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CAPITAL

H1 2021 Financial communication

On September 21, 2021, Aradei Capital's Board of Directors chaired by Mr. Nawfal Bendefa met to review the Company and to approve the Company's activity and to approve its Moroccan GAAP and IFRS consolidated financial statements as of June 30th, 2021.

« *The first half of the year performance was marked by strong performance thanks to our growing portfolio and satisfactory levels of traffic in our retail assets. The Company took two major steps in its growth and diversification strategy. A first transaction in the OPCI market followed by a strategic partnership in the healthcare sector. Aradei Capital's core business has also demonstrated resilience with revenues exceeding pre-crisis levels.* »

Nawfal Bendefa – CEO of Aradei Capital

KEY EVENTS

A growing activity confirming the Company's resilience

■ Revenues amounted to **200 MMAD** vs **124 MMAD** last year, a **+62%** increase. This increase was mainly driven by:

- The acquisition of the BMCI (Group BNP Paribas) assets in the form of an OPCI vehicle
- Revenues from the opening of the 4th and 5th Sela Parks in Temara and Agadir which opened in September and October 2020 respectively

■ A **+43%** increase in revenues compared to the H1 2019 pre-crisis levels (**140 MMAD**) driven by (i) a return to a strong performance in historical assets; (ii) the BMCI portfolio; and (iii) six project's openings between 2019 and 2020.

■ An encouraging leasing dynamic with nearly 15,000 sqm of signed GLA during this semester.

■ Recovery in footfall in shopping malls and galleries, which reached **82% of its 2019 levels** over the same period, despite the extended restrictive measures during the first half of 2021 related to the health context impacting the activity of commercial assets. The July footfall reached 94% of its 2019 levels, which confirms this trend.

Ongoing diversification strategy: OPCI, healthcare and offices

■ **March 2021** : Acquisition of the **OPCI CLEO PIERRE SPI-RFA** shares for a total amount of nearly 557 MMAD leased to BMCI Bank (BNP Paribas Group)

- A 103 bank branches portfolio (28,000 sqm) entirely leased to BMCI
- Additional rental revenues of nearly 50 MMAD in 2021

■ **September 2021** : Signing of a strategic joint venture in the private healthcare sector in Morocco between Aradei Capital (51%), Akdital Holding (31%) and BFO Partners (17%).

· Akdital Immo, the joint venture, has an identified investment program of 1 Bn MAD over the 2021-2023 period. This investment would fund 900 beds in capacity located in 7 cities across Morocco for a total GLA of 100,000 sqm: El Jadida (opened last June), Tangier, Agadir, Salé and Safi, as well as two other cities currently being analyzed.

■ Ongoing construction works on the Company's first office building, PRISM, with a GLA of 7,000 sqm and due for delivery **for the end of 2021**. This is the first EDGE Advanced certified building in Morocco which is fully in line with the Company's E&S ambitions.

Key Figures as of
H1 2021

29 assets

1 OPCI

380.000m²
GLA

22 Cities

96% Occupancy
Rate

90% Recovery
Rate

82% Footfall
levels compared
to 2019

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FINANCIAL RESULTS

- The key consolidated IFRS Income statement and Balance sheet financials as of H1 2021 are presented below:

Consolidated IFRS Income statement

In KMAD	30/06/2020	30/06/2021
Rental revenues	120.060	195.178
Other revenues	3.915	5.258
Turnover	123.976	200.436
OPEX	(22.571)	(47.961)
EBITDA	101.404	152.475
FFO	56.353	98.626

Bilan consolidé IFRS

In KMAD	30/06/2020	30/06/2021
Cash & Cash equivalents	664.722	72.579
Investment properties	5.200.322	5.860.946
Total Equity	4.015.657	3.939.376
Long term liabilities	(1.604.778)	(1.902.098)
Short term financial debt	(393.580)	(298.222)
LTV	31%	34%

- The 76.5 MMAD turnover increase was driven by the following impacts:

- Revenues generated by CLEO PIERRE SPI-RFA (+22.3 MMAD);
- Revenues stemming from the new openings Sela Park Temara and Sela Park Agadir which opened in September and October 2020 (+17.4 MMAD);
- The activity recovery for the constant perimeter (net effect of new leases, lease termination and rent indexation) compared with a H1 2020 negatively impacted by the health crisis following the closure of non-essential businesses (support measures granted to tenants, decline in revenues from leisure, temporary stands and specialty leasing).

- The 25.4 MMAD OPEX increase is due to the new perimeter's re-lated expenses.

- This resulted in a 42.3 MMAD (75%) FFO growth.

- The Cash variation is due to investments for a total amount of 637 MMAD (incl. 557 MMAD pertaining to CLEO PIERRE SPI-RFA shares acquisition) and dividends for 131.5 MMAD

- Investment properties increased by 660.6 MMAD following the acquisition of the CLEO PIERRE SPI-RFA portfolio valued at 620 MMAD.

- The increase in financial liabilities (long term and short term) is due to net effect of (i) the debt drawdown pertaining to the acquisition of CLEO PIERRE shares, (ii) reimbursement of commercial paper credit lines and (iii) other reimbursement related to operating assets debt.

Loan-To-Value Ratio

- The Loan-To-Value* ratio amounted to 34% as of 30/06/2021 compared to 31% as of 31/12/2020

Consolidated IFRS statements (MMAD)	au 30/06/2021
Consolidated Financial Liabilities	1.984,9
Net Cash	72,6
Market value of investment properties	5.692,2
Ratio	34%

Free Assets ratio

- The Free Assets ratio** amounted to 369% as of 30/06/2021 compared to 275% as of 31/12/2020.

Consolidated IFRS statements (MMAD)	au 30/06/2021
Free Assets Value	1.899,6
Bond Issuance outstanding	514,3
Ratio	369%

Outlook

- A footfall level close to pre-crisis activity observed in 2019. Sanitary measures implemented within the assets and the vaccination campaign deployed throughout the Kingdom have led to promising performance which is continuously improving.

- An encouraging dynamic in rental transactions .

- An identified pipeline of investment opportunities that will support the Company's growth.

- A first environmental certification and an advanced work on the Company's E&S issues with the aim of supporting sustainable growth.

(*) Loan-To-Value (LTV): ratio of Consolidated Financial Debt divided by the market value of the Company's Investment Properties plus Net Cash. This ratio must remain below 65% in accordance with the information memorandum of the Bond Issuance (made by the Company and approved by the MACM dated October 16, 2018).

(**) Free Assets: Refers to any asset that is free of any option or security right, privilege, mortgage, or real or personal right of a third party. Assets pledged as security under the bond issue are considered to be Free Assets. This ratio must remain above 130% (1.3x).

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H1 2021 IFRS CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(En KMAD)	30/06/2021	30/06/2020	Variation
Rental revenues	195 178	120 060	75.118
Other revenues	5 258	3 915	1.343
Revenues	200 436	123 976	76.461
OPEX	(47 961)	(22 571)	(25.390)
Other expenses / external expenses	(39 745)	(11 888)	(27.857)
Payroll expenses	(9 342)	(9 031)	(310)
Tax expenses	(4 229)	(1 438)	(2.791)
Other operating revenues and expenses	5 354	(214)	5.568
EBITDA	152 475	101 404	51.071
Depreciation expenses	(2 122)	(2 429)	307
Provisions for risks and charges	(9 475)	(10 731)	1.256
Other non-operating revenues and expenses	(1 175)	(4 873)	3.697
Fair-value changes of investment properties	(12 753)	(3 754)	(8.998)
Operating income	126 951	79 618	47.333
Gross financing cost	(44 511)	(39 444)	(5.066)
Cash placements revenue	8 474	1 820	6.654
Net financing cost	(36 037)	(37 625)	1.588
Other financial revenues and expenses	1 992	4 835	(2.843)
Current income before tax	92 906	46 828	46.078
Income tax	(31 551)	(23 419)	(8.132)
	<i>Incl. Deferred taxes</i>	16.153	16.006
Current period's net income	61.355	23.409	37.946
Number of shares	10.645.783	9.395.783	
Net Income per share	5,76	2,49	3,27
FFO (Funds From Operations)	98.626	56.353	42.273

CONSOLIDATED BALANCE SHEET

(En KMAD)	30/06/2021	31/12/2020	Variation
Assets			
Other intangible assets	7 430	7 580	(150)
Investment properties	5 860 946	5 200 322	660.624
Other fixed assets	17 791	19 437	(1.646)
Other financial assets	5 652	5 942	(290)
Deferred tax - assets	4 428	4 545	(117)
Total non-current assets	5 896 248	5 237 826	658.422
Inventory	96 361	90 061	6.299
Accounts receivable	131 496	132 771	(1.275)
Tax receivables	16 407	14 644	1.763
Other current assets	319 607	292 107	27.500
Cash & Cash equivalents	72 579	664 722	(592.143)
Total current assets	636 449	1 194 304	(557.855)
Total assets	6 532 697	6 432 130	100.566
Shareholders Equity			
Issued capital	1.064.578	1.064.578	-
Share premium	836.191	931.388	(95.197)
Reserves	1.977.252	1.897.292	79.960
Special reserve account	-	104.803	(104.803)
Net profit	61.355	17.596	43.759
Owner's Equity	3.939.376	4.015.657	(76.281)
Non-controlling interest	-	-	-
Total shareholders' equity	3.939.376	4.015.657	(76.281)
Liabilities			
Long term debt	1 686 715	1 409 360	277.355
Provisions part courante	2 614	2 614	-
Other non-current liabilities	90 893	88 394	2.499
Deferred tax - liabilities	121 875	104 409	17.466
Total non current liabilities	1 902 098	1 604 778	297.320
Current portion of long term debt	298 222	393 580	(95.358)
Income tax payable	15 366	1 194	14.172
Accounts payable	171 551	199 533	(27.981)
Provisions	25 442	19 718	5.725
Other liabilities	180 641	197 672	(17.030)
Total Current liabilities	0	0	-
Total passifs courants	691 223	811 696	(120.473)
Total liabilities	2 593 321	2 416 474	176.847
Total liabilities and equity	6 532 697	6 432 130	100.566

ATTESTATION D'EXAMEN LIMITÉ SUR LA SITUATION INTERMÉDIAIRE CONSOLIDÉE AU 30 JUIN 2021



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GROUPE ARADEI

ATTESTATION D'EXAMEN LIMITE SUR LA SITUATION INTERMEDIAIRE DES COMPTES CONSOLIDES AU 30 JUIN 2021

Nous avons procédé à un examen limité de la situation intermédiaire consolidée de la société ARADEI S.A. et de ses filiales (Groupe ARADEI) comprenant le bilan consolidé, le compte de résultat consolidé, l'état des variations des capitaux propres consolidés, l'état des flux de trésorerie consolidés et une sélection des notes annexes au terme du semestre couvrant la période du 1^{er} janvier au 30 juin 2021. Cette situation intermédiaire fait ressortir un montant de capitaux propres consolidés totalisant KMAD 3.939.376 dont un bénéfice net consolidé de KMAD 61.355. Cette situation a été arrêtée par le Conseil d'Administration le 21 septembre 2021, dans un contexte évolutif de la crise sanitaire liée à la pandémie de Covid-19, sur la base des éléments disponibles à cette date.

Nous avons effectué notre mission selon les normes de la profession au Maroc. Ces normes requièrent que l'examen limité soit planifié et réalisé en vue d'obtenir une assurance modérée que la situation provisoire du bilan consolidé, le compte de résultat consolidé, l'état des variations des capitaux propres consolidés, l'état des flux de trésorerie consolidés et une sélection des notes annexes les plus significatives, ne comporte pas d'anomalie significative. Un examen limité comporte essentiellement des entretiens avec le personnel de la Société et des vérifications analytiques appliquées aux données financières; il fournit donc un niveau d'assurance moins élevé qu'un audit. Nous n'avons pas effectué un audit et, en conséquence, nous n'exprimons donc pas d'opinion d'audit.

Sur la base de notre examen limité, nous n'avons pas relevé de faits qui nous laissent penser que les états consolidés, ci-joints, ne donnent pas une image fidèle du résultat des opérations du semestre écoulé ainsi que la situation financière et du patrimoine du Groupe ARADEI arrêtés au 30 juin 2021, conformément aux Normes Comptables Internationales (IAS/IFRS).

Casablanca, le 22 septembre 2021

Les Commissaires aux Comptes

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