no. 67-12 organizing the contractual relations between the lessors and the tenants of premises for residential or professional use promulgated by Dahir no. 1- 13-111 of 15 moharram 1435 (November 19, 2013);</li> <li>• Law no. 106-12 modifying and completing the law no. 18-00 relating to the Statute of the Co-ownership of the Built Buildings;</li> <li>• Law no. 15-95 forming the commercial code as completed and amended;</li> <li>• Titles 10 and 11 of the Dahir of September 12, 1913, as amended and completed, relating to the Code of Obligations and Contracts;</li> <li>• Dahir no. 1-99-211 of August 25, 1999 promulgating the law no. 64-99 relating to the recovery of rents.</li> </ul> <p>As a listed company on the Casablanca Stock Exchange and as an issuer of commercial paper, Aradei Capital is subject to the following provisions</p> <ul style="list-style-type: none"> <li>• Dahir no. 1-16-151 of 21 kaada 1437 (August 25, 2016) promulgating law no. 19-14 relating to the Stock Exchange, brokerage companies and financial investment advisors;</li> <li>• General Regulation of the Stock Exchange approved by the Order of the Minister of Economy and Finance no. 2208-19 of July 3, 2019;</li> <li>• Dahir no. 1-12-55 of Safar 14, 1434 (December 28, 2012) promulgating Law no. 44-12 relating to public offerings and information required from legal entities and organizations making public offerings;</li> <li>• Dahir no. 1-96-246 of January 9, 1997 promulgating Act no. 35-96 relating to the creation of a central depository and the institution of a general regime of book entry of certain securities, amended and completed by Act no. 43-02;</li> <li>• General Regulation of the Central Depository approved by Order no. 932-98 of the Minister of Economy and Finance, dated April 16, 1998, and amended by Order no. 1961-01 of the Minister of Economy, Finance, Privatization and Tourism, dated October 30, 2001, and by Order no. 77-05 of March 17, 2005;</li> <li>• General Regulation of the AMMC as approved by the Order of the Minister of Economy and Finance no. 2169-16 of July 14, 2016;</li> <li>• Dahir no. 1-04-21 of April 21, 2004 promulgating Law no. 26-03 relating to public offerings on the Moroccan stock market as amended and completed by Law 46-06;</li> <li>• Dahir no. 1-13-21 of 1st Jumada I 1434 (March 13, 2013) promulgating Law no. 43-12 relating to the Moroccan Capital Market Authority;</li> <li>• AMMC Circular no. 03/19 relating to financial operations and information;</li> <li>• Dahir 1-95-03 of January 26, 1995 promulgating law no. 35-94 relating to certain negotiable debt securities.</li> </ul> <p>Since the acquisition of a stake in the Cleo Pierre SPI-RFA OPCI on March 19, 2021, Aradei Capital is subject to the following provisions:</p> <ul style="list-style-type: none"> <li>• Dahir no. 1-16-130 of 21 kaada 1437 (August 25, 2016) promulgating law no. 70-14 relating to real estate collective investment schemes;</li> <li>• Dahir no. 2-17-420 of 9 chaabane 1439 (April 26, 2018) taken in application of the law no. 70-14 relating to Real Estate Collective Investment Schemes;</li> <li>• Decree no. 2-18-32 of 9 chaabane 1439 (April 26, 2018) taken for the application of articles 31 and 33 of law no. 70-14 relating to Real Estate Collective Investment Schemes;</li> <li>• Circular of the Moroccan Capital Market Authority no. 02/19 relating to Real Estate Collective Investment Schemes;</li> <li>• Order of the Minister of Economy and Finance no. 2305-18 of 15 hija 1439 (August 27, 2018) taken in application of articles 3, 27, 36, 54, 69, 71, 75 and 90 of the law no. 70-10 relating to Real Estate Collective Investment Schemes;</li> <li>• Notice no. 16 of the CNC relating to the accounting rules applicable to real estate investment funds.</li> </ul>
<b>Tax system</b>	Aradei Capital SA is governed by the ordinary tax legislation. It is subject to the corporate tax at the proportional scale rate. Its operations are subject to VAT at a rate of 20%.
<b>Competent court in the event of dispute</b>	Trade Court of Casablanca

*Source: Aradei Capital*

## I.2. Aradei Capital's activity

The Aradei Capital Group is engaged in the acquisition / development of real estate properties with a view to generating rental income.

In fact, the Company's purpose is to:

- Construction or acquisition of buildings for rental purposes, or any other form of provision;
- Holding buildings directly or indirectly, including those in a future state of completion;
- Realization of all operations necessary for the operation of the said buildings, in particular the execution of construction, renovation and rehabilitation works;
- Purchase, lease, rental, management, operation, development and sale of all real estate, whether built or not, on its own behalf;
- Etc.

The LabelVie Group and international brands and franchises are the issuer's main clients. And this, with billing for the majority at the beginning of the quarter with payment in arrears.

In its strategy, Aradei Capital differentiates itself first through the partnership with the LabelVie Group. This partnership covers all the brands of the LabelVie Group, including Carrefour, Atacadao, Virgin Mega Store, Kiabi and Burger King.

Aradei Capital's commercial strategy is based on a strong collaboration with various partners in different sectors of activity, including LC Waikiki/Defacto for ready-to-wear and Decathlon for sports equipment.

Aradei Capital is also positioned in several types of retail assets, including shopping centers, retail parks, shopping malls and single-tenant assets, thus enabling it to serve several types of CSPs with rent levels adapted to each type of asset.

Aradei Capital's strategy is to focus its efforts on the development of local Retails Parks, which are anchored in the local area and require lower development and management costs than shopping centers, thus making it possible to charge affordable and sustainable rents to tenants. This format is in line with market and tenant expectations. Aradei Capital is also pursuing a strategy of diversifying the asset classes in its portfolio through:

- The acquisition of the Yazaki industrial unit;
- The launch of the property company's first office building in 2020;
- The acquisition of shares in the OPCI "CLEO PIERRE SPI-RFA", which holds a portfolio of bank branches operated by BMCI;
- The development plan for the healthcare sector through the Akdital Immo joint venture.

### I.2.1. Presentation of Aradei Capital Group's assets

As of 30/04/2024, the Group, through Aradei Capital directly or its subsidiaries, holds various categories of assets in 28 Moroccan cities, namely:

- 6 independent assets in 6 Moroccan cities;
- 3 shopping centers in Marrakech, Tangier and Fez;
- 14 shopping arcades;
- 1 industrial unit;
- 1 "Prism" office building;
- 5 Akdital clinics;
- 6 plots of land<sup>6</sup> in reserve with a view to developing new projects.
- 1 OPCI holding 103 bank branches.

<sup>6</sup> 5 plots in land reserve and 1 plot in Essaouira currently under reservation contract.

## Asset summary

The following table summarizes the assets held by Aradei Capital SA and its subsidiaries, with data on retail floor space, occupancy rates and intra-group occupancy rates as of 29/02/2024:

				Occupancy rates and intra-group occupancy rates as of 01/02/2024					
Asset	City	Asset holding company	Opening year	GLA (in m²)	Vacancy rate	Occupancy rate	Intra-group occupancy rate	Number of tenants	Value including acquisition costs in KMAD
				02/2024	02/2024	02/2024	02/2024	02/2024	02/2024
Independent Assets (Single Tenant)				55 906				15	586 441
Atacadao Tanger	Tangier	Aradei Capital SA	2013	11 830	0%	100%	100%	2	138 948
Atacadao Oujda	Oujda	Aradei Capital SA	2008	11 830	0%	100%	100%	2	104 058
Atacadao Marrakech	Marrakech	Aradei Capital SA	2003	10 644	0%	100%	100%	2	148 245
Atacadao Meknes	Meknes	Centre K	2016	12 974	0%	100%	66%	6	112 760
Atacadao Taza	Taza	Aradei Capital SA	2014	7 313	0%	100%	100%	1	34 100
Carrefour Panoramique	Casablanca	Aradei Capital SA	2017	1 315	0%	100%	95%	2	48 330
Shopping centers				94 295				230	1 631 918
Almazar	Marrakech	SCCS	2010	33 486	9%	91%	37%	66	455 600
Faubourg	Marrakech	SCCS	2022	3 354	48%	52%	0%	1	20 218
Socco Alto	Tangier	SCCD	2016	31 731	3%	97%	42%	88	629 400
Borj Fez	Fez	SCCF	2013	25 724	6%	94%	41%	75	526 700
Shopping malls				165 552				279	2 580 810
Sela Park Agadir	Agadir	Golf I	2001	23 312	0%	100%	58%	25	343 284
Atacadao Ain Sbaâ	Casablanca	Golf II	1991	20 321	0%	100%	78%	14	315 880
Atacadao Salé	Salé	Golf I	2013	9 948	8%	92%	91%	3	228 954
Carrefour Sidi Maârouf	Casablanca	Golf I	2015	16 765	0%	100%	100%	6	351 535
Sela Plaza Targa	Marrakech	Aradei Capital SA	2014	13 378	0%	100%	72%	25	209 340
Carrefour Berkane	Berkane	Aradei Capital SA	2014	3 364	5%	95%	91%	6	44 570
LBG El Jadida	El Jadida	FCE JAD	2008	6 102	7%	93%	41%	34	85 600
LBG Meknes	Meknes	SCCM	2005	4 540	0%	100%	44%	33	65 000
LBG Safi	Safi	FCE SAF	2011	4 292	13%	87%	47%	15	28 600
LBG Rabat	Rabat	SPI HSC	2001	9 388	1%	99%	57%	58	228 900
Sela Plaza Dar Bouazza	Dar Bouazza	DBCC	2019	13 742	3%	97%	45%	27	246 899
Sela Park El Jadida	El Jadida	Aradei Capital SA	2019	8 848	14%	86%	0%	7	72 268
Atacadao Inezgane	Inezgane	Aradei Capital SA	2019	12 604	9%	91%	67%	3	94 280
Sela Park Témara	Témara	Aradei Capital SA	2020	18 948	3%	97%	36%	23	265 700
Industrial unit				35 603				1	192 557
Yazaki	Meknès	Aradei Capital SA	2019	35 603	0%	100%	0%	1	192 557
Real Estate Collective Investment Scheme				28 256				103	712 613
Bank branches leased to BMCI		Cleo Pierre SPI-RFA	2021	28 256	0%	100%	0%	103	712 613

Offices				6 833				3	109 290
PRISM	Casablanca	SCCCB	2022	6 833	0%	100%	84%	3	109 290
Health				80 712				9	893 324
Clinique Akdital	El Jadida	TAJAK	2021	17 182	0%	100%	0%	2	167 953
Clinique Akdital	Agadir	AGADIR SANTE	2022	16 664	0%	100%	0%	2	165 407
Clinique Akdital	Salé	SALE INVEST	2022	14 957	0%	100%	0%	2	186 277
Clinique Akdital	Safi	ASFI INVEST	2022	8 509	0%	100%	0%	1	86 512
Clinique Akdital	Tangier	KAZAK	2022	23 400	0%	100%	0%	2	287 175

Source: Aradei Capital

### I.2.2. Land of Aradei Capital S.A:

As of end April 2024, the Group holds 6 plots of land for projects under construction or as land reserves.

The real estate company and its service providers are responsible for the development of the buildings and structures to house all the brands, while tenants are given a fit-out period for the interior fittings, during which rents are not payable.

The development and marketing of projects under development is handled in-house by Best Real Estate Gesion<sup>7</sup>. Best Real Estate Gesion's services cover development (project management assistance), rental management (invoicing, collection and grievance follow-up), administrative and financial management, marketing, property and facility management, legal affairs and operational marketing.

The following table shows the main characteristics of these properties as of 30/04/2024:

Table 1: List of land owned by the Aradei Capital group

Asset	Situation du terrain	Land situation	Date of acquisition	Area	Land title number	Mortgages	Value including acquisition costs <sup>8</sup> (in KMAD)
Terrain Casablanca (The Hill / CFAO)	Bare land	SCCCB	2015	37 229 m <sup>2</sup>	31 247/C 25 599/47 25 336/47	Mortgage in favor of the registration and stamp service dated 25/11/2015.*	211 011
Terrain ALMAZ	Land under construction	Sela Plaza Casablanca	2023	53 445 m <sup>2</sup>	11 989/C	Mortgage dated 18/07/2023 as security for a loan of MMAD 230.2 to Banque Centrale Populaire	196 795
Terrain Dar Bouazza	Land under construction	Dar Bouazza Community Center	2018	N/A	N/A	N/A	63 992 <sup>9</sup>
Terrain Agadir	Bare land	SCC Founty	2015	55 620 m <sup>2</sup>	89 773/09	None	108 400
Terrains Rabat	Bare land	SPI	2023	4 002 m <sup>2</sup>	58029/R 57928/R	None	77 302

<sup>7</sup> BREG's trading name is "Aradei Real Estate Services".

<sup>8</sup> Valorisation réalisée par le cabinet Colliers International Maroc en février 2024 et arrêtée le 31 décembre 2023.

<sup>9</sup> La valorisation de la composante résidentielle

<b>Terrain Essaouira **</b>	Land under construction	Akdital Immo	2023	2 747 m <sup>2</sup>	8066/M - TF provisoire	None	8 776
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Source: Aradei Capital

(\*) For the mortgage in favor of the registration and stamp service, this is a registration made at the time of land acquisition, concerning a reduction in registration duties conditional on the obligation to build within a predefined period.

(\*\*) Aradei Capital does not yet own the Essaouira land, as it is currently under reservation contract.

### Projects under development

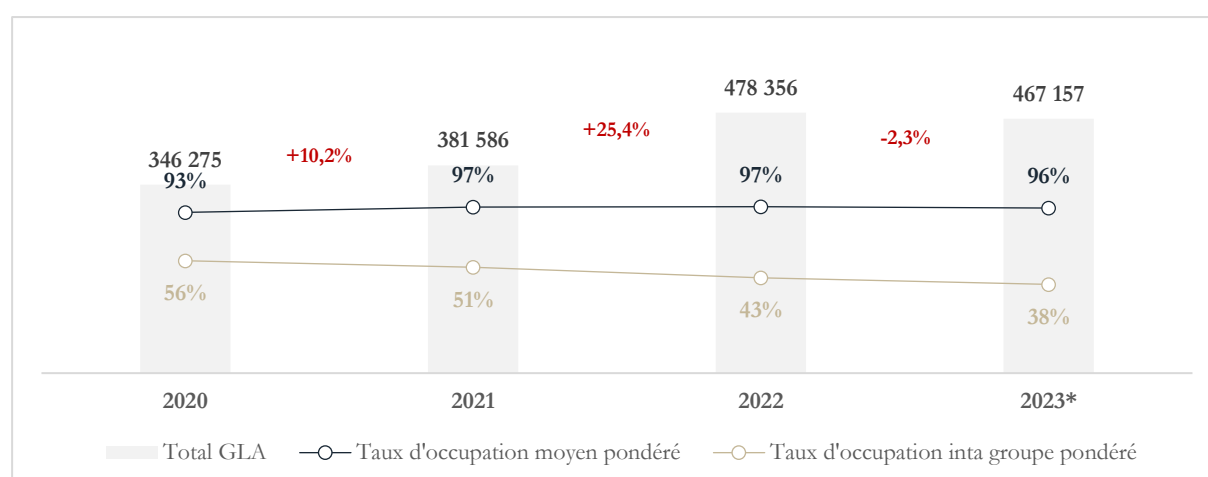
Aradei Capital's current projects for 2024 are:

- The development of the 8<sup>th</sup> Sela in Casablanca, with an estimated GLA of 30,000 m<sup>2</sup>;
- The construction of a clinic on land operated by Aradei Capital under a reservation contract in Essaouira;
- The ongoing development of a residential project in Dar Bouazza, with 55 detached villas.

### I.2.3. Evolution and distribution of the group's total commercial surface area

The following graph shows the evolution of the Group's Gross Leasable Area (GLA) and the average occupancy rate over the last 4 years:

Figure 26: Evolution of the Group's total retail space and average occupancy rate over the period (2020-2023)



Source: Aradei Capital

(\*) Value as of February 2024 (date of asset valuation report)

$\text{Intra-group occupancy rate} = \text{Group area} / \text{Total area}$

Group area: area rented to a sister company or to the parent company

In 2020, the Group's retail space will amount to 346,275 m<sup>2</sup>, with a weighted average occupancy rate of 93% and a weighted average intra-Group occupancy rate of 56%. The increase in GLA between 2019 and 2020 is mainly due to the inauguration of three retail parks:

- Agadir Sela Park (+ 6 459<sup>10</sup> m<sup>2</sup>);
- Témara Sela Park (+ 17 802 m<sup>2</sup>);
- Inzegane Atacadao (+ 7 277 m<sup>2</sup>).

<sup>10</sup> Asset expansion

In 2021, the Group's retail space will amount to 381,586 m<sup>2</sup>, with a weighted average occupancy rate of 97% and a weighted average intra-Group occupancy rate of 51%. The increase in GLA over the period (2020-2021) is mainly due to the integration of the Cléo Pierre SPI-RFA OPCI, taking 103 bank branches with a GLA of 28,256 m<sup>2</sup>.

In 2022, the Group's retail space will amount to 478,356 m<sup>2</sup>, with a weighted average occupancy rate of 97% and a weighted average intra-Group occupancy rate of 43%. The increase in GLA over the 2021-2022 period is mainly due to the Akdital clinics (+80,712 m<sup>2</sup>) and the "Prism" asset (+6,914 m<sup>2</sup>) coming on stream.

In February 2024, the Group's retail space stood at 467,157 m<sup>2</sup>, with a weighted average occupancy rate of 96% and a weighted average intra-Group occupancy rate of 38%. The decline in GLA over the 2022-2023 period is mainly due to the disposal of the Atacadao Fez asset (-13,985 m<sup>2</sup>).

#### I.2.4. Changes in consolidated IFRS revenues

The following table shows Aradei Capital's consolidated revenues under IFRS over the period (2020 - 2023):

Table 20: Evolution of Aradei Capital Group's consolidated revenues over the period (2020 - 2023)

In KMAD	2020	2021	Var. 20-21	2022	Var. 21-22	2023	Var. 22- 23
Gross rental income	309 889	457 611	47.7%	519 366	13.5%	612 504	18.0%
Recharged rental expenses	(46 256)	(50 408)	9.0%	(54 983)	-9.1%	(57 628)	-4.8%
<b>Net rental income</b>	<b>263 633</b>	<b>407 203</b>	<b>54.5%</b>	<b>464 383</b>	<b>14.0%</b>	<b>554 875</b>	<b>19.5%</b>
Other revenues	7 444	13 930	87.1%	21 685	55.7%	28 306	30.0%
Entrance fees	-	-	0.0%	-	0.0%	-	0.0%
<b>Revenues</b>	<b>271 077</b>	<b>421 133</b>	<b>55.4%</b>	<b>486 069</b>	<b>15.4%</b>	<b>583 181</b>	<b>20.0%</b>

Source: Aradei Capital

The company's consolidated revenues consist mainly of:

- Rental income from commercial premises, comprising a fixed and a variable component, indexed to tenants' sales with a guaranteed minimum rent and a statutory three-yearly increase;
- Recharges for common expenses, in particular fixed operating expenses (maintenance, water consumption, electricity, etc.), security expenses, marketing expenses and municipal service tax. The total amount of re-invoicing is recognized as sales in the parent company financial statements prepared under Moroccan GAAP. Under IFRS, sales include re-invoicing net of recognized expenses;
- Entrance fees paid by tenants. Under Moroccan GAAP, these fees are amortized over the term of the lease. Under IFRS, they are fully recognized in sales. The payment of these fees is not systematic and is negotiated with each tenant when the rental price is determined. The high level recorded in 2016 is mainly due to the June 2016 opening of the Socco Alto shopping center in Tangier (impact of 24.7 MMAD);
- Other income corresponds mainly to income generated by the Best Leisure subsidiary, which specializes in shopping center entertainment.

Consolidated revenues for FY 2023 amounted to MMAD 583.1 compared with MMAD 486.1, up 20.0%, driven mainly by:

- Organic performance on a like-for-like basis (+MMAD 30): net effect of marketing, indexation, specialty leasing, and leisure revenues;
- The new scope of consolidation (+MMAD 67): full-year effect of the opening of Akdital Immo, the Prism building and the two extensions: Meknès Atacadao and Inezgane Atacadao.

## II. Shareholding

### II.1.1. Current shareholding

Table 1: Shareholding Table 6: Aradei Capital's shareholding as of 30/04/2024

Shareholders	30/04/2024		
	Number of securities	Voting rights	% of capital and voting rights
Label'Vie SA	4 218 049	4 218 049	37.6%
Floating	3 119 672	3 119 672	27.8%
Government Employees Pension Fund	1 228 174	1 228 174	11.0%
Best Financière SA	845 324	845 324	7.5%
FCEC	776 931	776 931	6.9%
BERD	550 722	550 722	4.9%
BMCi	428 451	428 451	3.8%
Kasba Resort	26 612	26 612	0.2%
Real Estate Investment Management International Limited	20 000	20 000	0.2%
Mr. Zouhaïr Bennani	12	12	ns
Mr. Rachid Hadni	7	7	ns
Mr. Nawfal Bendefa	2	2	ns
Mr. Riad Laissaoui	2	2	ns
Mr. Adil Bennani	2	2	ns
Mr. Mehdi Alj	2	2	ns
Mr. Mehdi Tahiri Joutei Hassani	2	2	ns
<b>Total</b>	<b>11 213 964</b>	<b>11 213 964</b>	<b>100.0%</b>

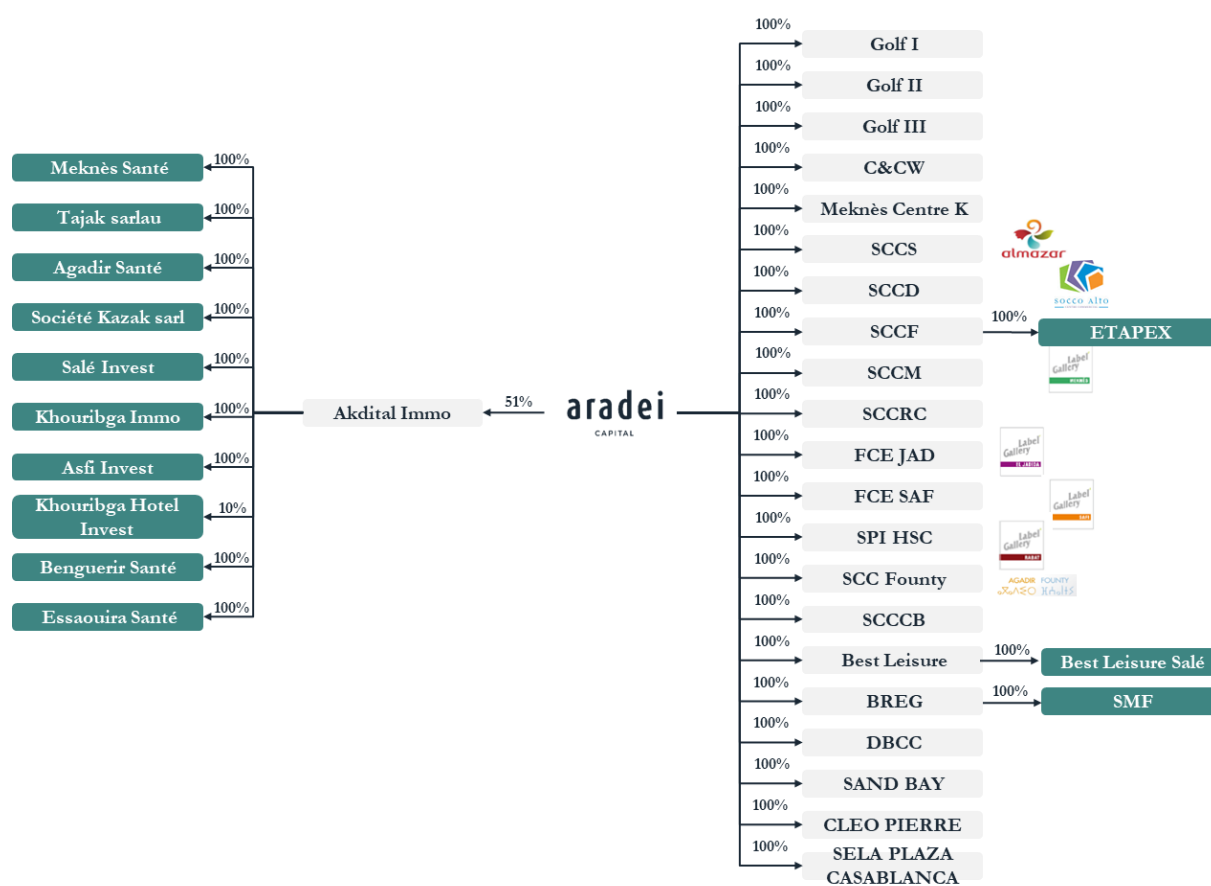
Source: Aradei Capital

### III. Legal organization chart

As of 31/12/2023, Aradei Capital SA owned 100% of 21 subsidiaries and 51% of the Akdital Immo joint venture, compared with 5 subsidiaries owned as of 31/12/2015 before the merger with BRE, namely Golf I, Golf II, Golf III, Cash and Carry Wholesale Makro and Meknès Centre K.



Figure 1: Legal organization chart of Aradei Capital as of 31/12/2023



Source: Aradei Capital

## **Part III. FINANCIAL DATA**

## I. Annual financial statements

### I.1. I. Annual Corporate financial statements

#### I.1.1. Statement of Management Accounts

The following table shows historical data for Aradei Capital's statement of management accounts over the period 2021-2023:

Table 32: Changes in the statement of management accounts over the period 2021-2023:

In KMAD	2021	2022	Var. 21-22	2023	Var. 22-23	AAGR 21-23
<b>Production for the fy</b>	<b>147.868</b>	<b>171.038</b>	<b>15.7%</b>	<b>202 513</b>	<b>18.4%</b>	<b>17.0%</b>
Sales of goods and services produced	147.868	171.038	15.7%	202 513	18.4%	17.0%
Consumption for the year	<b>116.147</b>	<b>128.128</b>	<b>10.3%</b>	<b>132 468</b>	<b>3.4%</b>	<b>6.8%</b>
<b>Purchases of materials and supplies</b>	72.431	81.747	12.9%	88 387	8.1%	10.5%
Other external expenses	43.716	46.380	6.1%	44 081	-5.0%	0.4%
<b>Value added</b>	<b>31.722</b>	<b>42.910</b>	<b>35.3%</b>	<b>70 044</b>	<b>63.2%</b>	<b>48.6%</b>
Taxes	2.922	4.016	37.5%	3 646	-9.2%	11.7%
<b>Gross operating profit (EBITDA)</b>	<b>28.800</b>	<b>38.894</b>	<b>35.0%</b>	<b>66 398</b>	<b>70.7%</b>	<b>51.8%</b>
Other operating income	-	-	0.0%	400	100.0%	0.0%
Other operating expenses	784	769	-1.9%	1 293	68.3%	28.5%
Operating reversals; expense transfers	13.331	23.255	74.4%	11 997	-48.4%	-5.1%
Operating allowances	52.738	51.362	-2.6%	55 298	7.7%	2.4%
<b>Operating income</b>	<b>(11.390)</b>	<b>10.018</b>	<b>&gt;100.0%</b>	<b>22 204</b>	<b>&gt;100.0%</b>	<b>n/a</b>
Financial result	24.268	64.750	>100.0%	65 482	1.1%	64.3%
Net income before non-recurring items	12.878	74.768	>100.0%	87 686	17.3%	>100.0%
Non-recurring income	72	(6.400)	<-100.0%	(10 885)	-70.1%	n/a
Income tax	1.157	4.447	>100.0%	4 183	-6.0%	90.1%
<b>Net income</b>	<b>11.793</b>	<b>63.920</b>	<b>&gt;100.0%</b>	<b>72 618</b>	<b>13.6%</b>	<b>&gt;100.0%</b>

Source: Aradei Capital

#### I.1.2. Balance Sheet Analysis

The following table shows the main indicators for the 2021-2023 period:

Table 47: Aradei Capital's balance sheet for the 2021-2023 period

In KMAD	2021	2022	Var. 21-22	2023	Var. 22-23	TCAM 21-23
<b>Assets</b>						
Non-valued fixed assets	21.907	18.594	-15.1%	15 444	-16.9%	-16.0%
Intangible assets	66.913	66.883	0.0%	67 034	0.2%	0.1%
Property, plant and equipment	864.681	735.151	-15.0%	710 039	-3.4%	-9.4%
Financial fixed assets	1.463.854	1.670.213	14.1%	1 693 891	1.4%	7.6%
Unrealized foreign exchange losses	-	-	0.0%	-	0.0%	0.0%
<b>Fixed assets</b>	<b>2.417.354</b>	<b>2.490.841</b>	<b>3.0%</b>	<b>2 486 408</b>	<b>-0.2%</b>	<b>1.4%</b>
Stocks	-	-	0.0%	-	0.0%	0.0%
<b>Current asset receivables</b>	<b>1.263.373</b>	<b>1.727.037</b>	<b>36.7%</b>	<b>1 718 956</b>	<b>-0.5%</b>	<b>16.6%</b>
Supplier receivables, advances and downpayments	10.560	10.259	-2.8%	9 814	-4.3%	-3.6%
Trade and other receivables	186.399	260.384	39.7%	347 883	33.6%	36.6%
Personnel	-	-	0.0%	-	0.0%	0.0%

Statement	157.044	144.150	-8.2%	149 970	4.0%	-2.3%
Partner Accounts	1.557	175.389	>100.0%	195 789	11.6%	>100.0%
Other receivables	672.084	848.277	26.2%	681 230	-19.7%	0.7%
Accruals and deferred income	235.728	288.578	22.4%	334 270	15.8%	19.1%
Investment value securities	409.176	147.728	-63.9%	453 065	>100.0%	5.2%
Unrealized foreign exchange losses	-	-	0.0%		0.0%	0.0%
<b>Current assets</b>	<b>1.672.549</b>	<b>1.874.765</b>	<b>12.1%</b>	<b>2 172 021</b>	<b>15.9%</b>	<b>14.0%</b>
<b>Cash and cash equivalents Assets</b>	<b>12.079</b>	<b>102.619</b>	<b>&gt;100.0%</b>	<b>48 303</b>	<b>-52.9%</b>	<b>100.0%</b>
<b>Total Assets</b>	<b>4.101.981</b>	<b>4.468.225</b>	<b>8.9%</b>	<b>4 706 732</b>	<b>5.3%</b>	<b>7.1%</b>

<b>Liabilities</b>						
<b>Shareholders' equity</b>	<b>2.156.239</b>	<b>2.276.193</b>	<b>5.6%</b>	<b>2 133 613</b>	<b>-6.3%</b>	<b>-0.5%</b>
Share capital or personnel	1.064.578	1.121.396	5.3%	1 121 396	0.0%	2.6%
Share, merger and contribution premiums	850.581	1.043.763	22.7%	843 763	-19.2%	-0.4%
Legal reserve	36.814	37.403	1.6%	40 599	8.5%	5.0%
Other reserves	192.473	9.710	-95.0%	55 237	>100.0%	-46.4%
Retained earnings	-	-	0.0%	-	0.0%	0.0%
Net income for the financial year	11.793	63.920	>100.0%	72 618	13.6%	>100.0%
<b>Financing liabilities</b>	<b>1.578.745</b>	<b>1.546.037</b>	<b>-2.1%</b>	<b>1 788 673</b>	<b>15.7%</b>	<b>6.4%</b>
Long-term provisions for liabilities and charges	2.614	2.614	0.0%	2 614	0.0%	0.0%
<b>Permanent financing</b>	<b>3.737.598</b>	<b>3.824.844</b>	<b>2.3%</b>	<b>3 924 901</b>	<b>2.6%</b>	<b>2.5%</b>
<b>Current liabilities</b>	<b>303.516</b>	<b>338.311</b>	<b>11.5%</b>	<b>627 730</b>	<b>85.7%</b>	<b>43.9%</b>
Trade and other receivables	88.173	93.340	5.9%	109 663	17.5%	11.5%
Accounts payable, advances and down-payments	288	1.166	>100.0%	5 388	>100.0%	>100.0%
Personnel	-	-	0.0%	-	0.0%	0.0%
Corporate bodies	-	-	0.0%	-	0.0%	0.0%
Statement	20.105	35.079	74.5%	45 295	29.1%	50.1%
Partner Accounts	638	638	0.0%	638	0.0%	0.0%
Other receivables	117.487	127.090	8.2%	367 412	>100.0%	76.8%
Prepayments and accrued income - Liabilities	71.245	75.418	5.9%	93 087	23.4%	14.3%
Other provisions for liabilities and charges	5.580	5.580	0.0%	6 248	12.0%	5.8%
Currency translation adjustment - Liabilities	-	-	0.0%		0.0%	0.0%
<b>Cash liabilities</b>	<b>60.867</b>	<b>305.070</b>	<b>&gt;100.0%</b>	<b>154 101</b>	<b>-49.5%</b>	<b>59.1%</b>
<b>Total liabilities</b>	<b>4.101.981</b>	<b>4.468.225</b>	<b>8.9%</b>	<b>4 706 732</b>	<b>5.3%</b>	<b>7.1%</b>

Source: Aradei Capital

## I.2. Annual consolidated financial statements

### I.2.1. Impact of IFRS 16 and IFRIC 23

Aradei Capital Group has applied IFRIC 23 from January 1, 2019, by recognizing the cumulative effect of prior years in reserves. IFRIC 23 clarifies the application of the recognition and measurement requirements of IAS 12 "Income Taxes" when uncertainty exists about the treatment of income taxes.

The table below shows the impact of IFRIC 23 on the consolidated financial statements of Aradei Capital since its application:

Table 71: Impact of IFRIC 23 on the consolidated financial statements of Aradei Capital over the last 3 years

In KMAD	2021	2022	2023
IFRIC 23 impact	1 279	8 570	10 687

Source: Aradei Capital

IFRS 16 replaces IAS 17 and all related interpretations. The Group applies this standard to all finance leases and operating leases reclassified as finance leases.

### I.2.2. Scope and methods of consolidation as of June 30, 2022

The scope of consolidation includes all companies over which Aradei Capital exercises control, partnership or significant influence.

Aradei Capital exercises control when it has the power to govern the financial and operating policies of subsidiaries so as to obtain benefits from their activities. Control is presumed to exist where the Group holds, directly or indirectly through its subsidiaries, more than half of the voting rights. These subsidiaries are fully consolidated.

Companies over which Aradei Capital exercises significant influence are accounted for by the equity method, which is assumed to apply when the percentage of voting rights held is equal to or greater than 20%.

The scope of consolidation over the last three years is as follows:

#### Consolidation scope over the last three years

Company	31/12/2021			31/12/2022			31/12/2023		
	% of interest	% of control	Method (*)	% of interest	% of control	Method (*)	% of interest	% of control	Method (*)
Aradei Capital SA	100%	100%	FC	100%	100%	FC	100%	100%	FC
Golf I	100%	100%	FC	100%	100%	FC	100%	100%	FC
Golf II	100%	100%	FC	100%	100%	FC	100%	100%	FC
Golf III	100%	100%	FC	100%	100%	FC	100%	100%	FC
Cash & Carry	100%	100%	FC	100%	100%	FC	100%	100%	FC
Centre K	100%	100%	FC	100%	100%	FC	100%	100%	FC
Best Leisure	100%	100%	FC	100%	100%	FC	100%	100%	FC
Best Leisure Salé	-	-	-	-	-	-	100%	100%	FC
FCE JAD	100%	100%	FC	100%	100%	FC	100%	100%	FC
FCE SAF	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCCCB	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCCD	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCCF	100%	100%	FC	100%	100%	FC	100%	100%	FC
ETAPEX	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCC FOUNTY	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCCS	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCCM	100%	100%	FC	100%	100%	FC	100%	100%	FC
SPI	100%	100%	FC	100%	100%	FC	100%	100%	FC
BREG	100%	100%	FC	100%	100%	FC	100%	100%	FC
SMF	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCCRC	100%	100%	FC	100%	100%	FC	100%	100%	FC
DBCC	100%	100%	FC	100%	100%	FC	100%	100%	FC
SAND BAY	100%	100%	FC	100%	100%	FC	100%	100%	FC
CLEO PIERRE	100%	100%	FC	100%	100%	FC	100%	100%	FC
SPC	-	-	-	95%	95%	FC	100%	100%	FC
AKIDTAL IMMO	-	-	-	51%	51%	FC	51%	51%	FC

<b>TAJAK SARLAU</b>	-	-	-	51%	51%	FC	51%	100%	FC
<b>AGADIR SANTE</b>	-	-	-	51%	51%	FC	51%	100%	FC
<b>STE KAZAK SARL</b>	-	-	-	51%	51%	FC	51%	100%	FC
<b>SALE INVEST</b>	-	-	-	51%	51%	FC	51%	100%	FC
<b>KHOURIBGA IMMO</b>	-	-	-	51%	51%	FC	51%	100%	FC
<b>KENITRA SANTE</b>	-	-	-	51%	51%	FC	NA	NA	NA
<b>ASFI INVEST</b>	-	-	-	51%	51%	FC	51%	100%	FC
<b>KHOURIBGA HOTEL INVEST</b>	-	-	-	10%	0%	NC	10%	0%	NC
<b>ESSAOUIRA SANTE</b>	-	-	-	-	-	-	51%	100%	FC
<b>MEKNES SANTE</b>	-	-	-	-	-	-	51%	100%	FC
<b>BENGUERIR SANTE</b>	-	-	-	-	-	-	51%	100%	FC

Source: Aradei Capital

(\*) FC = Full consolidation, NC = Non-consolidated, ME = Equity method

#### Companies entering the consolidation scope in 2021

- Cléo Pierre SPI-RFA is an OPCI vehicle comprising 103 bank branches leased in their entirety to BMCI.

#### Companies entering the consolidation scope in 2022

- Sela Plaza Casablanca: the company in charge of developing the 8<sup>th</sup> Sela.
- Akdital Immo: a joint venture with Akdital Holding (31%) and BFO Partners (17%), whose purpose is to own and develop a portfolio of healthcare real estate assets.
- Akdital Immo subsidiaries: TAJAK SARLAU, AGADIR SANTE, STE KAZAK SARL, SALE INVEST, KHOURIBGA IMMO, KENITRA SANTE, ASFI INVEST, KHOURIBGA HOTEL INVEST.

#### Companies entering the consolidation scope in 2023

- Best Leisure Salé: a company specializing in entertainment in shopping centers, management and operation of games areas, bowling alleys, leisure centers and snack bars.
- New Akdital Immo subsidiaries: Benguerir Santé, Meknès Santé and Essaouira Santé.

### I.2.3. Analysis of consolidated income statement

The following table shows the main indicators of Aradei Capital's consolidated income statement for the period 2021-2023:

Table 72: Changes in the consolidated income statement for the period 2021-2023

In KMAD	2021	2022	Var. 21-22	2023	Var. 22-23
Rental revenue	407 203	464 384	14.0%	554 875	19.5%
Other revenue	13 930	21 685	55.7%	28 306	30.5%
<b>Turnover</b>	<b>421 133</b>	<b>486 069</b>	<b>15.4%</b>	<b>583 181</b>	<b>20.0%</b>
<b>Operating expenses</b>	<b>(108 285)</b>	<b>(124 643)</b>	<b>15.1%</b>	<b>(142 278)</b>	<b>14.1%</b>
Other purchases and external expenses	(87 001)	(105 545)	21.3%	(111 781)	5.9%
Personnel expenses	(26 041)	(21 121)	-18.9%	(23 843)	12.9%
Taxes and similar payments	(6 506)	(3 425)	-47.4%	(2 777)	-18.9%
Other income and expenses	11 264	5 448	-51.6%	(3 877)	<-100.0%

<b>Gross operating surplus</b>	<b>312 848</b>	<b>361 426</b>	<b>15.5%</b>	<b>440 903</b>	<b>22.0%</b>
<i>In % of the turnover</i>	<i>74%</i>	<i>74%</i>	<i>0.1%</i>	<i>76%</i>	<i>1.7%</i>
Depreciation, amortization and provision charges/write-backs	(21 807)	(6 375)	-70.8%	(1 054)	-83.5%
Other exceptional income and expenses	(16 177)	(24 126)	49.1%	(15 408)	-36.4%
Change in fair value of investment properties	212 804	104 664	-50.8%	6 863	-93.4%
Income from asset disposals	-	2 275	100.0%	65 950	>100.0%
<b>Operating income</b>	<b>487 668</b>	<b>437 865</b>	<b>-10.2%</b>	<b>497 254</b>	<b>13.6%</b>
<i>In % of the turnover</i>	<i>116%</i>	<i>90%</i>	<i>-22.2%</i>	<i>86%</i>	<i>-4.6%</i>
Gross cost of financial debt	(89 805)	(114 487)	27.5%	(139 017)	21.4%
Investment income	8 616	2 329	-73.0%	14 168	>100.0%
<b>Net cost of financial debt</b>	<b>(81 189)</b>	<b>(112 158)</b>	<b>38.1%</b>	<b>(124 849)</b>	<b>11.3%</b>
Other financial income and expenses	10 125	22 487	>100.0%	10 993	-51.1%
<b>Before tax current earnings</b>	<b>416 603</b>	<b>348 194</b>	<b>-16.4%</b>	<b>383 399</b>	<b>10.1%</b>
Corporate income tax	(72 534)	(86 062)	18.6%	(102 345)	18.9%
<b>Net income from continuing operations</b>	<b>344 069</b>	<b>262 132</b>	<b>-23.8%</b>	<b>281 054</b>	<b>7.2%</b>
Earnings from discontinued operations	-	-	0.0%	-	0.0%
<b>Net income for the period</b>	<b>344 069</b>	<b>262 132</b>	<b>-23.8%</b>	<b>281 054</b>	<b>7.2%</b>
<i>In % of the turnover</i>	<i>82%</i>	<i>54%</i>	<i>-34.0%</i>	<i>49%</i>	<i>-9.6%</i>
Net income - Parent company owners' share	344 069	227 051	-34.0%	271 574	19.6%
Net income - non-controlling interests	-	35 082	100.0%	9 480	-73.0%
<b>Consolidated Net Income</b>	<b>344 069</b>	<b>262 132</b>	<b>-23.8%</b>	<b>281 054</b>	<b>7.2%</b>

Source: Aradei Capital

#### I.2.4. Analysis of the balance sheet

The following table shows the main indicators of the Aradei Capital Group's consolidated balance sheet for the period 2021-2023:

Table 97: Changes in Aradei Capital's consolidated balance sheet over the period (2021-2023)

ASSETS (In KMAD)	2021	2022	Var. 21-22	2023	Var. 22-23
Goodwill	-	9 812	100.0%	9 812	0.0%
Other intangible fixed assets	7 314	7 475	2.2%	8,114	8.5%
Investment properties	6 150 418	7 199 349	17.1%	7 630 606	6.0%
Other property, plant and equipment	17 622	14 679	-16.7%	16 769	14.2%
Other financial assets	5 652	5 625	-0.5%	4 867	-13.5%
Deferred income tax assets	4 537	4 575	0.8%	4 575	0.0%
<b>Total non-current assets</b>	<b>6 185 543</b>	<b>7 241 516</b>	<b>17.1%</b>	<b>7 674 743</b>	<b>6.0%</b>
Inventories and work-in-progress	102 109	99 429	-2.6%	117 435	18.1%
Clients	116 541	140 470	20.5%	141 147	0.5%
Corporate income tax receivables	7 941	6 417	-19.2%	7 884	22.9%
Other current assets	305 343	537 784	76.1%	440 378	-18.1%
Cash and other cash equivalents	495 965	378 459	-23.7%	682 328	80.3%
<b>Total current assets</b>	<b>1 027 900</b>	<b>1 162 560</b>	<b>13.1%</b>	<b>1 389 171</b>	<b>19.5%</b>
<b>Total Assets</b>	<b>7 213 443</b>	<b>8 404 076</b>	<b>16.51%</b>	<b>9 063 914</b>	<b>7.85%</b>
LIABILITIES (In KMAD)	2021	2022	Var. 21-22	2023	Var. 22-23
Capital	1 064 578	1 121 396	5.3%	1 121 396	0.0%
Capital-related premiums	836 191	1 029 372	23.1%	829 372	-19.4%
Reserves	1 970 808	2 086 013	5.8%	2 277 815	9.2%

Special reserve	-	-	0.0%		0.0%
Income for the financial year	344 069	227 051	-34.0%	271 574	21.1%
<b>Shareholders' equity group share</b>	<b>4 215 646</b>	<b>4 463 832</b>	<b>5.9%</b>	<b>4 500 158</b>	<b>0.8%</b>
Interest attributable to non-controlling interests	-	55 788	100.0%	65 276	17.0%
<b>Shareholders' equity</b>	<b>4 215 646</b>	<b>4 519 620</b>	<b>7.2%</b>	<b>4 565 434</b>	<b>1.0%</b>
Financial debt - non-current portion	2 066 038	1 913 622	-7.4%	2 866 508	49.8%
Provisions - non-current portion	2 614	2 614	0.0%	2 614	0.0%
Other non-current liabilities	71 650	72 543	1.2%	67 703	-6.7%
Deferred taxes	138 129	180 586	30.7%	212 499	17.7%
<b>Total non-current liabilities</b>	<b>2 278 432</b>	<b>2 169 364</b>	<b>-4.8%</b>	<b>3 149 325</b>	<b>45.2%</b>
Financial debt --current portion	303 111	902 738	>100.0%	485 539	-46.2%
Corporate income tax liability	10 765	4 313	-59.9%	25 740	>100.0%
Suppliers	179 474	350 206	95.1%	320 361	-8.5%
Provisions --current portion	29 710	39 160	31.8%	42 976	9.7%
Other-current liabilities	196 306	418 674	>100.0%	474 537	13.3%
Liabilities related to discontinued operations	-	-	-100.0%	-	100.0%
<b>Total current liabilities</b>	<b>719 365</b>	<b>1 715 091</b>	<b>&gt;100.0%</b>	<b>1 349 155</b>	<b>-21.3%</b>
<b>Total liabilities</b>	<b>2 997 797</b>	<b>3 884 455</b>	<b>29.6%</b>	<b>4 498 479</b>	<b>15.8%</b>
<b>Total liabilities and shareholders' equity</b>	<b>7 213 443</b>	<b>8 404 076</b>	<b>16.51%</b>	<b>9 063 914</b>	<b>7.85%</b>

Source: Aradei Capital



## Part IV. RISK FACTORS

## I. Issuer risks

### I.1. General risks

#### I.1.1. Economic environment risk

Due to its exposure to the retail sector, Aradei Capital is dependent on macroeconomic conditions and the financial position of the leasing companies. In order to diversify its real estate offer, Aradei Capital intends to invest in the development of new asset classes, particularly in professional, residential and industrial real estate.

#### I.1.2. Competitive Risk

The commercial real estate leasing market is a capital-intensive sector of activity but one that does not present any regulatory barriers to entry, which is increasingly attracting the interests of national and international operators. However, the arrival of new operators in the commercial real estate leasing sector would not have a major significant impact on Aradei Capital's revenues given the geographical diversity of its assets.

#### I.1.3. Rising land costs risks

The upward trend in land prices in urban areas is a trend that has been observed in recent years due to the pressure exerted on land supply by steadily increasing demand in line with population growth. However, when establishing rental pricing, the cost of land is taken into consideration. In addition, as part of its development strategy, Aradei Capital will focus on developing its land reserve and improving its operating assets. Naturally, the cost of land is tracked and rigorously monitored in order to identify good investment opportunities.

#### I.1.4. Environmental risks

Aradei Capital's activity is subject to various current environmental and safety regulations. In addition, Aradei Capital is contractually bound to comply with certain obligations defined by the EBRD in the framework agreement. Aradei Capital is also bound by certain obligations set out in the investment agreement signed between LabelVie and PIC.

*(See section "I.2.7 Investment agreement signed between LabelVie and PIC", and "I.2.8 Framework agreement signed between Aradei Capital and the EBRD" under heading I "General Presentation of Aradei Capital")*

Aradei Capital could incur legal liability in the event of failure to comply with its obligation to monitor and control the facilities.

If Aradei Capital is held liable in this way, this could have a negative impact on its business, prospects and reputation. In order to limit these risks, Aradei Capital adopts a preventive policy of conducting diagnostics and, where necessary, works to bring its facilities into compliance with environmental standards.

#### I.1.5. Legal and regulatory risk

Aradei Capital must comply with numerous regulations in various fields, including urban planning, construction, operating permits, health and safety, environment, lease law, corporate law, and taxation, particularly through current provisions. Variations in the regulatory environment could require Aradei Capital to adapt its business, assets or strategy, which could affect the value of its assets and liabilities, its financial position or its results, increase expenses or slow down or even prevent the development of certain investment projects.

### I.2. Specific risks

#### I.2.1. Risk of dependence on the Label'Vie Group and Best Financière

As of 31/12/2023 Aradei Capital SA is 37.8% owned by the LabelVie Group (following (i) two capital increases conducted by REIM International and GEPIF, (ii) the IPO and capital increase conducted in November 2022). LabelVie, through its subsidiaries, represents 38.7% of Aradei Capital's total sales area at the end of 2023.

As of 31/12/2023, Aradei Capital SA is 37.8% owned by the LabelVie Group, which in turn is 51.06% owned by Retail Holding, 50.6% owned by the Best Financière Group.

As of 31/12/2023, the Best Financière Group, through its subsidiaries, represents 41.5% of Aradei Capital's total retail space (38.7% of the retail space is occupied by the LabelVie Group and 0.8% of the retail space is occupied by Virgin

NA (under the "Virgin" banner), GFFS (under the "Burger King" banner) and Modes & Nuances (under the "KIABI" banner).

The concentration of Aradei Capital's revenues around the Best Financière group, which operates in the retail sector among others, is in line with the standards that can be observed in other comparable property companies abroad, where the share of revenues from tenants operating in the retail (food and non-food) and fast-food sectors represents a significant proportion of their overall revenues.

### **I.2.2. Interest rate risk**

Interest rate risk can impact the cost of servicing the debt. In addition, should interest rates on future debt potentially rise, Aradei Capital will adjust the capitalization rates used to value these assets to be acquired and financed by debt accordingly.

The trend in Bank Al Maghrib's key interest rate may lead to a variation in interest rates resulting, if necessary, in an increase in the cost of financing.

Aradei Capital may finance its investments by using Aradei Capital floating rate loans, which are subject to both upward and downward fluctuations in interest rates.

### **I.2.3. Risk related to compliance with contractual obligations of EBRD and PIC acting on behalf of GEPF**

Aradei Capital is required to comply with its contractual obligations to the EBRD and PIC, including ESG policy, governance and information rights. Aradei Capital is also bound by its contractual obligations to the EBRD regarding internal procedures, fraud and corruption and financial reporting.

*(See section "I.2.7 Investment agreement signed between LabelVie and PIC", and "I.2.8 Framework agreement signed between Aradei Capital and the EBRD" under heading I "General Presentation of Aradei Capital")*

### **I.2.4. Subcontracting risk**

REIM Partners has contributed to the structuring, governance and development of the Company since 2015 in terms of investments, financing (debt and equity) and the organization of the Company. In view of this situation, the Company is exposed to a risk of dependence on REIM Partners in the event of non-renewal of the mandate, which will end on December 31, 2030.

### **I.2.5. Risk related to the incorporation of a business by the tenant**

The business is defined by Articles 79 and following of the Commercial Code as "an intangible movable asset consisting of all movable property allocated to the exercise of one or more commercial activities" which "must include the clientèle and goodwill but also all other assets necessary for the operation of the business such as the trade name, signs, leasehold rights, commercial furniture, goods, equipment and tools, patents, licenses, trademarks and service marks, industrial designs and models and, in general, any industrial, literary or artistic property rights attached thereto".

The tenant may only claim to form a business if the tenant has enjoyed the property for two (2) consecutive years.

In the event that the landlord wishes to evict the tenant after an occupancy of more than two (2) years, the landlord shall compensate the tenant for an amount as defined by the Commercial Leases Act and determined in particular based on the value of the business declared in the last four (4) tax bundles to which are added, *inter alia*, moving costs and expenses for renovation works.

The landlord could evict the tenant without being required to pay eviction compensation in the following cases:

- If the landlord has a serious and legitimate reason against the tenant;
- If it is established that the building must be demolished for public health reasons recognized by the competent authorities;
- If the landlord takes over the place and occupies it themselves.

Nevertheless, the Company would only consider evicting a tenant in the event of a dispute with the latter (non-payment of rent, failure to comply with the terms of the lease agreement, etc.). In this case, legal proceedings would be initiated

to demonstrate that the landlord has a serious and legitimate reason against the tenant and is therefore not liable for such compensation.

#### **I.2.6. Sectoral risks**

Aradei Capital is active in the commercial real estate sector, particularly in shopping centers throughout Morocco. As such, Aradei Capital is exposed to the risk of fluctuations in the value of its property assets and rents. These fluctuations are likely to have a significant impact, whether positive or negative, on its activity, earnings, solvency and development prospects.

#### **I.2.7. Real estate market fluctuation risk**

The appraised value of the assets depends on the conditions of balance between supply and demand for commercial premises by real estate investors. In addition to the general economic environment, the availability of modern real estate assets, the level of interest rates and the credit granting facility are key factors in this market which are independent of Aradei Capital and whose trends are difficult to predict.

In addition, the assets are held with a long-term perspective and are valued in the accounts at their cost net of depreciation, with short-term changes in value having no direct impact on results. On the other hand, they have an impact on the Net Asset Value. Fluctuations in the valuation of real estate assets may have an upward or downward impact on the Company's profitability as part of the financial statements published under IFRS standards and in particular on operating income, which includes the change in fair value of investment properties.

#### **I.2.8. Rental fluctuation risk**

At the expiry of existing leases, which may be renewed, the Group is subject to the vagaries of the rental market for the re-renting of vacated premises. In this competitive market, macroeconomic conditions and in particular the development of commercial activity have an effect on the length of time required for re-renting and its price (rental value). Any adaptation of the premises to demand may, in some cases, result in a prolonged period of vacancy of the assets.

#### **I.2.9. Construction risk as the project owner**

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

Nevertheless, and in order to mitigate the risk associated with construction as general contractor, Aradei Capital has established a network of general contractors with the human and technical resources to conduct these projects to the highest professional standards.

#### **I.2.10. Counterparty risk**

##### **Client Risk**

Benefiting from a client portfolio concentrated on the subsidiaries of the Best Financière Group, Aradei Capital is exposed to client credit risk and occasional payment defaults or delays cannot be excluded.

Client solvency is assessed at the signing of the leases by the General Management of Aradei Capital based on the payment histories for existing clients and solvency analyses for new clients.

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

##### **Banking counterparty risk**

Financial transactions, consisting mainly of bank borrowings, short and medium-term investments and short-term drawdowns on a line of credit, are carried out with the main Moroccan financial institutions.

The default of one or more of these counterparties could have a significant impact on the Group's liquidity. However, no banking counterparty accounts for more than one-third of the financial resources or derivative instruments that may be used by the Group.

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**Insurance counterparty risk**

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

Contractual indemnity limits are set per asset, based on the value of the buildings.

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

Periodic monitoring of insurance and premiums is updated by Asset Management.

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**I.2.11. Financial liquidity risk**

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**Debt risk**

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Aradei Capital's strategy is to use bank debt to finance part of its growth. Moreover, at the end of 2023, the Group's Loan to Value (LTV) ratio will be 41%.

The Group will use debt to finance its development program, in order to improve return on capital under certain conditions. Financing needs and conditions are reviewed for each acquisition. The same applies to the monitoring of contractual obligations linked to existing debt "covenants".

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**Access to debt risk**

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

Access to credit is conditional, in the case of bank resources, on compliance with a number of financial ratios concerning, in particular, balance sheet structure (LTV & LTV EPRA) and the ability of the business to cover the cost of its debt. These ratios are communicated to banking institutions in accordance with contractual commitments.

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**I.2.12. Vacancy risk**

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Aradei Capital has 40 assets, including 6 independent assets and one OPCI, with an occupancy rate of almost 100%. For shopping centers, galleries, the industrial unit, the "Prism" office asset and health clinics (24 assets), the lowest occupancy rate is around 52%.

Vacancy risk (loss of income resulting from the property not being let between two tenants) is taken into account in the development plan, which is based on very conservative assumptions. In addition, REIM Partners' Commercial Department aims to diversify the portfolio of potential tenants, taking into account their business sectors, brand awareness and creditworthiness.

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**I.2.13. Contract default risk**

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The Company is bound by contracts with its partners and tenants in the course of conducting its business. In order to ensure the reliability of all the legal documentation governing the Company's leases and to neutralize the risks inherent in this legal documentation, Aradei Capital's Asset Manager has a legal department which ensures that the legal documentation safeguards the Company's interests and complies with current legislation. In addition, the Company regularly calls on leading external legal firms to assist and advise it in protecting itself against this risk.

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**I.2.14. Tax risks**

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

### **I.2.15. Shareholder structure risk**

As of 31/12/2023, the Best Financière Group held 45.3% of the capital and voting rights of Aradei Capital SA. It is likely to exercise significant influence over shareholders' meetings, enabling it to pass or reject proposed resolutions.

### **I.2.16. Key persons risk**

The position of CEO of Aradei Capital is entrusted to Mr. Nawfal Bendefa, who has contributed to the development of the Company. In view of this situation, the Company is exposed to a risk of dependence on the CEO of the Company in case of departure.

## **II. Risk factors related to the financial instruments offered**

### **Liquidity risk**

The subscriber to Aradei Capital SA shares may be subject to a liquidity risk of the share on the stock market. Indeed, depending on the market conditions and the evolution of the share price, the liquidity of the share may be temporarily affected. Thus, a shareholder wishing to sell their shares may, to a certain extent, be unable to sell some or all of the shares held within a short period of time with or without a discount on the capital.

### **Price volatility risks**

Listed shares are subject to the rules of supply and demand, which determine their value on the stock market. Share price movements are determined in particular by the achievements and financial performance of listed companies and the development prospects anticipated by investors. Thus, investors may experience a significant increase or decrease in the value of the listed securities they hold.

### **Capital loss risk**

Participation in the capital of a company involves the risks inherent in any investment. If one or more of the risks are realized, they may result in losses up to and including the total loss of the contribution and related transaction costs, and thus of the entire capital invested.

In addition, if the investor has borrowed external capital to pay for the participation, then the maximum risk is higher, as the obligations under the loan agreement remain with the lender, regardless of the development of the participation in Aradei Capital, and the lender may claim against the investor for a sum exceeding the invested capital. There is therefore a risk of personal bankruptcy.

## **Disclaimer**

The aforementioned information constitutes only part of the prospectus approved by the Moroccan Capital Markets Authority (AMMC) on May 24, 2024, under reference no. VI/EM/011/2024.

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