



HIGHTECH PAYMENT SYSTEMS

Prospectus Summary relating to the Capital Increase through the Exercise of Stock Options, reserved for Eligible Employees and Consultants of HPS S.A. and Group Subsidiaries, through the Issue of a Maximum of 37,020 New Shares, with Cancellation of Shareholders' Preferential Subscription Rights

The AMMC-approved prospectus consists of:

- this securities note;
- HPS' reference document for the 2022 financial year, registered with the AMMC on 05th June 2023 under reference EN/EM/008/2023.

Fixed Price Offer

| | |
|--|--|
| Nature of security | Ordinary shares |
| Subscription price | MAD 1,500 |
| Nominal value | MAD 100 |
| Maximum number of new shares to be issued | 37,020 shares |
| Maximum total amount of the operation (including issue premium) | MAD 55,530,000 |
| Subscription period | From June 16, 2023 to July 12, 2023 at 3:30 p.m. inclusive |

Financial Advisor and Global Coordinator

Attijari Finances Corp.



التجاري الاستشاري المالي
Attijari Finances Corp.

Placement Body

Attijariwafa bank



التجاري وفا بنك
Attijariwafa bank

Registration Body

Attijari Intermédiation



التجاري الوساطة
Attijari Intermédiation

Approval of the Moroccan Capital Market Authority (AMMC)

In accordance with the provisions of the AMMC circular issued pursuant to Article 5 of Law 44-12 relating to public offerings and the information required from legal entities and organizations making public offerings, this prospectus was approved by the AMMC on 05th June 2023, under reference VI/EM/015/2023.

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

- HPS' reference document relating to the 2022 financial year registered by the AMMC on 05th June 2023, under reference EN/EM/008/2023 ;
- And this securities note.

DISCLAIMER

The Moroccan Capital Market Authority (AMMC) approved on 05th June 2023 a prospectus relating to the capital increase by exercise of stock options, reserved for Eligible Employees and Consultants of HPS S.A. and the Group's Subsidiaries, through the issue of a maximum number of 37,020 new shares, with cancellation of shareholders' preferential subscription rights.

The AMMC-approved prospectus is available at any time from HPS' registered office: Casablanca NearShore Park Shore 1 - Secteur A 1100, boulevard Al Qods, Sidi Maârouf 20270 Casablanca / Phone: 05.22.29.88.88, and on its website: <https://www.hps-worldwide.com/>; as well as from its financial advisor.

It is available on demand within a maximum of 48 hours from the entities in charge of collecting subscriptions:

- Attijariwafa bank "La Colline" agency: 114, Hay Sidi Maarouf 1, Casablanca; Phone: 05 22 33 52 34 ;
- Attijariwafa bank "La Colline Expansion" agency: NearShore Park - Shore 9 – 1100, Boulevard El Qods Casablanca; Phone: 05 29 04 48 28 / 05 29 04 48 33 ;
- Marjane Californie agency: Chemin Tertiaire 1029, Route de Nouaceur, Californie, Casablanca; Phone: 05 22 50 21 24 / 05 22 50 21 24 ;
- Attijariwafa bank agency: Boulevard de la Mecque - lotissement Keltoum 20150 – Casablanca; Phone: 05 22 87 24 31.

The prospectus is available to the public at the Casablanca Stock Exchange headquarters and on its website www.casablanca-bourse.com. It is also available on the AMMC website www.ammc.ma.

This summary has been translated by LISSANIAST under the joint responsibility of the said translator and HPS. In the event of any discrepancy between the contents of this summary and the AMMC-approved prospectus, only the approved prospectus will prevail.

PART I: PRESENTATION OF THE OPERATION

I. STRUCTURE OF THE OFFER

I.1. Amount of the operation

This issue is for a maximum nominal amount of MAD 3,702,000 through the issuance of a maximum number of 37,020 shares at a subscription price per share of MAD 1,500, comprising MAD 100 as nominal value and MAD 1,400 as share premium. The total amount of the capital increase will be a maximum of MAD 55,530,000, including MAD 3,702,000 as nominal value and MAD 51,828,000 as share premium.

I.2. Structure of the offer

| | |
|---|---|
| Subscribers | Employees and Consultants eligible for the capital increase notified by the HPS Group of the number of options to subscribe for shares in the company. These options definitively granted to each of them correspond in total to all 37,020 shares covered by the capital increase, and meet the eligibility conditions (except in the specific case of retirement at retirement age or early retirement at early retirement age, as legally recognized in the country of the Group entity to which the option beneficiary belongs, or disability or inability of the beneficiary to carry out any professional activity whatsoever; or death of the option beneficiary) on the closing date for sending the option exercise declaration and the signed subscription form to the placement body. The eligibility conditions are those defined in the minutes of the Extraordinary General Meeting held on August 3, 2020. |
| Offer maximum amount | MAD 55,530,000 |
| Maximum number of new shares to be issued | 37,020 shares |
| As a % of share capital prior to the Operation | 5.26% |
| As % of share capital after the Operation | 5.00% |
| Subscription price | MAD 1,500 per share |
| Preferential subscription rights | Cancellation of shareholders' preferential subscription rights |
| Minimum subscription per investor | No minimum |
| Subscription ceiling and allocation terms | <p>1st allocation, ["irreducible" basis]</p> <p>The Boards of Directors of HPS S.A. dated January 30, 2023 and May 19, 2023, decided to issue a maximum number of 37,020 shares, corresponding to the total number of options to subscribe for shares in the Company that have been definitively granted to Eligible Employees and Consultants.</p> |

| | |
|--|---|
| | <p>The number of options and the equivalent number of shares that may be subscribed for by each Eligible Employee and Consultant under the 1st allocation (on an "irreducible" basis) have been notified individually to the Eligible Employees and Consultants, by means of a model option exercise declaration and subscription form to be used by each of them.</p> <p>Under this 1st allocation, each Eligible Employee and Consultant will be able to subscribe to the number of shares within the limit of the shares notified to them [on an "irreducible" basis] equivalent to the number of options notified to them.</p> <p>2nd allocation - the remainder</p> <p>In addition to participating in the 1st allocation (on an "irreducible" basis), each Eligible Employee and Consultant may wish to subscribe for the remainder of the shares, if the total number of shares subscribed for in the 1st allocation (on an "irreducible" basis) is less than 37,020 shares.</p> <p>Each Eligible Employee and Consultant must subscribe to the full number of shares [on an "irreducible" basis] in order to participate in the allocation of the remainder.</p> <p>The remainder (remaining shares to be allocated after the 1st allocation) will be allocated in proportion to the number of shares requested during the 2nd allocation.</p> <p>If the number of shares to be allocated to each Eligible Employee and Consultant is not a whole number, it will be rounded down to the nearest whole number. Fractional shares will be allocated to all Eligible Employees and Consultants who have expressed a wish to subscribe to the remainder, in increments of one share per subscriber, with priority given to the highest requests.</p> |
|--|---|

| | |
|----------------------------|---|
| Lock-up period | The shares purchased will not be locked up. |
| Operation financing | <ul style="list-style-type: none"> • Equity financing • Financing through a conventional loan • Financing through a bank loan from any financial institution • Salary advances where permitted by current legislation (salary advances will only be offered to Eligible Employees in Singapore, through the Hightech Payment Systems Singapore PTE Ltd subsidiary). |

II. FINANCIAL INSTRUMENTS OFFERED

II.1. Characteristics of the securities offered

| | |
|-----------------------------|---|
| Nature of securities | Ordinary shares all of the same class |
| Legal form | The shares covered by this operation will all be bearer shares. These shares will be fully dematerialized and admitted to trading on Maroclear. |



| | |
|---|---|
| Maximum amount of the operation | MAD 55,530,000 of which MAD 3,702,000 as nominal value and MAD 51,828,000 as issue premium |
| Maximum total number of shares to be issued | 37,020 new shares to be issued as part of the capital increase |
| Subscription price | MAD 1,500 per share |
| First listing procedure | Fixed Price Offer |
| Nominal value | MAD 100 per share |
| Issue premium | MAD 1,400 per share |
| Share payment | The shares issued will be fully paid up and free of any commitment. |
| Listing line | 1 st listing line. The shares to be issued will be listed alongside existing shares. The shares to be issued will not be entitled to the dividend approved by the Annual General Meeting for the 2022 financial year, and will be entitled to the dividend from any dividend approved by the Annual General Meeting for the 2023 financial year. |
| Vesting date | January 1, 2023 (the shares to be issued are not entitled to the dividend approved by the Annual General Meeting for the 2022 financial year, and will be entitled to the dividend from any dividend approved by the Annual General Meeting for the 2023 financial year). |
| Subscription period | From June 16, 2023 to July 12, 2023 at 3:30 p.m. inclusive |
| Tradability of shares | The shares covered by this operation will be freely tradable. There is no clause in the Company's articles of association restricting free trading in the shares comprising the Company's share capital. There are no undertakings restricting the free trading of the shares covered by this operation. |
| Method of share payment and share transfer price | In cash |
| ISIN code | MA0000011611 |
| Listing date of new shares | July 25, 2023 |
| Rights attached to newly-issued shares | The new shares to be issued will be ordinary shares of the Company and will be fully assimilated to the Company's existing shares as from their issue, with the same rights in respect of both the distribution of profits and the distribution of liquidation surpluses. The shares to be issued do not carry entitlement to the dividend approved by the Annual General Meeting for the 2022 financial year, and will carry entitlement to the dividend from any dividend approved by the Annual General Meeting for the 2023 financial year. |
| Preferential subscription rights | The Extraordinary General Meeting of August 3, 2020 decided to cancel shareholders' preferential subscription rights in favor of |

Eligible Employees and Consultants for all shares to be issued under the Operation.

II.2. Characteristics of the shares to be issued

| | |
|--|---|
| Listing date | July 25, 2023 |
| Code | HPS |
| Ticker | HPS |
| ISIN | MA0000011611 |
| Listing compartment | Principal B |
| Sector of activity | Hardware, Software and IT Services |
| Trading cycle | Continuous |
| Listing line | 1 st listing line. The shares to be issued will be listed alongside existing shares. The shares to be issued will not be entitled to the dividend approved by the Annual General Meeting for the 2022 financial year, and will be entitled to the dividend from any dividend approved by the Annual General Meeting for the 2023 financial year. |
| Maximum number of shares to be issued | 37,020 shares |
| Body in charge of registering the operation | Attijari Intermédiation |

II.3. Elements for assessing the terms of the offer

II.3.1. Determination of the subscription price

The Extraordinary General Meeting of August 3, 2020 set the price of the option to subscribe for one HPS share at MAD1,500 at its sole discretion. The Board of Directors' meetings of January 30, 2023 and May 19, 2023 decided to issue a maximum of 37,020 new shares on the stock market through an increase in share capital of a maximum nominal amount of MAD 3,702,000 via the issue of a maximum of 37,020 new shares, at a subscription price of MAD 1,500 per share, to be fully paid up in cash, with cancellation of shareholders' preferential subscription rights, in favor of Eligible Employees and Consultants of the Company and Group Subsidiaries who meet the relevant eligibility criteria, up to the number of stock options definitively granted to them.

The method used to determine the issue price of the HPS share in connection with this capital increase is the weighted average price method.

This method consists of assessing the issue price of the HPS share in relation to the average of HPS share prices on the Casablanca Stock Exchange, weighted by volumes over a period ranging from 1 month to 36 months.

The appreciation of the HPS share by reference to the average share price is explained by the existence of an objective benchmark represented by the share price.

The table below summarizes the discount on the HPS share issue price based on the last HPS share price on May 19, 2020 (the day preceding the date of the Board of Directors' meeting of May 20, 2020 which decided to convene the Extraordinary General Meeting of August 3, 2020 which authorized this capital increase) and the average share prices over various periods ranging from 1 month to 36 months on the same date. For information purposes, the table also shows the highest and lowest prices recorded on the Casablanca Stock Exchange for HPS shares over the various periods selected prior to May 19, 2020.

| Analysis of HPS S.A. share price (MAD) | Min. | Max. | Weighted average price ¹ | MAD 1,500 subscription price discount as % of WAP | Market capitalization based on weighted average price |
|--|-------|-------|-------------------------------------|---|---|
| Spot, dated 05/19/2020² | - | - | 3,835 | 60.89% | 2,698,302,165 |
| 1 month (from 20/04/2020 to 19/05/2020) | 3,390 | 3,835 | 3,604 | 58.38% | 2,535,599,999 |
| 3 months (from 20/02/2020 to 19/05/2020) | 2,674 | 4,149 | 3,451 | 56.53% | 2,428,069,777 |
| 6 months (from 20/11/2019 to 19/05/2020) | 2,674 | 4,149 | 3,692 | 59.37% | 2,597,855,460 |
| 12 months (from 05/21/2019 to 05/19/2020) | 2,674 | 4,149 | 3,555 | 57.81% | 2,501,398,387 |
| 18 months (from 22/11/2018 to 19/05/2020) | 2,406 | 4,149 | 3,399 | 55.87% | 2,391,767,621 |
| 24 months (from 05/21/2018 to 05/19/2020) | 1,830 | 4,149 | 3,261 | 54.00% | 2,294,253,211 |
| 30 months (from 20/11/2017 to 19/05/2020) | 1,600 | 4,149 | 3,187 | 52.93% | 2,242,236,752 |
| 36 months (from 22/05/2017 to 19/05/2020) | 1,053 | 4,149 | 3,058 | 50.94% | 2,151,282,315 |

Source: Casablanca Stock Exchange

For all the horizons studied, the last price used to calculate the WAC is the HPS S.A. share price on May 19, 2020, i.e. the day preceding the date of the Board of Directors' meeting of May 20, 2020, which decided to convene the Extraordinary General Meeting to approve the stock option plan reserved for the Group's Eligible Employees and Consultants launched in 2020 at a subscription price of MAD1,500 per HPS S.A. share.

The weighted average prices of HPS S. A share calculated over the 1-month, 3-month, 6-month, 12-month, 18-month, 24-month, 30-month and 36-month periods ending May 19, 2020 (inclusive) were MAD 3,604, MAD 3,451, MAD 3,692, MAD 3,555, MAD 3,399, MAD 3,261, MAD 3,187 and MAD 3,058 per share respectively, representing an equity value of MAD 2,536 m, MAD 2,428 m, MAD 2,598 m, MAD 2,501 m, MAD 2,392 m, MAD 2,294 m, MAD 2,242 m and MAD 2,151 m respectively.

¹ Weighted average price for the period = Sum of volumes traded for the period / Sum of quantities for the period.

² Reference date adopted by the Board of Directors on May 20, 2020, which decided to call an Extraordinary General Meeting to approve the subscription price of MAD 1,500.



As a result, the proposed issue price of MAD 1,500.0 per HPS share represents a maximum discount of 59.37% to the 6-month CMP of MAD 3,692 and a minimum discount of 50.94% to the 36-month CMP of MAD 3,058.

The Company considers this discount to be adequate in view of the nature of the proposed operation (a share subscription plan reserved for Eligible Employees and Consultants of the Company and the Group, designed to motivate them to contribute to the Company's development in the years following the granting of stock options), and in view of the limited percentage of capital covered by this operation (around 5.26% before the capital increase).

By a decision dated June 5, 2023, the Board of Directors set the definitive subscription terms for the Company's shares, as detailed in this securities note.

II.3.2. Price assessment 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 cash 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 required by providers of funds (shareholders and creditors), weighted by their respective levels of commitment to financing the company's economic assets. Once the enterprise value has been determined, the value of shareholders' equity is obtained by deducting net debt.

Given the relatively high liquidity of HPS shares, this method was not used.

Stock market comparables

The stock market comparables method is an analogical valuation method used to estimate a company's equity value based on the valuation levels of comparable companies listed on the stock market.

Several parameters need to be verified when applying this method, notably the homogeneity of the assumptions underlying the construction of the comparables benchmark (growth, risk, size, business sector, legal/tax/regulatory environment, accounting standards, etc.).

Due to the significant difference between the market capitalization of S2M and M2M and that of HPS, these companies have not been used as comparables.

The share subscription price for beneficiaries was set at MAD 1,500 by the EGM of August 3, 2020. Consequently, given the liquidity of the HPS share, only a CMP valuation was used.

Transactional comparables

This method involves valuing a company based on the implied valuation multiples of a sample of transactions that have taken place in its sector, and whose target companies have comparable financial and operating characteristics to the company being valued.

Given the unavailability of public and verified financial information (such as transaction amounts and implied multiples) relating to recent previous transactions involving companies comparable to HPS, this method was not used.

Retained valuation method

The valuation method used to value the HPS shares in connection with this operation is the market price method. This valuation method corresponds to the one presented to the Extraordinary General Meeting of August 3, 2020, which authorized this capital increase.

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

As HPS S.A. is listed on the Casablanca Stock Exchange and has a significant liquidity of 13.5%³ over a sliding 12-month period from 02/01/2022 to 01/31/2023, and 24.8% over a sliding 12-month period from 05/20/2019 to 05/19/2020, stock market prices enable the value of its equity to be assessed on the basis of a volume-weighted average price over a representative horizon.

II.3.3. Valuation of HPS shareholders' equity

The table below shows the HPS share price at January 31, 2023 and the volume-weighted average market price (WAP) for the periods of 1 month, 3 months, 6 months, 12 months, 18 months, 24 months, 30 months and 36 months:

| HPS share price analysis (MAD) | Min. | Max. | Weighted average price ⁴ | MAD 1,500 subscription price discount as % of WAP | Market capitalization based on weighted average price |
|--|-------|-------|-------------------------------------|---|---|
| As of 01/31/2023 | - | - | 6,200 | 75.81% | 4,362,313,800 |
| 1 month (from 02/01/2023 to 31/01/2023) | 5,745 | 6,500 | 6,066 | 75.27% | 4,267,693,201 |
| 3 months (from 01/11/2022 to 31/01/2023) | 5,745 | 6,500 | 6,307 | 76.22% | 4,437,273,556 |
| 6 months (from 01/08/2022 to 31/01/2023) | 5,296 | 6,700 | 6,231 | 75.92% | 4,383,791,985 |
| 12 months (from 01/02/2022 to 31/01/2023) | 5,296 | 6,898 | 6,142 | 75.58% | 4,321,607,919 |
| 18 months (from 02/08/2021 to 31/01/2023) | 5,296 | 7,195 | 6,393 | 76.54% | 4,497,978,467 |
| 24 months (from 01/02/2021 to 31/01/2023) | 5,296 | 7,195 | 6,385 | 76.51% | 4,492,666,565 |
| 30 months (from 03/08/2020 to 31/01/2023) | 4,100 | 7,195 | 6,228 | 75.92% | 4,382,343,311 |
| 36 months (from 03/02/2020 to 31/01/2023) | 2,674 | 7,195 | 5,946 | 74.78% | 4,183,942,078 |

Source: Casablanca Stock Exchange

For all the horizons studied, the last price used to calculate the WAP is the HPS S.A. share price on January 31, 2023, i.e. the day after the effective date on which the HPS share subscription options were granted to Eligible Employees and Consultants and corresponding to all the 37,020 shares covered by this capital increase, as voted by the Board of Directors on May 19, 2023.

The weighted average prices of the HPS share calculated over periods of 1 month, 3 months, 6 months, 12 months, 18 months, 24 months, 30 months and 36 months ending January 31, 2023 (inclusive) are MAD 6,066, MAD 6,307, MAD 6,231, MAD 6,142, MAD 6,393, MAD 6,385, MAD 6,228 and MAD 5,946 per share respectively, representing

³ Liquidity ratio for the period = Sum of volumes traded on the HPS S.A. stock exchange, in MAD, over the last twelve months / Average market capitalization of HPS S.A. based on the WAC over the last twelve months.

⁴ Weighted average price for the period = Sum of volumes traded for the period / Sum of quantities for the period

an equity value of MAD 4,268 m, MAD 4,437 m, MAD 4,384 m, MAD 4,322 m, MAD 4,498 m, MAD 4,493 m, MAD 4,382 m and MAD 4,184 m respectively.

As a result, the proposed issue price of MAD 1,500 represents a maximum discount of 76.5% compared with the average weighted share price ("WAP") over 18 months of MAD 6,393, and a minimum discount of 74.8% compared with the average weighted share price ("WAP") over 36 months of MAD 5,946.

The Company considers this discount to be adequate in view of the nature of the proposed operation (a share subscription plan reserved for eligible employees and consultants of the Company and the Group, designed to motivate them to contribute to the Company's development over the coming years), and in view of the limited percentage of capital involved in this operation (around 5.26% before the capital increase). It should also be noted that the subscription price for HPS shares was set at the Extraordinary General Meeting of August 3, 2020, which authorized this capital increase, at which time the discount was lower.

The following diagram shows the performance of HPS shares between 01/31/2020 and 01/31/2023:

HPS share price performance over the period from January 31, 2020 to January 31, 2023:



Source: Casablanca Stock Exchange

HPS share price has risen by 51.2% (vs. an 18.0% fall in the MASI) over the past 36 months.

Based on a price per share of MAD 1,500, the P/E and EV/ EBITDA valuation multiples are as follows:

| In MAD | |
|---|---------------|
| Capitalization based on a share price of MAD 1,500 | 1,055,398,500 |
| Consolidated net income 2022 | 117,078,596 |
| P/E⁵ - indicative | |
| Enterprise value ⁶ based on a price per share of 1,500 MAD | 1,143,743,285 |
| 2022 consolidated EBITDA | 207,649,947 |
| EV/EBITDA - for guidance | |
| | 5.51x |

Source: HPS

⁵ Price Earning (P/E) = Reference price / Earnings per share

⁶ Is equal to the value of shareholders' equity at the subscription price of MAD 1,500 (MAD 1,055,398,500) plus net financial debt at 12/31/2022 of MAD -88,344,785



III. FRAMEWORK OF THE OPERATION

III.1. General framework

The Board of Directors of HPS held on May 20, 2020, decided to propose to the Extraordinary General Meeting of August 3, 2020 that it vote on a capital increase through the exercise of subscription options for a maximum nominal amount of MAD 3,703,100 by issuing a maximum number of 37,031 new shares, at a subscription price of MAD 1,500 per share, to be fully paid up in cash, with cancellation of shareholders' preferential subscription rights in favor of Eligible Employees and Consultants of the Company and Group Subsidiaries.

The main resolutions of the Group's Extraordinary General Meeting held on August 3, 2020 are:

"First resolution:

The Extraordinary Shareholders' Meeting, having heard the Board of Directors' report and the Statutory Auditors' special report, authorizes the Board of Directors to grant, at its discretion, options giving entitlement to subscribe for shares in the Company to be issued in connection with a capital increase by the Company, up to a maximum aggregate par value capital increase of MAD 3,703,100, subject to adjustments in connection with any transactions affecting the Company's capital as provided for below in this Resolution, in favor of the following persons designated by it:

1. Members of the employees of the Company and its subsidiaries, with the exception of Mohamed Horani, Abdesselam Alaoui SMAILI, Samir Khalloqui, Philippe Vigand, Christian Courtes, Marc Durupt, Véronique Theault and Frédéric Dehodang, who meet all of the following criteria at the date of granting of their option to subscribe:
 - a. be an active full-time employee of either the Company or one of the Group's Subsidiaries as defined below, or of a customer of the Company or one of the Group's Subsidiaries on a temporary secondment basis; and
 - b. hold a permanent employment contract with the Company or one of its subsidiaries as defined below;
2. As well as, at the discretion of the Board of Directors, some or all of the consultants, whether individuals or legal entities, who meet all of the following criteria at the date of grant of the subscription option to them:
 - a. have signed a service contract with the Company or one of its subsidiaries:
 - for a minimum period of 12 months, renewable for one or more periods of 12 months; and
 - in force; and
 - for which no notice of termination or non-renewal has been issued by either party; and
 - relating to the provision, for remuneration, by the consultant of services to the Company or one of the Group's Subsidiaries in a particular geographical area in which the Company or one of the Group's Subsidiaries has no establishment or employees; and
 - b. be in good standing with the Company and any Group Subsidiary (including no allegations of irregularities or non-performance of any obligation incumbent on the consultant under the services contract, no litigation or pre-litigation); and
 - c. if the consultant is a legal entity, it is not subject to any proceedings referred to in Book V of the Moroccan Commercial Code, or any equivalent proceedings in any other country.

"Group" means the Company and all branches and subsidiaries owned at any time by the Company, directly or indirectly, to the extent of at least 99% of the share capital and voting rights (the "Group Subsidiaries").

A first allocation of stock options will be made at the discretion of the Board of Directors no later than September 15, 2020:

- a. to salaried employees of the Company and its subsidiaries meeting the above eligibility criteria on December 31, 2019 and May 19, 2020, as listed in the appendix to the Board of Directors' report dated May 20, 2020;
- b. consultants meeting the above eligibility criteria on December 31, 2019 and May 19, 2020, a list of whom is appended to the Board of Directors' report dated May 20, 2020.

The list of option beneficiaries may vary depending on changes in the scope of the salaried employees and consultants of the Company and its subsidiaries between December 31, 2019 and the date on which the capital increase is completed.

The term of the stock option plan will run from the date on which the plan is approved to the date of the capital increase proposed in the Second Resolution.

The exercise price of a subscription option entitling beneficiaries to subscribe for one Company share with a par value of one hundred (100) dirhams (the "Exercise Parity"), will be equal to MAD 1,500 subject to adjustments as provided for below in this Resolution in connection with any transactions affecting the Company's share capital subsequent to this Meeting. Any options granted after an adjustment has been made to the subscription price and/or exercise parity of the options subsequent to this Meeting will have a subscription price and/or exercise parity as adjusted subsequent to this Meeting and identical to the subscription price and/or exercise parity, as adjusted, of options already granted, so that a single capital increase takes place under identical conditions for all stock options granted under the entire stock option plan.

The exercise price of stock options and the number of shares that may result from the exercise of said stock options are set as from their grant date for the entire period of validity of the options, subject to the adjustments provided for below in connection with any operations affecting the Company's capital subsequent to this General Meeting:

(a) In the event of a capital reduction due to losses

In the event of a reduction in the Company's capital due to losses, the rights of beneficiaries will be reduced accordingly, as if they had been shareholders of the Company from the grant date, whether the reduction in capital is effected by a reduction in the nominal amount of the shares or in the number of shares, the new Exercise Parity being equal, in the latter case, to the product of the Exercise Parity in force prior to the reduction in the number of shares and the ratio:

$$\text{Number of shares after operation} \div \text{Number of shares before operation}$$

(b) In the event of financial operations

At the end of the following operations carried out by the Company or involving the Company's shares, which may take place after this General Meeting and whose Record Date (as defined below) falls before the option exercise period:

- (1) Company financial operations with listed preferential subscription rights,
- (2) increase in the Company's share capital by capitalizing reserves, profits or premiums and allotting bonus shares in the Company, or splitting or consolidating shares in the Company,
- (3) increase the Company's capital by capitalizing reserves, profits or additional paid-in capital by increasing the par value of the Company's shares,
- (4) distribution by the Company of reserves or premiums in cash or in portfolio securities,
- (5) free allocation to shareholders by the Company of financial securities other than shares,

- (6) takeover of the Company by another company, or merger of the Company with one or more other companies to form a new company, or demerger of the Company,
- (7) modification by the Company of the distribution of its profits and/or creation by the Company of preference shares,
- (8) amortization of the Company's capital,

The rights of beneficiaries will be maintained by adjusting the Exercise Parity throughout the term of validity of the options, in accordance with the terms below.

The "Record Date" is the date on which the holding of shares is stopped in order to determine to which holders of shares a dividend, distribution or allocation, announced or voted on that date or previously announced or voted, must be paid or delivered.

A "Working Day" means a day (other than a Saturday or Sunday) on which (i) the Casablanca Stock Exchange provides for the quotation of the Company's shares, other than a day on which quotation ceases before the usual closing time and (ii) banks are open for business in Casablanca and (iii) Maroclear is in operation.

In the event of adjustments made in accordance with paragraphs (1) to (8) below, the new Exercise Parity will be calculated to three decimal places and rounded to the nearest thousandth (0.0005 being rounded up to the nearest thousandth). Any subsequent adjustments will be made on the basis of the Exercise Parity thus calculated and rounded. However, options may only give rise to the delivery of a whole number of shares, the settlement of fractional shares being specified in the paragraph below.

If the number of shares that may be delivered in respect of the total number of options presented by a beneficiary on the same date for exchange by applying the Exercise Parity in force, is not a whole number, the beneficiary will obtain for all the options thus presented the number of shares immediately below and will be paid in cash a sum equal to the value of the additional fraction of a share calculated on the basis of the closing price on the day of the exercise date as recorded on the Main Market of the Casablanca Stock Exchange by the Company. Any sums payable in this respect will be paid simultaneously with any delivery of shares.

The Extraordinary General Meeting delegates full powers to the Board of Directors to take the following decisions, at its discretion but within the limits set by this resolution:

- determine and, if necessary, amend the stock option plan, and set the terms, conditions, nature, amount, timing, exercise period(s) and exercise dates for stock options other than those set by the Extraordinary Shareholders' Meeting,
- decide to grant stock options,
- designate the beneficiaries of stock options, and determine the number of options to be granted to each beneficiary in accordance with the formulas and/or methodology to be determined by the Board, on the recommendation of the Remuneration Committee,
- make any adjustments required to preserve the rights of beneficiaries under the stock option plan, in accordance with the provisions of this resolution.
- do whatever it deems most appropriate to ensure the motivation and loyalty of the beneficiaries of these options.

The Extraordinary General Meeting delegates full powers to the Board of Directors, with the option to sub-delegate to the Chief Executive Officer, to determine and decide on any other terms and conditions for the implementation and execution of the stock option plan, and generally to do whatever is necessary for the application of this authorization.

Second resolution:

The Extraordinary Shareholders' Meeting resolves, in order to implement the stock option plan referred to in the First Resolution above, and subject to the adoption of the Third Resolution below, to increase the Company's share capital by a maximum aggregate par value of MAD3,703,100, with waiver of shareholders' pre-emptive subscription rights, through the issue and creation of a maximum number of 37,031 new ordinary shares with a par value of MAD100 each, listed on the Casablanca Stock Exchange, it being specified that to this amount shall be added, where applicable, the total par value of any additional shares to be issued in order to preserve, in accordance with the cases of adjustment referred to in the First Resolution above, the rights of the beneficiaries of the stock option plan referred to in the First Resolution.

These new ordinary shares with a par value of MAD 100 each will be issued at a unit subscription price of MAD 1,500 per share, including an issue premium of MAD 1,400 per share, subject to any adjustment, in accordance with the cases of adjustment referred to in the First Resolution above, to preserve the rights of the beneficiaries of the stock option plan.

Subscribed shares must be fully subscribed and paid up in cash.

The subscription period may be closed early in cases where subscriptions and the related payment have been made before the end of the subscription period. If, at the end of the subscription period, subscriptions have not absorbed the entire capital increase, the amount of the capital increase may be limited to the amount of subscriptions received.

The new shares issued on the occasion of this capital increase will be ordinary shares of the Company and will be fully assimilated to the existing shares of the Company as from their issue. Consequently, they will be entitled to any dividend distributions decided after the date on which they were subscribed. As an exception, new ordinary shares issued between January 1 of any given year and the ex-dividend date for the previous year will not be entitled to dividends (with the exception of exceptional distributions from reserves). As a result, these new ordinary shares will only be fully assimilated to the Company's existing shares after the ex-dividend date, or if no dividend is distributed, after the Annual General Meeting.

Third resolution:

The Extraordinary General Meeting, having heard the Board of Directors' report and the Statutory Auditors' special report on the cancellation of shareholders' pre-emptive subscription rights,

Resolves, in order to enable implementation of the stock option plan referred to in the First Resolution above, to cancel shareholders' pre-emptive subscription rights in accordance with the provisions of Article 193 of Act no. 17-95 as amended and supplemented, in connection with the capital increase referred to in the Second Resolution, in order to reserve the subscription of all the shares representing the capital increase for the benefit of:

1. Members of the salaried staff of the Company and its subsidiaries, with the exception of Mohamed Horani, Abdesselam Alaoui Smaili, Samir Khallouqui, Philippe Vigand, Christian Courtes, Marc Durupt, Véronique Theault and Frédéric Dehodang, who meet all of the following criteria at the date of grant of the option to subscribe:
 - a. be an active full-time employee of either the Company or one of the Group's Subsidiaries as defined below, or of a customer of the Company or one of the Group's Subsidiaries on a temporary secondment basis; and
 - b. hold a permanent employment contract with the Company or one of its subsidiaries as defined below;

The list of salaried employees of the Company and its subsidiaries meeting the above eligibility criteria at December 31, 2019 and May 19, 2020 is appended to the Board of Directors' report dated May 20, 2020.

This list may vary depending on changes in the scope of the salaried employees of the Company and its subsidiaries between December 31, 2019 and the date on which the capital increase is carried out.



2. As well as, at the discretion of the Board of Directors, some or all of the consultants, whether individuals or legal entities, who meet all of the following criteria at the date of grant of the subscription option granted to them:
 - a. have signed a service contract with the Company or one of its subsidiaries:
 - for a minimum period of 12 months, renewable for one or more periods of 12 months; and
 - in force; and
 - for which no notice of termination or non-renewal has been issued by either party; and
 - relating to the provision, for remuneration, by the consultant of services to the Company or one of the Group's Subsidiaries in a particular geographical area in which the Company or one of the Group's Subsidiaries has no establishment or employees; and
 - b. be in good standing with the Company and any Group Subsidiary (including no allegations of irregularities or non-performance of any obligation incumbent on the consultant under the services contract, no litigation or pre-litigation); and
 - c. if the consultant is a legal entity, it is not subject to any proceedings referred to in Book V of the Moroccan Commercial Code or any equivalent proceedings in any other country.

The list of consultants of the Company and its subsidiaries meeting the above eligibility conditions as at December 31, 2019 and May 19, 2020 is appended to the report of the Board of Directors dated May 20, 2020.

This list may vary depending on changes in the scope of the consultants of the Company and its subsidiaries between December 31, 2019 and the date on which the capital increase is carried out.

"Group" means the Company and all branches and subsidiaries owned at any time by the Company, directly or indirectly, to the extent of at least 99% of the share capital and voting rights (the "Group Subsidiaries").

Having heard the Statutory Auditors' special report on the cancellation of shareholders' pre-emptive subscription rights, which does not give rise to any observations, formally notes that the issue, if authorized, will have the effect, on the situation of holders of equity securities, that the proportion of shareholders' equity related to one share of the Company will be established in the new ratio resulting from the increase in the number of shares representing its capital, as increased.

Fourth resolution:

The Extraordinary Shareholders' Meeting, having heard the report of the Board of Directors and as a consequence of the adoption of the Second and Third Resolutions,

Delegates to the Board of Directors, pursuant to Article 186 of Act no. 17-95 as amended and supplemented, and within the limits of the Second and Third Resolutions, the powers required to:

- carry out a reserved capital increase and set the nature, amount, timing, terms, conditions and characteristics of this capital increase, including the formulas and/or methodology for determining the beneficiaries of the capital increase and the number of shares to be subscribed by each option beneficiary, other than those set by the Extraordinary Shareholders' Meeting,
- make any adjustments required to preserve the rights of beneficiaries under the stock option plan, in accordance with the provisions of the First Resolution above,
- record the final completion of the resulting capital increase,
- amend the Company's bylaws accordingly.

Delegates to the Board of Directors, pursuant to Article 186 of Act no. 17-95 as amended and supplemented, and within the limits of the Second and Third Resolutions, with the option to sub-delegate to the Chief Executive Officer, the powers necessary to:

- determine the beneficiaries of the capital increase and the number of shares to be subscribed by each option beneficiary,
- open one or more unavailable accounts for the capital increase,
- set the terms of the subscription form,
- set the opening and closing dates for subscriptions, and extend the subscription period for the capital increase at the Board's discretion, if necessary,
- close the subscription period early and without notice, once all the shares have been subscribed by the subscribers for whom the capital increase has been reserved,
- collect subscriptions,
- receive payment of the subscription price,
- make the deposit in accordance with legal conditions,
- draw up and sign all deeds and documents relating to the capital increase,
- and, more generally, to take all necessary measures and carry out all formalities, in particular drafting and filing any prospectus required by the Moroccan capital market authority, for the completion of the capital increase and the listing of the shares on the Casablanca Stock Exchange.

Resolves that this delegation is granted to the Board of Directors for a period of three (3) years from the date hereof."

The Board of Directors meeting on August 4, 2020, in accordance with the powers granted to it by the Extraordinary General Meeting of August 3, 2020, decided:

- the implementation of the stock option plan through the launch of a capital increase reserved for salaried employees and consultants of the Company and the Group who are beneficiaries of the options, to be carried out within three years of the Extraordinary General Meeting of August 3, 2020, in a maximum amount of 37,031 new shares (subject to adjustments in connection with any transactions involving the Company's capital);
- the first allocation of stock options under the stock option plan.

Subsequently, the Board of Directors' meetings of August 5, 2020 and April 20, 2022 decided respectively on the second and third allocation of stock options.

The Board of Directors' meetings of January 30, 2023 and May 19, 2023 decided on the fourth and final allocation of stock options, as well as the allocation of the remainder.

Also, in accordance with the powers conferred on them by the Extraordinary General Meeting of August 3, 2020, the Boards of Directors meeting on January 30, 2023 and May 19, 2023 decided in particular to issue on the stock market a maximum of 37,020 new shares by increasing the share capital by a maximum nominal amount of MAD 3,702,000, at a subscription price of MAD 1,500 per share, to be fully paid up in cash, with cancellation of shareholders' pre-emptive subscription rights in favour of Eligible Employees and Consultants of the Company or a Group Subsidiary, up to the total amount of stock options definitively granted to each Eligible Employee and Consultant, after allocation of the remaining stock options as decided by the Boards of Directors on January 30, 2023 and May 19, 2023.

Summary of the four stock option grants:

| Board meeting date | Options granted (A) | Options cancelled (B) | Options allocated (A-B) | Number of employees ⁷ |
|---------------------------------|---------------------|-----------------------|-------------------------|----------------------------------|
| August 4, 2020 | 28,250 | 0 | 28,250 | 490 |
| August 5, 2020 | 982 | 0 | 982 | 522 |
| April 30th, 2022 | 7,078 | 3,235 | 3,843 | 753 |
| January 30, 2023 / May 19, 2023 | 8,092 | 4,147 | 3,945 | 860 |
| Total | 44,402 | 7,382 | 37,020 | - |

It should be noted that the operation concerns 860 Eligible Employees and Consultants resident in Morocco and in 7 foreign countries⁸, and that 71% of the capital increase through the exercise of subscription options will be carried out by Moroccan residents and 29% by foreign residents.

By decision dated June 5, 2023, the Board of Directors set the final subscription terms as detailed in this securities note.

III.2. Objectives of the operation

HPS S.A. continues to implement its development strategy, in line with a sustained growth dynamic aimed at consolidating its position as a benchmark player in its sector.

The offer of a stake in HPS S.A. to Eligible Employees and Consultants is primarily designed to motivate staff and improve competitiveness, by enabling them to participate in the Group's development plans and share in the Group's results.

It also helps to promote HPS S.A.'s social image among its employees, by giving them the opportunity to become shareholders.

Accordingly, the capital increase is designed to achieve the following objectives:

- to involve all employees in the creation of value as part of the HPS strategy for the coming years;
- to attract new talent;
- to strengthen employees' sense of belonging to the Group;
- to promote the Group's social image among employees by offering them the opportunity to become shareholders; and
- to encourage shareholding among the Group's eligible employees and consultants.

The proceeds from the share issue will be used to strengthen the Group's financial structure and equity capital, and to finance ongoing operations.

III.3. Intention to participate in the Operation

Les actionnaires et administrateurs du Groupe suivants ne peuvent pas souscrire à l'Opération: Mohamed HORANI, Abdesselam ALAOUI SMAILI, Samir KHALLOUQUI et Philippe VIGAND.

⁷ Cumulation of beneficiaries from one Board of Directors to the next

⁸ The countries of residence of Eligible Employees and Consultants outside Morocco concerned by this operation are as follows: France, Mauritius, Dubai, Singapore, Bahrain, United Kingdom, Greece and Canada.

III.4. Impact of the Operation

III.4.1. Impact of the Operation on the company's shareholders' equity

Impact on consolidated shareholders' equity

Following completion of the Operation covered by this securities note, HPS' consolidated shareholders' equity will be as follows:

| MAD million unless indicated | Position as at December 31, 2022 | Impact of the Operation | Position after the Operation |
|--------------------------------|----------------------------------|-------------------------|------------------------------|
| Number of shares (unit) | 703,599 | 37,020 | 740,619 |
| Share capital | 70,359,900 | 3,702,000 | 74,061,900 |
| Share premium | 433,096,313 | 51,828,000 | 484,924,313 |
| Shareholders' equity | 652,158,218 | 55,530,000 | 707,688,218 |

Source: HPS

Impact on shareholders' equity

Following completion of the Operation, HPS shareholders' equity will be as follows:

| MAD million unless indicated | Position as at December 31, 2022 | Impact of the Operation | Position after the Operation |
|--------------------------------|----------------------------------|-------------------------|------------------------------|
| Number of shares (unit) | 703,599 | 37,020 | 740,619 |
| Share capital | 70,359,900 | 3,702,000 | 74,061,900 |
| Share premium | 305,346,894 | 51,828,000 | 357,174,894 |
| Shareholders' equity | 492,831,002 | 55,530,000 | 548,361,002 |

Source: HPS



IV.4.2. Impact of the Operation on the company's shareholders

Following completion of the Operation (assuming that all 37,020 shares are subscribed), HPS' shareholder structure will be as follows:

| Shareholders | Position prior to Reserved Capital Increase | | Position after Reserved Capital Increase | |
|--|---|---------|--|---------|
| | Nb. of shares | % | Nb. of shares | % |
| Floating | 404,976 | 57.56% | 404,976 | 54.68% |
| Khalloouqui Samir | 62,719 | 8.91% | 62,719 | 8.47% |
| Alaoui Smaili Abdessalam | 55,838 | 7.94% | 55,838 | 7.54% |
| Sabbahe Driss | 55,194 | 7.84% | 55,194 | 7.45% |
| Horani Mohamed | 53,000 | 7.53% | 53,000 | 7.16% |
| Morgan Stanley | 40,129 | 5.70% | 40,129 | 5.42% |
| MSL/Briawood Capital Partners LP | 31,743 | 4.51% | 31,743 | 4.29% |
| New shareholders Eligible Employees and Consultants | 0 | 0.00% | 37,020 | 5.00% |
| Total | 703,599 | 100.00% | 740,619 | 100.00% |

Source: HPS

IV.4.3. Impact of the Operation on indebtedness

As the Operation described in this securities note is a capital increase, it has no impact on the Group's indebtedness.

IV.4.4. Impact of the Operation on corporate governance

The Operation described in this securities note is not expected to have any impact on the Group's corporate governance, which complies with the provisions of law 17-95.

IV.4.5. Impact of the Operation on strategic orientations

The Operation described in this securities note is not expected to have any impact on the Group's strategic orientations.

IV.4.6. Completion guarantee for the Operation

The Operation described in this securities note does not benefit from any completion guarantee.

IV.4.7. Target investors

This Operation is intended for all Eligible Employees and Consultants of the HPS Group.

IV.5. Expenses related to the operation

Miscellaneous commissions

Summary - Capital Increase reserved for Eligible Group Employees and Consultants through the Exercise of Stock Options

Expenses relating to the Operation to be borne by the Issuer are estimated at approximately 13.2% of the amount of the capital increase. These expenses include commissions to:

- the financial advisor ;
- the legal advisor;
- the statutory auditors;
- the placement body;
- the account keeper;
- to the AMMC;
- to the Casablanca Stock Exchange;
- to the central depository, Maroclear.

V. CONDUCT OF THE OPERATION

V.1. Operation schedule

The schedule for this operation is as follows:

| Order | Steps | Date |
|-------|--|---------------|
| 1 | Issuance of the Casablanca Stock Exchange's notice of approval of the Operation. | June 5, 2023 |
| 2 | AMMC approval of the prospectus | June 5, 2023 |
| 3 | Receipt by the Casablanca Stock Exchange of the prospectus approved by the AMMC | June 5, 2023 |
| 4 | Publication of the prospectus and its extract on the Issuer's website | June 5, 2023 |
| 5 | Publication by the Casablanca Stock Exchange of the notice relating to the Operation | June 6, 2023 |
| 6 | Publication of a press release by the Issuer in a legal gazette | June 7, 2023 |
| 7 | Opening of the subscription period | June 16, 2023 |
| 8 | Closing of the subscription period at 3:30 pm inclusive | July 12, 2023 |
| 9 | Receipt of subscriptions by the Casablanca Stock Exchange before 6:30 p.m. | July 12, 2023 |
| 10 | Centralization of subscriptions by the Stock Exchange | July 13, 2023 |
| 11 | Rejection processing by the Bourse | July 14, 2023 |
| 12 | Allocation of subscriptions and delivery by the Casablanca Stock Exchange of the subscription list to the issuer. Delivery by the Casablanca Stock Exchange of the securities allocations to the placement body before 12:00 p.m. | July 17, 2023 |
| 13 | Holding of the meeting of the Issuer's governing body to record the completion of the capital increase. | July 18, 2023 |
| 14 | Receipt by the Casablanca Stock Exchange of the minutes of the Issuer's body having noted the completion of the Operation before 12 p.m. | July 20, 2023 |
| 15 | Admission of new shares Registration of the operation on the stock exchange Publication of operation results by the Casablanca Stock Exchange | July 25, 2023 |
| 16 | Publication of the results of the Operation in a legal gazette and on the Issuer's website | July 28, 2023 |
| 17 | Settlement / Delivery of new shares | July 28, 2023 |

V.2. Placement body and financial intermediaries

| Type of financial intermediaries | Name | Address |
|--|-------------------------|-----------------------------------|
| Financial Advisor and Global Coordinator | Attijari Finances Corp. | 163, Avenue Hassan II, Casablanca |
| Placement Body | Attijariwafa bank | 2, bd Moulay Youssef, Casablanca |
| Organization in charge of registering the operation on the stock exchange | Attijari Intermédiation | 163, Avenue Hassan II, Casablanca |
| Centralizing body providing financial services for securities | Attijariwafa bank | 2, bd Moulay Youssef, Casablanca |

V.3. Capital ties with the financial intermediaries participating in the Operation

It should be noted that none of the directors of HPS S.A. holds an interest in the capital of the placement body, and that there are no capital ties between HPS S.A. and any of the financial intermediaries involved in the Operation.

V.4. Subscription terms

V.4.1. Sales restrictions

Persons who come into possession of this securities note are asked to obtain information and to comply with the regulations applicable to them with regard to participation in this type of operation. Persons residing in France, Singapore, Mauritius and Dubai are invited to obtain information, from the placement body or otherwise, on the restrictions applicable in their respective countries with regard to (i) this securities note, (ii) the information contained herein, (iii) the HPS shares and (iv) the distribution, placement, offering, subscription and sale of the HPS shares.

V.4.2. Subscription period

HPS shares, covered by this securities note, may be subscribed from June 16, 2023 to July 12, 2023 at 3:30 p.m. inclusive.

V.4.3. Subscription terms

a. Eligibility requirements:

The employees and consultants (or heirs in the event of death) eligible for this capital increase are those who:

- have been notified by the Group of the number of options to subscribe for shares in the Company that have been definitively granted to them, corresponding to all 37,020 shares covered by this capital increase; and
- meet the following eligibility conditions (except in the specific case of retirement at retirement age or early retirement at the age of early retirement legally recognized in the country of the Group entity to which the option beneficiary belongs; or disability or inability of the beneficiary to carry out any professional activity whatsoever; or death of the option beneficiary), validated by the Group's human resources department, on the date on which the signed option exercise declaration and subscription form are sent to the placement body:
 1. for salaried employees of the Company and its Subsidiaries, excluding Mohamed Horani, Abdesselam

Aloui Smaili, Samir Khalilouqui, Philippe Vigand, Christian Courtes, Marc Durupt, Véronique Theault and Frédéric Dehodang (the latter not benefiting from the stock option plan):

- be an active full-time employee of either the Company or one of its subsidiaries, or of a customer of the Company or one of its subsidiaries on a temporary secondment basis; and
- hold a permanent employment contract with the Company or one of its subsidiaries;

2. for consultants, whether individuals or legal entities, who meet all of the following criteria:

- a. have signed a service contract with the Company or one of the Group's subsidiaries:
 - for a minimum period of 12 months, renewable for one or more 12-month periods; and
 - in force; and
 - for which no notice of termination or non-renewal has been issued by either party; and
 - relating to the provision, for remuneration, by the consultant of services to the Company or one of the Group's Subsidiaries in a particular geographical area in which the Company or one of the Group's Subsidiaries has no establishment or employees; and
- b. be in good standing with the Company and any Group Subsidiary (including no allegations of irregularities or non-performance of any obligation incumbent on the consultant under the services contract, no litigation or pre-litigation); and
- c. if the consultant is a legal entity, it is not subject to any proceedings referred to in Book V of the Moroccan Commercial Code, or any equivalent proceedings in any other country.

b. Allocation of stock options to Group employees

Under the stock option plan for employees and consultants of the Company and its subsidiaries, stock options are granted to beneficiaries at the discretion of the Board of Directors:

- following an initial allocation of stock options, distributed individually among eligible beneficiaries according to Hay grades at December 31, 2019 and seniority within the Group at December 31, 2019, weighted by the importance of the position held (Hay grade), as shown in the table below

| <u>Hay grades</u> | <u>Option number</u> | <u>Additional options per full year of seniority⁹</u> |
|-------------------|----------------------|--|
| 7 | 5 | 0.05 |
| 9 | 5 | 0.05 |
| 11 | 10 | 0.10 |
| 12 | 18 | 0.18 |
| 13 | 20 | 0.20 |
| 14 | 30 | 0.30 |
| 15 | 50 | 0.50 |
| 16 | 70 | 0.70 |
| 17 | 80 | 0.80 |
| 18 | 150 | 1.50 |
| 19 | 180 | 1.80 |

⁹ The allocation of additional options has been rounded down to the nearest whole number if less than 0.50 or a multiple of 0.5, and rounded up to the nearest whole number if equal to or greater than 0.5 or a multiple of 0.5.

| | | |
|----|-----|------|
| 20 | 330 | 3.30 |
| 21 | 500 | 5.00 |
| 22 | 900 | 9.00 |

Source: Board of Directors' report to the Extraordinary General Meeting of August 3, 2020

- From the day following the date of the first grant (inclusive) until December 31, 2022 (inclusive), several grants of options have been made, at the discretion of the Board of Directors, to motivate:
 - members of the salaried staff of the Company and the Group's Subsidiaries meeting the above eligibility conditions who were recruited with effect after December 31, 2019 and no later than December 31, 2022 (inclusive), the grant of options having been made in accordance with the Hay grade mentioned above;
 - at the discretion of the Board of Directors, some or all of the consultants, whether natural persons or legal entities, meeting the above eligibility criteria who have entered into a service contract with the Company or one of the Group's Subsidiaries with effect after December 31, 2019 and no later than December 31, 2022 (inclusive), the grant of options having been made in accordance with the above-mentioned Hay grade;
 - members of the salaried staff and consultants of the Company and Group Subsidiaries who have already received one or more stock option allocations and who have been subject to a Hay grade promotion compared with the Hay grade they had at the time of the last stock option allocation, with only the Hay grade promotion having been taken into account.

In all cases, the allocation of options was made on a pro rata basis of the time remaining corresponding to the ratio between (i) the exact number of days accrued from the day (inclusive) following the effective date of the recruitment or service contract or promotion, as the case may be, to December 31, 2022 and (ii) the exact number of days accrued from January 1, 2020 (inclusive) to December 31, 2022.

- The balance of unallocated options at December 31, 2022 (resulting from the loss of the benefit of options or unallocated options) has been allocated proportionally among the beneficiaries still eligible by the Boards of Directors on January 30, 2023 and May 19, 2023, with effect from January 30, 2023.

c. Lock-up period for Eligible Employees and Consultants

The shares purchased will not be locked up.

V.4.4. Subscription financing

Depending on their country of residence, Eligible Employees and Consultants may finance the subscription as follows:

- from their own funds;
- through a subsidized loan; or
- by taking out a bank loan from any financial institution;
- by taking out a salary advance (this method of financing only applies to Eligible Employees residing in Singapore).

For Eligible Employees and Consultants, the use of a conventional loan or advance on salary is an option, not an obligation.

Eligible Employees and Consultants are free to decide:

- not to use the loan; or
- to take out a loan with another bank; or
- make partial use of the subsidized loan offered as part of this operation; or
- make full use of the subsidized loan; or
- make use of an authorized salary advance for Eligible Employees residing in Singapore.

Morocco, France or Mauritius

Eligible Employees residing in Morocco, France or Mauritius have three options for financing the subscription of shares: (i) from their own funds, (ii) by taking out an approved bank loan, or (iii) by taking out a loan from another banking institution of their choice.

Singapore

Eligible Employees residing in Singapore have three options for financing the subscription of shares: (i) from their own funds, (ii) by taking out a bank loan from a bank of their choice, or (iii) by taking out a salary advance from Hightech Payment Systems Singapore PTE Ltd.

Other countries of residence

All Eligible Employees and Consultants residing in Dubai, Bahrain, Canada, Greece and the United Kingdom have two options for financing the subscription of shares: (i) from their own funds, or (ii) by taking out a bank loan with a bank of their choice.

Access to a subsidized loan

Eligible Employees residing in Morocco, France or Mauritius may apply to finance the full amount of the grant by means of a conventional loan. Eligible Employees residing in Morocco, France or Mauritius may take out a conventional loan, as they see fit, to finance all or some of the shares to be acquired as part of this operation.

The financing covers the number of shares that can be subscribed for under the 1st allocation by the Eligible Employee residing in Morocco, France or Mauritius, as well as the subscription of the remainder (2nd allocation).

Conditions relating to the conventional bank loan (duration, rate, infinite/amortisable, etc.) vary according to the country of residence. Interested Eligible Employees should ask Human Resources, depending on their country of residence, for details of the bank to consult to obtain the conditions of the agreement set up with Attijariwafa bank and Mauritius Commercial Bank.

In Morocco, the terms of the Attijariwafa bank loan agreement will, depending on the subscriber's choice, cover the following:

- For amounts under 300 KMAD:
 - a fixed-rate, bullet loan with a maximum term of 18 months; or
 - a fixed-rate loan, repayable at (i) 50% interest-free for a maximum of 36 months and (ii) 50% repayable at maturity for a maximum of 84 months.
- For amounts over 300 KMAD:
 - a fixed-rate, bullet loan with a maximum term of 36 months.

a. Amount of the subsidized loan

The amount of the loan granted to each subscriber residing in Morocco or France will correspond, at most, to the number of HPS S.A. shares that the Eligible Employee will have subscribed and will have been allocated to them within the framework of the Operation, increased by the amount relating to the tax impact, if any. The subscriber will be required to pay, at his or her own expense, the commissions due in respect of the Operation (the intermediation

commission of 1.0% exclusive of tax; the settlement-delivery commission of 0.2% exclusive of tax and the stock exchange commission of 0.1% exclusive of tax of the amount subscribed) to the organization in charge of the placement.

In Morocco, on the date of exercise of the subscription options, the beneficiary is liable for income tax at the standard rate applicable to the difference between the value of the company's shares on the date of grant of the subscription option¹⁰ and the exercise price of the subscription option. The income tax will be paid by the subscriber to HPS S.A. no later than the settlement/delivery date, after which HPS S.A. will pay it to the tax authorities.

The amount of the loan granted to each subscriber residing in France, depending on the type of bank financing, will correspond to the maximum amount that the subscriber may contract according to his or her debt capacity. In Mauritius, the amount of the loan granted to each subscriber will correspond to the maximum amount that the subscriber will be able to contract according to his debt capacity.

b. Normal repayment of the subsidized loan

Normal repayment of the subsidized loan will take place when the shares are sold and/or at the latest, depending on the maturity of the subsidized loan and the country of residence. The capital gain or loss corresponding to the difference between the share price at the time of sale of the securities and the share subscription price (MAD 1,500), less the tax impact and all commissions payable, will revert to the employee. Consequently, in the event of a capital loss, the employee will bear the balance of the loan.

In the case of a staggered disposal before the loan matures, the repayment of the subsidized loan will be made on a pro rata basis. In this way, the proceeds from the sale of a portion of the shares held will be reimbursed in proportion to the number of shares sold compared with the number of shares acquired under the loan.

c. Early repayment of the subsidized loan

Eligible Salaried Employees residing in Morocco or France participating in this operation will have the option of prepaying all or part of the principal amount of the loan and interest at any time, without penalty.

Eligible Employees residing in Mauritius participating in this operation will have the option of repaying all or part of the principal amount of the loan and interest at any time in advance and without penalty.

d. Pledge of shares

If the Eligible Employee or Consultant residing in Morocco has recourse to the Attijariwafa bank agreed loan, the shares acquired within the framework of this operation, by means of the agreed loan, will be pledged to the benefit of Attijariwafa bank, according to the type of loan subscribed, until the repayment of the principal and interest relating to the loan.

e. Departure of an Eligible Employee residing in Morocco, France or Mauritius

In Morocco or France, the rate granted under the agreed loan is valid until repayment of the full principal amount of the loan.

In Mauritius, the agreed loan rate is valid as long as the beneficiary is an ICPS employee. If the beneficiary resigns or is dismissed, they lose all the advantages granted and will see his or her loan rate revised upwards in line with current rates.

Dividends

Subscribers will be free to receive dividends on the shares they purchase, starting from any dividend approved by the Annual General Meeting for the 2023 financial year.

Terms and conditions for opening a securities account with the placement body

¹⁰ An exemption of 10% of the share's value at the grant date applies only to employees of HPS SA. Employees of the Group's other Moroccan subsidiaries do not benefit from this contribution.

Regardless of the means of financing adopted by the Eligible Employee or Consultant, resident or not in Morocco, wishing to subscribe for HPS S.A. shares in the context of this Operation must have or open an account (securities and cash) in Morocco with the organization in charge of the placement, responsible for collecting subscriptions.

The following documents are required to open an account:

- Copy of the identification document(s) of the Eligible Employee or Consultant;
- Account opening contract and related documents duly signed by the subscriber and the placement body.

Accounts may only be opened by the account holder. It is strictly forbidden to open an account by proxy.

The subscription operation is recorded in this securities and cash account in the subscriber's name, opened with the investment organization responsible for collecting subscriptions.

Documents required for subscription

Proof of full payment of subscription (bank transfer, cheque, cash)¹¹

Securities account agreement

Copy of subscriber identification form

Subscription form signed by subscriber and declaration of exercise of option

V.4.5. Fees charged to subscribers

In connection with this operation, the placement body explicitly and irrevocably undertakes, vis-à-vis the Issuer and the financial advisor, to charge subscribers, for all orders registered on the Casablanca Stock Exchange, the following commissions:

- 0.1% (excluding tax) for the Casablanca Stock Exchange in respect of the listing fee payable to it on registration on the Stock Exchange;
- 0.2% (excluding tax) for settlement and delivery fees;
- 1.0% (excl. tax) for the registrar. It is applied to the amount corresponding to the actual allocation at the time of settlement/delivery.
- Value-added tax (VAT) at the rate of 10% will be applied in addition. It applies to the amount corresponding to the actual allocation at the time of settlement/delivery.

In order to ensure equal treatment of subscribers regardless of the place of subscription, the organization in charge of the placement formally and expressly undertakes not to make any rebates to subscribers or repayments of any kind whatsoever simultaneously with or subsequent to the subscription.

These commissions will be payable by the subscribers and will be due with the payment of the subscription price of the HPS shares.

V.4.6. Placement fees charged to the Issuer

The placement body will receive a commission of:

- 1.0% exclusive of tax on the amounts allocated corresponding to orders submitted by subscribers;

¹¹ In the case of a loan, the funds will be paid into the subscriber's cash account before subscription.



The registration body will receive a commission of:

- 0.6% exclusive of tax on the amounts allocated corresponding to orders submitted by subscribers;

The Casablanca Stock Exchange will communicate to the registration body and to AMMC, at the end of the allocation, the results of subscriptions and amounts raised.

V.4.7. Procedure for subscribing to the offer

For Eligible Employees and Consultants, HPS S.A. shares will be subscribed for by each beneficiary member of staff or consultant submitting the declaration of exercise of options and the subscription form, which have been sent to them including:

- the whole number and corresponding amount of shares to be subscribed [on an "irreducible" basis] within the framework of the 1st allocation and object of the purchase order;
- the wish to subscribe to the remaining shares in the event that all the shares to be issued under the 1st allocation [on an "irreducible" basis] (i.e. a total of 37,020 shares) have not been subscribed to by all the Eligible Employees and Consultants. In this case, the Eligible Employee or Consultant must specify the maximum number of shares that may be allocated to them.

All subscriptions must be made in cash.

The option exercise declaration and the subscription form must be duly dated and signed by the subscriber themselves or by any person authorized by them for this purpose, during the subscription period. These documents must be validated and time-stamped by the organization in charge of the placement.

In the case of cash subscriptions, the placement body must ensure, prior to accepting a subscription, that the subscriber has the financial capacity to honor his or her commitments.

Subscriptions will be collected by the placement body against acknowledgement of receipt. Overseas employees or consultants may send their option exercise declaration and subscription form by e-mail (details of which are given in the Employee Guide) to the organization in charge of placement.

The securities subscribed for must be held in a securities account in the name of the person concerned, which can only be used by that person, unless a power of attorney exists and unless the securities are pledged as collateral for any bank financing granted to the subscriber in connection with the subscription.

A copy of the option exercise declaration and subscription form will be sent to the subscriber with acknowledgement of receipt. For subscribers not resident in Morocco, acknowledgement of receipt will be sent by e-mail.

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

Allocations for Group employees

HPS S.A. offers eligible employees and consultants the opportunity to participate in its capital. The proposed allocations are as follows:

- Each Eligible Employee and Consultant will be able to subscribe to a number of shares [on an "irreducible" basis] equivalent to the number of options to which they are entitled and which has been notified to them individually (1st allocation);
- Each Eligible Employee and Consultant, in addition to his or her participation in the 1st allocation [on an "irreducible" basis], may wish to subscribe for the remaining shares, if the total number of shares actually subscribed for under the 1st allocation [on an "irreducible" basis] is less than 37,020 shares. The subscription by each Eligible Employee and Consultant to the total number of shares [on an "irreducible" basis] notified to them, is indispensable for this Eligible Employee or Consultant to formulate the wish to participate in the allocation of the remaining shares. The remainder (shares remaining to be allocated after the 1st allocation) will be allocated in proportion to the number of shares requested during the 2nd allocation. If the number of shares to be allocated to each Eligible Employee and Consultant is not a whole number, it will be rounded

down to the nearest whole number. Fractional shares will be allocated to all Eligible Employees and Consultants who have expressed a wish to subscribe to the remainder, in increments of one share per subscriber, with priority given to the highest number of requests.

The number of options and the number of equivalent shares that may be subscribed for by each Eligible Employee and Consultant under the 1st allocation have been notified individually to the Eligible Employees and Consultants.

V.4.8. Subscriber identification

The placement body must ensure that the subscriber belongs to the list of Eligible Employees and Consultants provided by the Group's human resources department at the subscription date. It must also obtain a copy of the document certifying that the subscriber belongs to one of the categories below, and attach it to the option exercise declaration and subscription form.

As the Operation is intended exclusively for the Group's Eligible Employees and Consultants, the placement body will receive from the Group a list of all Eligible Employees and Consultants, including information enabling them to be identified, and the maximum number of shares they may subscribe for under the 1st allocation.

| Subscriber category | Documents to attach |
|--|--|
| Resident Moroccan natural persons | Photocopy of valid national identity card and passport |
| Moroccan natural persons resident abroad | Photocopy of valid national identity card and passport |
| Non-Moroccan resident natural persons | Photocopy of valid registration card |
| Non-Moroccan non-resident natural persons | Photocopy of passport and another valid foreign identity document issued by a competent authority (national identity card, driving license, residence permit) |
| Legal entities under Moroccan law | Not applicable, no legal entities under Moroccan law eligible for this operation) |
| Legal entities under foreign law | Photocopy of the commercial register or equivalent authentic document in the country of origin in French/English/Arabic or translated into one of these 3 languages. This document must be legalized by the embassy of the country of origin in Morocco or the Moroccan embassy in the country of origin, or apostilled. |

All subscriptions that do not comply with the above conditions (without prejudice to any other grounds for nullity of the subscription for any reason whatsoever) will be null and void.

The subscription form must be used by the organization in charge of the placement. Subscription orders are irrevocable after the close of the subscription period.

Should the placement body already have these documents in the customer's file, subscribers are exempt from having to produce them.

V.4.9. Securities allocation rules

The rules for allocating securities are as follows:

1st allocation [on an “irreducible” basis].



The Boards of Directors of HPS S.A. on January 30, 2023 and May 19, 2023 decided to issue a maximum of 37,020 shares, corresponding to the number of options to subscribe for shares in the Company that have been definitively granted to Eligible Employees and Consultants.

The number of options and the equivalent number of shares that may be subscribed for by each Eligible Employee and Eligible Consultant under the 1st allocation have been notified individually to the Eligible Employees and Eligible Consultants, by means of a model option exercise declaration and a subscription form to be used by each of them.

Under this 1st allocation, each Eligible Employee and Consultant will be able to subscribe for the number of shares [on an "irreducible" basis] equivalent to the number of options notified to them.

The number of shares allocated will correspond to the number of shares actually subscribed under the first allocation.

2nd allocation - the remainder

Each Eligible Employee and Consultant, in addition to his or her participation in the 1st allocation, [on an "irreducible" basis], may wish to subscribe to the remainder of the shares, if the total number of shares subscribed under the 1st allocation [on an "irreducible" basis] is less than 37,020 shares. Each Eligible Employee and Consultant must subscribe to the full number of shares [on an "irreducible" basis] notified to them in order to participate in the allocation of the remainder. The remainder (shares remaining to be allocated after the 1st allocation) will be allocated in proportion to the number of shares requested during the 2nd allocation.

If the number of shares to be allocated is not a whole number, it will be rounded down to the nearest whole number. Fractional shares will be allocated to all Eligible Employees and Consultants who have expressed a wish to subscribe to the remainder, in increments of one share per subscriber, with priority given to the highest requests.

V.5. Control and registration procedure by the Casablanca Stock Exchange

Centralization

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

On July 12, 2023, before 6:30 pm, the placement body must transmit to the Casablanca Stock Exchange, via the OCS, all subscriptions collected within the framework of the Operation. After this deadline, subscriptions will be rejected.

The Casablanca Stock Exchange will check the subscriptions and reject those not respecting the subscription ceiling.

On July 17, 2023 before 12:00 p.m., the Casablanca Stock Exchange will notify the placement body of the allocation results.

V.6. Entities responsible for registering the Operation

The registration of transactions within the framework of this Operation (on the seller's side) will take place on July 25, 2023 through Attijari Intermédiation.

Attijari Intermédiation will register the allocations collected (on the buyer side) by the organization in charge of the placement, on July 25, 2023 with the Casablanca Stock Exchange.

The transactions resulting from this operation will be registered at a price of MAD 1,500 per share.

V.7. Terms of settlement / delivery of securities

Settlement and delivery of the securities, the subject of this Operation, will take place on July 28, 2023 in accordance with the procedures in force on the Casablanca Stock Exchange.

In accordance with the procedures in force on the Casablanca Stock Exchange, the Bank Al-Maghrib account of the account-keeping institution will be debited with funds corresponding to the value of the shares allocated, plus commissions.

V.8. Restitution of the remainder

The placement body undertakes to reimburse customers within a period not exceeding 3 working days from the date of allocation of the shares, i.e. July 20, 2023, any cash balance remaining as a result of the difference between the net amount paid by its customers on subscription and the net amount corresponding to their actual allocations.

Repayment of the balance must be made either by transfer to a bank or post office account, or by delivery of a cheque, subject to actual receipt by the placement body of the amount deposited for the subscription.

In the event of failure of the Operation, subscriptions must be reimbursed within 3 working days of the decision to cancel, and subject to actual receipt by the organization responsible for placement of the amount deposited for the subscription. In the case of bank loan financing, any charges to be paid will be payable by the employee.

V.9. Publication of results

The results of this operation will be published by the Casablanca Stock Exchange on July 25, 2023, and by HPS S.A. in the press in a legal gazette and on its website www.hps-worldwide.com by July 28, 2023 at the latest.

V.10. Information procedures

Following completion of the Operation, and within a maximum period of 3 days from the publication of the results, i.e. July 28, 2023, the placement body will send subscribers a notice containing the following minimum information:

- Subscription date
- Instrument name
- Quantity applied for
- Allocated quantity
- Unit price
- Gross amount allocated
- Net amount after deduction of commissions and VAT on these commissions
- Balance to be paid to the subscriber, if any
- Commissions payable to the placement agency, the account keeper and the Casablanca Stock Exchange.

V.11. Applicable tax regime

Investors' attention is drawn to the fact that the Moroccan tax regime is presented below for information only, and does not constitute the exhaustive list of tax situations applicable to each investor. Individuals or legal entities wishing to participate in this operation are therefore invited to consult a tax advisor about the tax situation applicable to their particular case.

Tax relief when options are exercised by beneficiaries:

On the date the options are exercised (hereafter, the "vesting date" of the shares), the applicable provisions are as follows:

- amount to be exempted from withholding tax (abondement exonérée): 10% of the value of the share on the grant date;
- amount subject to income tax: amount corresponding to the difference between the value of the shares at the grant date and the option exercise price (MAD1,500), less the amount of the exempt contribution. This amount will be subject to income tax at the standard rate.

The value of the share at the grant date (date of the EGM approving the stock option plan, August 03, 2020) was MAD4,100¹².

At the date of exercise of the options, the income tax impact per share, at the maximum standard rate, is calculated as follows: (value of shares at grant date (MAD4,100) * (1- withholding tax exemption rate (10%)) - option exercise price (MAD1,500)) * Tax rate (38%)

At the date of exercise of the options, the income tax impact, at the maximum standard rate, amounts to MAD 832.2 per share payable by the employee.

During the period the beneficiaries hold the shares:

The beneficiaries of the shares will receive dividends taxed by withholding tax at a rate of 15% to 10%, depending on the financial year to which the dividend relates. The employee will receive the net amount each year following the HPS dividend payment decision.

On the sale date of the shares held by the beneficiaries:

In the event that the disposal occurs after a holding period of 3 years, the applicable provisions are as follows:

- Capital gains on disposal:
 - taxable amount due on the date of disposal of the shares: taxable amount corresponding to the difference between the value of the shares on the disposal date and the value of the shares on the date the options were granted. This amount will be subject to withholding tax at the rate of 15% at the designated financial intermediary. For example, if the sale is for MAD 8,000, $(8,000-4,100) * 15\% = \text{MAD } 585$;

If the sale takes place before the 3-year holding period, the following provisions apply:

- Capital gain on acquisition (IT):
 - taxable amount due on the date of sale of the shares: taxable amount corresponding to the difference between the value of the shares on the date of acquisition and the value of the shares on the date the options were granted, plus the amount of the exempt contribution. This amount will be subject to income tax in the form of a withholding tax at the standard rate. In other words, (if the value of the shares at the acquisition date is MAD6,000, for example), $(6,000-4,100 +410) *38\% = \text{MAD } 877.8$ payable by the employee.
- Capital gain on disposal (withholding tax):
 - taxable amount due at the date of sale of the securities: taxable amount corresponding to the difference between the value of the securities at the date of sale and the value of the securities at the date of acquisition. This amount will be subject to withholding tax at the rate of 15% at the designated financial intermediary. For example, if the sale price is MAD 8,000, $(8,000-6,000) *15\% = \text{MAD } 300$.

¹² HPS share price on August 3, 2020. Source: Casablanca Stock Exchange website

PART II: PRESENTATION OF THE ISSUER

I. GENERAL INFORMATION

| | |
|---|---|
| Company name | HIGHTECH PAYMENT SYSTEMS (HPS S.A) |
| Registered office | Casablanca NearShore Park Shore 1 - Secteur A - 1100, boulevard Al Qods, Sidi Maârouf - 20 270 Casablanca |
| Phone / fax | Phone: 0522.29.88.88 Fax: 0522.29.41.25 |
| Website | https://www.hps-worldwide.com/ |
| E-mail address | mail@hps.ma |
| Legal form | Public limited company with a Board of Directors |
| Date of incorporation | 1995 |
| Company lifetime | 99 years, as of February 1, 1995 |
| Commercial register | 77 409 in Casablanca |
| Financial year | From January 1 st to December 31 st |
| Corporate purpose (article 3 of articles of association) | According to article 3 of the articles of association, the purpose of the company is, both in Morocco and abroad: <ul style="list-style-type: none"> ▪ the performance of all computer, electronic telecommunications, telematic and mechanical engineering work, and in particular, research, analysis, program design, software publishing and data processing, as well as assistance, installation, training, consulting, engineering, distribution, maintenance and technical training on hardware and programs; ▪ trade, import, export, representation, commission, brokerage, exclusive rights, trademarks, and the granting of all patents and licenses relating to the corporate purpose of all products and materials indicated; ▪ the organization and running of seminars and the training of personnel; ▪ assistance and advice to companies in the selection and installation of design equipment and the setting up of computer, telecommunications, electronic and telematic systems; ▪ servicing, repairing, transforming and maintaining hardware and software; ▪ the purchase, sale, representation and rental of all computer, telecommunications, electronic, telematic, office automation and micrographic equipment and supplies, as well as all software; ▪ the direct or indirect participation of the Company in all commercial operations that may be related to one of the above-mentioned purposes, through the creation of new companies, outlets or organizations of any kind, or through contributions, subscriptions, purchases of securities or corporate rights, mergers, joint ventures or otherwise; ▪ more generally, any industrial, commercial, financial, civil or movable transactions that may be directly or indirectly related to any of the |

aforementioned projects or to any similar or related objectives.

**Share capital as of
12/31/2022** MAD 70,359,900

**Number of capital shares as
of 12/31/2022** 703,599 shares with a nominal value of MAD 100/share.

| | |
|---|---|
| Location of legal documents | Corporate, accounting and legal documents required by law and the Company's articles of association to be disclosed to shareholders and third parties may be inspected at the Company's registered office (Casablanca NearShore Park Shore 1 - Secteur A - 1100, boulevard Al Qods, Sidi Maârouf 20270 Casablanca). |
| List of legislation applicable to the issuer | <ul style="list-style-type: none"> ▪ Given its legal form, the company is governed by law no. 17-95 promulgated by Dahir no. 1-96-124 of August 30, 1996 relating to public limited companies, as amended and supplemented by laws no. 81-99, 23-01, 20-05, 78-12, amendment no. 20-19 and amendment no. 19-20. ▪ As a listed company on the Casablanca Stock Exchange, it is subject to all legal and regulatory provisions relating to the financial market, in particular; ▪ Dahir providing law no.1-12-55 of December 28, 2012, promulgating law no. 44-12 on public offerings and the information required from legal entities and organizations making public offerings; ▪ Dahir providing for law no.1-95-3 of January 26, 1995, enacting law no. 35-94 relating to certain negotiable debt securities, as amended and supplemented by laws no. 35-96 and 33-06; ▪ General regulations of the Casablanca Stock Exchange approved by order of the Minister of the Economy and Finance, by order no.1268-08 of July 7, 2008, amended and supplemented by order of the Minister of the Economy and Finance no.1156-10 of April 7, 2010, no.30-14 of January 6, 2014 and no.1955-16 of July 4, 2016 and no.2208-19 of July 3, 2019; ▪ Dahir providing for law no.1-96-246 of January 9, 1997, promulgating law no.35-96 relating to the creation of a central depository and the institution of a general regime for the registration of certain securities in accounts, as amended by law no.43-02; ▪ Law 43-12 on the Moroccan Capital Market Authority; ▪ Law no. 44-12 relating to public offerings and the information required from legal entities and organizations making public offerings; ▪ AMMC's general regulations, approved by Order no. 2169-16 of July 14, 2016 issued by the Minister of the Economy and Finance; ▪ Law no.19-14 relating to the Stock Exchange, brokerage firms and financial investment advisors; ▪ General regulations of the Central Custodian approved by Order of the Minister of the Economy and Finance no. 932-98 of April 16, 1998 and amended by Order of the Minister of the Economy, Finance, Privatization and Tourism n.1961- 01 of October 30, 2001 and Order no.77-05 of March 17, 2005; ▪ Dahir no.1-04-21 of April 21, 2004 promulgating law no. 26-03 on public offerings on the Moroccan stock market, as amended by law no. 46-06; ▪ Dahir no.1-12-55 of December 28, 2012 promulgating law no.44-12 relating to public offerings and the information required from legal entities |

| | |
|--|---|
| | and organizations making public offerings; ■ AMMC circulars in force. |
| Tax regime | ■ The Company is subject to general tax legislation; ■ The Company is subject to corporate income tax at the progressive rate; ■ The Company is subject to VAT (20%) at the standard rate. ■ The Company is subject to professional tax (30%). |
| Competent court in the event of dispute | Trade Court of Casablanca |

II. CURRENT SHAREHOLDER STRUCTURE

As of December 31, 2022, HPS' shareholder structure is as follows:

| | Address | Number of shares held | % of capital | Number of voting rights | % held |
|----------------------------------|---|-----------------------|--------------|-------------------------|-------------|
| Mohamed Horani | 250,Lotissement Al Laymoune Casablanca | 53,000 | 7.53% | 53,000 | 7.53% |
| Samir Khalouqui | Résidence la corniche n°15-bd de l'océan casablanca | 62,719 | 8.91% | 62,719 | 8.91% |
| Abdessalam Alaoui Smaili | Résidence Terrasses Océans Villa nr 11 B Boulevard Abdelhadi Boutaleb HH à Casablanca | 55,838 | 7.94% | 55,838 | 7.94% |
| Driss Sabbahé | 169, Lot Florida Sidi Maârouf Casablanca | 55,194 | 7.84% | 55,194 | 7.84% |
| Morgan Stanley | 5 Cabot Square Canary Wharf London, E14 4QA United Kingdom | 40,129 | 5.70% | 40,129 | 5.70% |
| Msl/Briawood Capital Partners lp | 30 West 24 th Street 4 th Floor New York, NY 10011 USA | 31,743 | 4.51% | 31,743 | 4.51% |
| Floating | | 404,976 | 57.56% | 404,976 | 57.56% |
| TOTAL | | 703,599 | 100% | 703,599 | 100% |

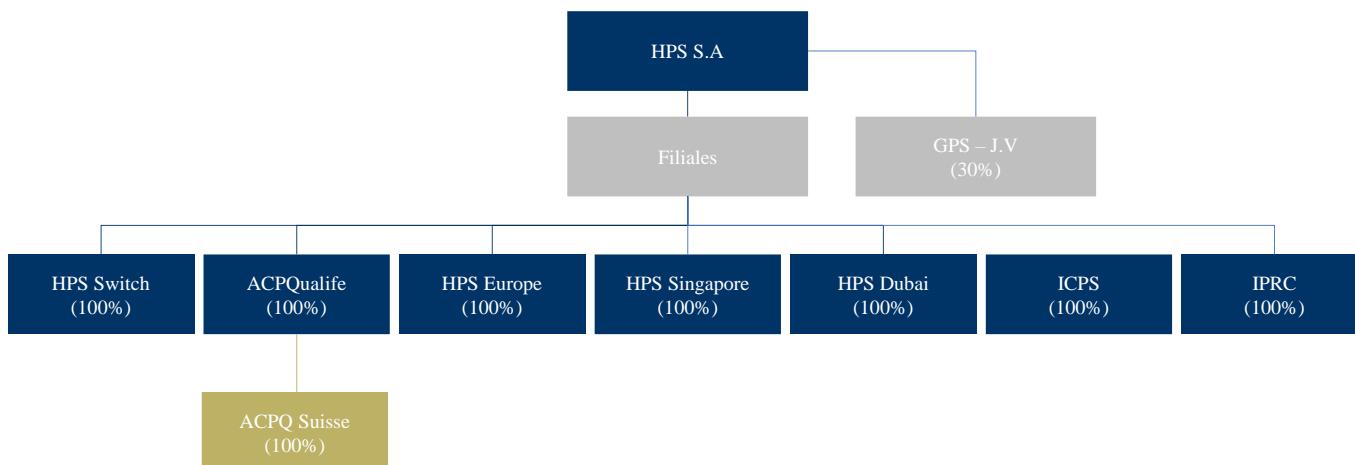
Source: HPS

Summary - Capital Increase reserved for Eligible Group Employees and Consultants through the Exercise of Stock Options



III. HPS LEGAL ORGANIZATION CHART

The company's legal structure as of 12/31/2022 is as follows:



Source: HPS

IV. ACTIVITY STRUCTURE

Hightech Payment Systems specializes in electronic payment systems, and its PowerCARD software offers an electronic payment solution for managing multi-channel electronic payments.

The PowerCARD multi-channel electronic payment solution supports the following channels:

- Electronic payment terminal (EPT);
- Automated teller machines (ATM/DAB);
- Internet;
- Mobile.

The solution is comprehensive, covering the entire processing chain: from Front Office (terminal and ATM control, on-line interfaces with international systems, Internet payment, mobile payment, etc.) to Back Office (cardholder and merchant management and processing, etc.).

Originally designed for financial and banking organizations, PowerCARD now meets the needs of a wide range of customers who also have significant card management and/or payment requirements, including telecoms operators, oil companies, insurance companies and the retail sector.

HPS also provides a range of associated services, including system implementation and maintenance, training, consulting, auditing and ongoing support for software operation.

Since its creation, HPS has pursued a clear strategy of specializing in multi-channel electronic payment, while diversifying in terms of geographical coverage and targeting all sectors of the economy where electronic payment is becoming a necessity.

HPS S.A.'s main customers are banks, credit companies and all other organizations that circulate means of payment on behalf of their customers.

IV.1.1. Breakdown of operating income by business segment

HPS operating revenues rose from MAD 833.3 million in 2021 to MAD 1,007.1 million in 2022, an increase of 20.8%. Over the period 2020-2021, HPS operating revenues increased by 14.4%.

The following table shows the contribution of each activity to HPS' overall operating income over the 2020-2022 period:

| In MAD million | 2020 | 2021 | 2022 | Var. 20/21 | Var. 21/22 |
|---------------------------------|--------------|--------------|----------------|--------------|--------------|
| Market | 520.6 | 640.2 | 820.3 | 23.0% | 28.1% |
| Testing | 99.6 | 94.5 | 87.1 | -5.1% | -7.8% |
| Switching | 56.0 | 62.4 | 68.8 | 11.4% | 10.3% |
| Security | 2.8 | 0.9 | 0.0 | -67.9% | -100.0% |
| Other | 49.5 | 35.4 | 30.8 | -28.4% | -12.9% |
| Total - Operating income | 728.5 | 833.3 | 1,007.1 | 14.4% | 20.8% |

Source: HPS – Consolidated data

HPS operating income consists of:

- the Market activity, which includes omnichannel management of electronic payments in "on-Premise" mode through PowerCARD Solutions;
- the Testing activity, which includes testing, software qualification and project management assistance for IS transformation projects;
- the Switching activity, which includes the management of national switching activities in Morocco and transaction processing through the PowerCARD platform in SaaS mode for banks and microfinance institutions;
- the Security activity, which includes assistance, control, management and monitoring of security and risk prevention methods relating to electronic banking.

Market activity

| In MAD million | 2020 | 2021 | 2022 | Var. 20/21 | Var. 21/22 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Powercard projets | 125.0 | 180.7 | 193.6 | 44.6% | 7.1% |
| Upselling | 172.9 | 161.6 | 223.8 | -6.5% | 38.5% |
| Maintenance | 152.6 | 155.3 | 177.4 | 1.8% | 14.3% |
| Transactional revenues | 35.6 | 24.1 | 55.0 | -32.3% | >100% |
| SaaS royalties | 34.6 | 118.4 | 170.4 | >100% | 43.9% |
| Total – Market Activity | 520.6 | 640.2 | 820.3 | 23.0% | 28.1% |

Source: HPS – Consolidated data

In 2022, the Market activity generated revenues of MAD 820.3 million, compared with MAD 640.6 million in 2021, representing growth of 28.1% on 2021.

In 2021, the Market activity generated revenues of MAD 640.2 million, compared with MAD 520.6 million in 2020, representing growth of 23.0% on 2020. This level of growth comes against a backdrop of prolonged effects of the health crisis, marked by an easing of travel restrictions.

The contribution of the Market business to operating revenues will reach 81.5% in 2022, compared with 76.9% in 2021, an increase of 4.6 pts.

The contribution of the "Market" business to operating revenues will be 76.9% in 2021, compared with 71.5% in 2020, an increase of 5.4 pts.

Taking advantage of the easing of travel restrictions imposed as part of pandemic management during 2021, HPS teams were able to ensure the deployment of projects, achieving 23.0% growth in revenues. This dynamic performance primarily concerned the Group's projects in America and Asia.

Growth in this business was driven both by the deployment of major projects won over the last two years, and by the dynamic migration of existing customers to new versions of PowerCARD.

For 2022, Upselling sales are up 38.5%, from MAD 161.6 million in 2021 to MAD 223.8 million in 2022.

For 2021, Upselling sales were down 6.5%, due to lower sales in high-contribution markets (Africa), which limited the contribution of other regions, whose sales were up sharply on 2020 (Europe and Middle East).

Maintenance revenues for 2022, at MAD 177.4 million, were up 14.3% on 2021.

Maintenance revenues for 2021, at MAD 155.3 million, were 1.8% higher than in 2020. New "Maintenance" entries in Africa, Europe and the Americas brought in new revenues, thus limiting the impact of the USD/MAD exchange rate trend.

"Transactional revenues" for the 2022 financial year reached MAD 55.0 million, compared with MAD 24.1 million in 2021, an increase of over 100%.

"Transactional revenues" for the 2021 financial year amounted to MAD 24.1 million, down 32.3% on the exceptional adjustments recorded in 2020.

"SaaS royalties" reached MAD 170.4 million in 2022, compared with MAD 118.4 million in 2021, an increase of 43.9%.

"SaaS royalties" reached MAD 118.4 million in 2021 compared with MAD 34.6 million in 2020, an increase of over 100%.

Services activity

| In MAD million | 2020 | 2021 | 2022 | Var. 20/21 | Var. 21/22 |
|----------------------------------|-------------|-------------|-------------|--------------|--------------|
| Testing | 99.6 | 94.5 | 87.1 | -5.1% | -7.8% |
| Total – Services Activity | 99.6 | 94.5 | 87.1 | -5.1% | -7.8% |

Source: HPS

In 2022, the "Services" activity generated revenues of MAD 87.1 million, compared with MAD 94.5 million in 2021, down 7.8% on the year-earlier period.

In 2021, the "Services" business generated revenues of MAD 94.5 million, compared with MAD 99.6 million in 2020, down 5.1% on 2020.

Due to the lingering effects of the health crisis on economic conditions in France, the Services business continues to record lower revenues. However, the decline in Services revenues has been limited thanks to the effective synergies generated with the Group's other businesses.

In parallel with maintaining operations, the Services business restructured its sales approach in 2021, by increasing the skills of its teams and upgrading its sales development techniques and tools.

The customer portfolio has been strengthened through the referencing of "Services" entities with several major companies in Europe.

Switching activity

| In MAD million | 2020 | 2021 | 2022 | Var. 20/21 | Var. 21/22 |
|----------------------------------|-------------|-------------|-------------|--------------|--------------|
| Transactions | 53.2 | 60.6 | 68.0 | 13.9% | 12.2% |
| Other | 2.8 | 1.8 | 0.8 | -36.8% | -53.1% |
| Total –Switching Activity | 56.0 | 62.4 | 68.8 | 11.4% | 10.3% |

Source: HPS

Switching operating income rose by 10.3% to MAD 68.8 million in 2022, compared with MAD 62.4 million in 2021.

Switching operating income rose by 11.4% to MAD 62.4 million in 2021, compared with MAD 56.0 million in 2020.

The Switching activity covers HPS's payment solutions in SaaS mode (Payment), the management of electronic money operations in Morocco through Switch, and ATM monitoring and supervision services.

The opening of the PowerCARD platform to handle payment transactions for banks and retail specialists has made a major contribution to the Group's growth in recent years.

Since 2021, the business has been strengthened by the acquisition of full control of ICPS, initially held at 20%. The Switching business has also consolidated its service offering, with the acquisition of IPRC, Morocco's leading ATM supervision and fraud monitoring company.

In terms of organic growth, the "Switching" segment continued to put Société Générale Group entities in Sub-Saharan Africa on the SaaS platform for PowerCARD solutions, with the start-up of electronic money operations in Cameroon, Chad, Congo, Equatorial Guinea and Benin.

The Loomis contract was also strengthened with the extension of its scope to other ATMs in France, and the arrival of the first ATMs in the Loomis Belgium network on the PowerCARD platform. 2021 also saw the expansion of the SaaS platform's geographical coverage, with the integration of the first contracts in the Middle East, as part of the

support provided to a company specializing in distribution and franchising in the Middle East (Oman, Jordan and Saudi Arabia).

Switching revenues also benefited from the full integration of the ICPS entity, initially 20%-owned. This operation consolidates the HPS Group's positioning in Africa in the Processing segment, where the PowerCARD platform now covers 27 countries across the continent.

The business continues to support the development of electronic payment in Morocco, ensuring efficient processing of interoperable transactions. The number of interoperable transactions rose by 10.3% compared with 2021. Switching revenues amounted to MAD 68.8 million, compared with MAD 62.4 million in 2021.

The change in the structure of operating income by business segment is as follows:

| In MAD million | 2020 | 2021 | 2022 | Var. 20/21 | Var. 21/22 |
|---------------------------------|-------------|-------------|-------------|---------------|---------------|
| Market | 71.5% | 76.8% | 81.5% | 5.4pts | 4.6pts |
| Testing | 13.7% | 11.3% | 8.7% | -2.3pts | -2.7pts |
| Switching | 7.7% | 7.5% | 6.8% | -0.2pt | -0.7pt |
| Security | 0.4% | 0.1% | 0.0% | -0.3pt | -0.1pt |
| Other | 6.8% | 4.3% | 3.1% | -2.5pts | -1.2pt |
| Total – Operating Income | 100% | 100% | 100% | 0.0pts | 0.0pts |

Source: HPS

In 2022, the weight of the "Testing" activity decreased by 2.7 pts of the total operating revenue, compared to a decrease of 2.3 percentage points in 2021. This decrease can be explained by:

- The effect of declining sales in high-contributing markets such as Africa.
- The impact of COVID-19, which slowed down the normative portion of the "Solutions" activity.
- The decrease in licensing revenues due to exceptional regularization observed in 2020.

In 2022, the weight of the "Market" activity increased to reach 81.5% of the total operating revenue, compared to 76.9% in 2021.

IV.1.2. Breakdown of operating income by geographical region

The geographical breakdown of HPS' operating income over the past three financial years is as follows:

| In MAD million | 2020 | 2021 | 2022 | Var. 20/21 | Var. 21/22 |
|---------------------------------|--------------|--------------|----------------|--------------|--------------|
| Africa (including Morocco) | 246.9 | 333.1 | 434.1 | 34.9% | 30.3% |
| America | 41.1 | 62.9 | 56.1 | 53.1% | -10.9% |
| Asia / Middle East | 177.0 | 184.1 | 231.7 | 4.0% | 25.9% |
| Europe | 221.9 | 218.3 | 254.4 | -1.6% | 16.5% |
| Regions | 41.6 | 35.0 | 30.8 | -15.8% | -11.9% |
| Total - Operating Income | 728.5 | 833.3 | 1 007.1 | 14.4% | 20.8% |

Source: HPS

HPS' operating income recorded a 20.8% increase in 2022. Africa and Asia/Middle East experienced the highest growth, with 30.3% and 25.9% respectively in 2022.

The evolution of the operating income structure by geographical zone is as follows:

| In MAD million | 2020 | 2021 | 2022 | Var. 20/21 | Var. 21/22 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Africa (including Morocco) | 33.9% | 40.0% | 43.1% | 6.1pts | 3.1pts |
| America | 5.6% | 7.5% | 5.6% | 1.9pts | -2.0pts |
| Asia / Middle East | 24.3% | 22.1% | 23.0% | -2.2pts | 0.9pts |
| Europe | 30.5% | 26.2% | 25.3% | -4.3pts | -0.9pts |
| Regions | 5.7% | 4.2% | 3.1% | -1.5pts | -1.1pts |
| Total - Operating Income | 100.0% | 100.0% | 100.0% | 0.0pts | 0.0pts |

Source: HPS

In 2022, HPS' traditional markets (Europe, Africa, and Middle East) continued to represent nearly 91.4% of the company's activity, with significant growth in the European market, driven by investments made over several years, and a significant increase in the Middle East region (+25.9% in operating revenue compared to 2021).

The HPS Group capitalizes on its extensive geographic presence and continues to generate strong sales growth for the deployment of its PowerCARD projects. In fact, HPS has strengthened its client portfolio with the acquisition of new references in Asia and Europe.

PART III: CONSOLIDATED FINANCIAL STATEMENTS

I. PRESENTATION OF THE CONSOLIDATED INCOME STATEMENT

HPS Group's consolidated income statement is as follows:

| In MAD million | 2020 | 2021 | 2022 | Var. 20/21 | Var. 21/22 |
|--|--------------|--------------|----------------|----------------|----------------|
| Turnover | 674.1 | 796.7 | 980.7 | 18.2% | 23.1% |
| Change in product inventories | 7.8 | 2.2 | 2.0 | -72.3% | -7.6% |
| Capitalized production | 0.0 | 0.0 | -0.5 | NA | NA |
| Other operating income | 46.6 | 34.5 | 24.9 | -26.1% | -27.9% |
| Operating income | 728.5 | 833.3 | 1 007.1 | 14.4% | 20.8% |
| Merchandise purchases for resale | 0.0 | 0.0 | -5.8 | NA | NA |
| Purchases consumed | -103.7 | -138.0 | -165.0 | 33.1% | 19.6% |
| External expenses | -113.6 | -103.7 | -158.7 | -8.7% | 53.0% |
| Staff expenses | -311.9 | -365.2 | -443.2 | 17.1% | 21.4% |
| Other operating expenses | -27.5 | -16.2 | -5.2 | -40.9% | -68.1% |
| Taxes and duties | -11.6 | -21.5 | -21.4 | 85.0% | -0.4% |
| Operating allowances | -39.7 | -44.2 | -44.2 | 11.5% | -0.1% |
| Operating expenses | -608.0 | -688.9 | -843.6 | 13.3% | 22.5% |
| Operating income | 120.5 | 144.4 | 163.5 | 19.8% | 13.2% |
| <i>Operating margin</i> | <i>17.9%</i> | <i>18.1%</i> | <i>16.7%</i> | <i>0.2pts</i> | <i>-1.5pts</i> |
| Financial income and expenses | -19.1 | -2.4 | 19.5 | -87.5% | >100% |
| Income from ordinary activities of consolidated companies | 101.4 | 142.1 | 182.9 | 40.0% | 28.8% |
| Non-current income and expenses | -5.9 | -10.5 | -26.9 | 77.6% | 156.7% |
| Income tax expense | -24.9 | -34.3 | -44.0 | 37.6% | 28.3% |
| Net income of consolidated companies | 70.6 | 97.3 | 112.0 | 37.8% | 15.1% |
| Share in net income of associates | 15.7 | 10.7 | 16.4 | -31.8% | 53.1% |
| Amortization of goodwill | -1.9 | -9.1 | -11.3 | >100% | 23.9% |
| Consolidated net income | 84.4 | 98.9 | 117.1 | 17.1% | 18.4% |
| Minority interests | 0.0 | 0.0 | 0.0 | NA | NA |
| Net income (Group share) | 84.4 | 98.9 | 117.1 | 17.1% | 18.4% |
| <i>Net income</i> | <i>12.5%</i> | <i>12.4%</i> | <i>11.9%</i> | <i>-0.1pts</i> | <i>-0.5pts</i> |

Source: HPS – consolidated financial statements

II. PRESENTATION OF THE CONSOLIDATED BALANCE SHEET

| In MAD million | 2020 | 2021 | 2022 | Var. 20/21 | Var. 21/22 |
|--|----------------|----------------|----------------|---------------|---------------|
| Non-current assets | 186.4 | 293.6 | 300.1 | 57.5% | 2.2% |
| Goodwill | 0.0 | 103.6 | 92.3 | NA | -10.9% |
| Intangible fixed assets | 89.8 | 90.0 | 88.1 | 0.2% | -2.1% |
| Tangible fixed assets | 40.5 | 38.2 | 42.5 | -5.6% | 11.3% |
| Non-current financial assets | 1.9 | 3.9 | 5.0 | >100% | 29.1% |
| Equity Investments Accounted for Using the Equity Method | 54.2 | 58.0 | 72.2 | 7.0% | 24.4% |
| Current assets | 996.5 | 1 072.0 | 1 253.2 | 7.6% | 16.9% |
| Inventories and work-in-progress | 77.2 | 73.8 | 81.5 | -4.4% | 10.5% |
| Trade accounts receivable | 561.4 | 609.7 | 850.6 | 8.6% | 39.5% |
| Deferred tax assets | 4.0 | 5.1 | 4.2 | 25.8% | -17.8% |
| Other receivables and accruals | 130.3 | 77.7 | 78.7 | -40.4% | 1.3% |
| Marketable securities | 0.0 | 0.0 | 0.0 | NA | NA |
| Cash and cash equivalents | 223.6 | 305.8 | 238.3 | 36.8% | -22.1% |
| Total Assets | 1 182.9 | 1 365.7 | 1 553.3 | 15.4% | 13.7% |

| In MAD million | 2020 | 2021 | 2022 | Var. 20/21 | Var. 21/22 |
|--|----------------|----------------|----------------|---------------|---------------|
| SHAREHOLDERS' EQUITY | 494.3 | 556.6 | 652.2 | 12.6% | 17.2% |
| <i>Share capital</i> | 70.4 | 70.4 | 70.4 | 0.0% | 0.0% |
| <i>Issue premiums</i> | 31.6 | 31.6 | 31.6 | 0.0% | 0.0% |
| <i>Retained earnings</i> | 307.9 | 355.7 | 433.1 | 15.5% | 21.7% |
| <i>Consolidated net income</i> | 84.4 | 98.9 | 117.1 | 17.1% | 18.4% |
| Shareholders' equity, Group share | 494.3 | 556.6 | 652.2 | 12.6% | 17.2% |
| Minority interests | 0.0 | 0.0 | 0.0 | NA | NA |
| Total shareholders' equity | 494.3 | 556.6 | 652.2 | 12.6% | 17.2% |
| Long-term liabilities | 117.0 | 185.5 | 155.1 | 58.5% | -16.4% |
| Long-term debt | 112.0 | 179.9 | 149.9 | 60.7% | -16.7% |
| Conditional advances | 0.0 | 0.0 | 0.0 | NA | NA |
| Provisions for liabilities and charges | 5.1 | 5.6 | 5.2 | 9.8% | -6.3% |
| Current liabilities | 571.6 | 623.6 | 746.0 | 9.1% | 19.6% |
| Trade payables | 56.7 | 66.3 | 53.5 | 16.8% | -19.3% |
| Other payables and accruals | 514.8 | 554.7 | 691.0 | 7.7% | 24.6% |
| Deferred tax liabilities | 0.0 | 2.0 | 1.5 | NA | -20.6% |
| Cash liabilities | 0.0 | 0.6 | 0.0 | NA | -100.0% |
| Total Liabilities | 1 182.9 | 1 365.7 | 1 553.3 | 15.4% | 13.7% |

Source: HPS – consolidated financial statements

PART IV: RISK FACTORS

▪ **Geopolitical risk**

With the majority of its sales generated outside France, HPS is exposed to the risks of political stability and economic conditions in each region. These risks are insignificant in developed countries, notably in Europe; however, they are much greater in regions of high tension such as the Middle East (Palestine, Yemen), Iran, Iraq and sub-Saharan Africa.

For this reason, HPS has adopted precautionary measures to counteract these risks. For example, the company requires advance payments based on the anticipated risk. These advances vary from 50% to 60% of the contract amount in the highest-risk regions, and around 20% in the lowest-risk regions.

To mitigate environmental risks (natural disasters, etc.), HPS has set up data backup, archiving and restoration mechanisms, as well as a disaster recovery procedure.

▪ **Technological evolution risk**

The electronic payment systems management sector is characterized by rapid technological change, evolving standards and the frequent emergence of new services, software and other products.

HPS' future success will depend on its ability to anticipate industry trends and position itself upstream by adapting its offers to better serve its markets.

To this end, the company has set up a technology watch unit to keep abreast of global developments and trends. This unit relies, among other things, on the recommendations of international payment organizations (Visa, Mastercard) and regularly attends various trade fairs and conferences around the world.

▪ **Fraud risk**

The electronic payment business is constantly subject to both internal and external intrusion attempts. More often than not, fraudulent manipulations of systems are carried out with the complicity of people inside the organization in question.

To this end, HPS has developed a system for tracing system manipulations (values entered before and after operations, inputs/outputs, etc.). The company has also integrated security procedures that meet Visa and Mastercard standards. These require the implementation of several fraud management locks in order to certify the payment software as compliant. This certification enables HPS to protect itself against any customer reversal.

▪ **Defect risk**

Generally speaking, in any software production, products are subject to possible bugs which can sometimes cause significant damage to users.

To minimize the risk of defects, HPS carries out a series of tests before final installation of the product on the customer's premises. In addition, the company has implemented a reporting system for doubtful operations, and requires its customers to report defects as soon as possible (within 24 hours) in order to correct the fault.

It should be noted that PowerCARD solutions are certified by leading international organizations such as Visa and Mastercard.

▪ **Exchange rate risk**

HPS makes most of its sales (>70% over the last 3 years) abroad. These sales are invoiced in foreign currencies. As a result, the company may be affected by fluctuations in exchange rates.

It should be noted that HPS does not use any financial instruments to hedge against currency risk. However, this risk is mitigated by the growth in sales invoiced in euros, which offsets fluctuations in the dollar.

▪ **Image risk**

The internationalization of HPS is sometimes hampered by the perception of Morocco as a country with no technological vocation. This label makes it difficult to penetrate new markets, particularly the United States.

Nevertheless, HPS has succeeded in gaining a foothold in reference markets such as Japan, Canada and the countries of the European Union, enabling it to be better equipped to access the American market.

- **Human resources risk**

Given the highly specialized nature of the electronic payment industry, HPS is subject to a risk of volatility in human resources and scarcity of skills in this field.

This risk is limited by the fact that the founders of HPS are all shareholders and executives within the company. This ensures that the company's know-how and expertise remain intact, and are passed on to all levels of the organization, thus ensuring the long-term future of the business.

In addition, HPS has standardized its work procedures and project management methodology to minimize the effects of unavailable experts, expert resignations/departures, work overloads, etc.

In addition, the company has put in place various mechanisms and tools to ensure, on the one hand, a high level of motivation among its human resources and, on the other, effective information sharing. This reduces the risk of volatility and loss of know-how.

- **Competitive risk**

The company's size could be perceived as a competitive risk, given the size of its main international competitors.

However, this perception is mitigated by HPS' ability to meet the specific demands of its customers or prospects within reasonable timescales and at reasonable costs, compared with competitors with more rigid structures.

In addition, thanks to the network of partners built up over the last few years, HPS is able to mobilize human resources well beyond its own resources to take on very large-scale projects.

Finally, HPS' ability to win and successfully complete projects against first-rate competitors has been amply demonstrated both in Morocco and abroad (CMI won against ACI, JCC won against S2, BCEAO won against ATOS, BEAC won against ACI, Amex Middle East won against ACI, FDR and Tsys, etc.).

- **Positioning risk**

Given the specific nature of the company's business, HPS may be perceived as developing a single product, PowerCARD.

To avoid any positioning risk, HPS' strategy has been based on the development of a complete solution capable of supporting, in a modular and/or total way, the needs of the various sectors where payment management is required, while maintaining a specialist image.

Risk factors relating to the financial instruments offered

Liquidity risk

Subscribers to HPS shares may be subject to liquidity risk on the stock market. Depending on market conditions and share price trends, the stock's liquidity may be temporarily affected. Thus, a shareholder wishing to sell his or her shares may, to a certain extent, be unable to sell all or part of the shares held within a short timeframe, 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 trends are determined in particular by the achievements and financial performance of listed companies, and the development prospects anticipated by investors. As a result, investors may experience a significant rise or fall in the value of the listed securities they hold.

Capital loss risk

Participation in a company's capital involves the risks inherent in any investment. Should one or more of these risks materialize, losses may be incurred 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 investment, the maximum risk is even higher, since the obligations arising from the loan contract continue to be owed to the lender, irrespective of how the investment in HPS' capital develops, and the lender may recover from the investor a sum in excess of the capital invested.

DISCLAIMER

The abovementioned information constitutes only part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) on June 05th, 2023 under reference VI/EM/015/2023. The AMMC recommends reading the entire prospectus, made available to the public in French.