

PROSPECTUS SUMMARY



COMMERCIAL PAPER ISSUANCE PROGRAM

UPDATE OF A PROSPECTUS RELATING TO THE 2015 FISCAL YEAR

ISSUANCE CEILING: 1 000 000 000 MAD

NOMINAL VALUE: 100 000 MAD

Financial Advisor and Global Coordinator



Bookrunner



APPROVAL OF THE AUTORITE MAROCAINE DU MARCHE DES CAPITAUX (AMMC)

In compliance with the provisions of article 18 of Dahir n° 1-95-3 of 24 Chaabane 1415 (26 January 1995) enacting law N° 35-94 pursuant to certain negotiable securities as amended and completed. The original of this prospectus has been submitted for assessment by the Autorité Marocaine du Marché des Capitaux (AMMC), which has approved it on December 14th, 2016 under reference VI/EM/036/2016.

The visa of the AMMC implies neither approval of the opportunity offered by this operation nor the authentication of the information contained therein. Approval has been given after examination of the pertinence and coherence of the information provided in view of the operation proposed to investors.

Disclaimer

The Autorité Marocaine du Marché des Capitaux (AMMC) approved on December 14th, 2016 a prospectus relating to the issue of commercial papers by Douja Promotion Groupe Addoha relating to the 2015 fiscal year.

The prospectus approved by the AMMC is available at any time at the headquarters of Douja Promotion Groupe Addoha and at the financial advisor. It is also available within a maximum deadline of 48 hours from the order collection entities.

It is also available on the AMMC website www.ammc.ma

Part I. PROGRAM OVERVIEW

I. Objectives of the program

Douja Promotion Groupe Addoha aims to the issue of a commercial paper program in order to:

- Optimize the cost of short term financing by total or partial substitution of the existing bank loans and overdrafts by commercial papers;
- Diversify the sources of financing to allow better negotiations with financial partners;
- Consolidate the image of the group among institutional investors through a spreading visibility in the capital market.

II. Characteristics of the commercial paper

Table 1 Information on the securities to be issued

Nature of securities	Dematerialized Commercial Paper registered at the Central Custodian (Maroclear) and registered in the books of entitled affiliates.
Legal form	Bearer commercial paper
Issuance ceiling	MAD 1 000 000 000
Maximum number of the securities to be issued as part of the transaction	10 000 securities
Nominal value	MAD 100 000
Maturity	10 days to 12 months.
Date of entitlement	Upon payment.
Interest rate	Determined at each issue according to market conditions.
Interest	Accrued interest.
Coupon payment	<i>At maturity.</i> i.e. upon due date of each paper.
Reimbursement of principal	<i>At maturity.</i> i.e. upon due date of each paper.
Assimilation clause	The issued Commercial Papers are in no way assimilated to any previous issued securities.
Trading	Freely tradable on the secondary market. Commercial Papers are negotiable by mutual agreement. Negotiability is ensured by BMCE Bank.
Guarantee	The issue does not benefit of any guarantee.

III. Financial intermediaries

The financial intermediaries taking part in the present commercial paper program are as follows:

Table 2 Financial intermediaries

Placement agent and financial intermediaries	Name	Address
Advisor and Coordinator	BMCE Capital Conseil	63, Boulevard My Youssef, Casablanca
Investment agent	BMCE Bank of Africa	140, Boulevard Hassan II, Casablanca
Securities accounts manager	BMCE Bank of Africa	140, Boulevard Hassan II, Casablanca
Central depository	Maroclear	Route 1077 par route d'El Jadida, 18 Cité Laia – 20200 Casablanca

Part II. OVERVIEW OF THE ISSUER

I. General information

Table 3 General information

Corporate Name	Corporate Name: « Douja Promotion Groupe Addoha S.A. ». It is also known under the commercial name of « Groupe Addoha »-
Registered office	Km 7, Route de Rabat, Ain Sebâa, Casablanca
Phone	+212 5 22 67 99 00
Fax	+212 5 22 35 17 63
Website	www.groupeaddoha.com
Email	douja.promotion@addoha.ma
Legal form	Public Limited Company with a Board of Directors
Date of incorporation	April 18 th 1988
Life span	99 years except in case of early dissolution or extension as stipulated by the corporate articles of association or by the law
Registered Capital (December 31 st , 2013)	MAD 3,225,571,180 divided into 322,557,118 shares of MAD 10 each all of the same category and fully paid up.
Financial year	From January 1st to December 31st.
Number of registration in Trade Register	52 045 – Casablanca
Competent Court in the event of litigation	Commercial Court of Casablanca.
Place for consulting legal documents	The corporate, accounting and legal documents to be communicated by way of the law and the Articles of association to the shareholders and third parties can be consulted at the headquarters of Douja Promotion Groupe Addoha. Km 7. Route de Rabat. Ain Sebâa. Casablanca.
Purpose	According to article 5 of the by-laws. the direct purpose of the company either on its own behalf or on behalf of a third party in Morocco or in any other country: ▪ All real estate operations as spelled out by Royal Decree n° 1.85.100 of 17 August 1985 with regard to enactments of law n°15-85 instituting support for real estate investment. in particular; ▪ Acquisition of built up or non-built up land as well as any other property located in Morocco; ▪ Operation and development of the said land through the division of lots. Site preparation. Fitting out, equipment and edification of the said building(s) for residential, commercial, professional, industrial or other uses; ▪ Transformation of building property. sale in co-ownership per lot or unit; ▪ Establishment of deeds testifying to any changes occurring with regard to any real estate property; ▪ Setting up and management of syndicates for all buildings in compliance with the co-ownership rules related thereto including exercise of the management function; And generally, all real estate or moveable property operations directly or indirectly attached to the purpose of the company.

Source: Douja Promotion Groupe Addoha

II. Capital and shareholding structure

The below Table provides the historical background of the shareholders of Douja Promotion Groupe Addoha in the period from 2013 to mid-2016:

Table 4 Shareholding history

Actionnaires	31/12/2013-2014-2015		30/06/2016	
	Number of shares	% of the capital and voting rights	Number of shares	% of the capital and voting rights
Sefrioui Family	182 447 367	56,56%	182 447 367	56,56%
<i>M. Anas Sefrioui</i>	<i>182 420 353</i>	<i>56,55%</i>	<i>182 420 353</i>	<i>56,55%</i>
<i>M^{me} Mounia Benzekri</i>	<i>5 360</i>	<i>n.s.</i>	<i>5 360</i>	<i>n.s.</i>
<i>M^{lle} Alia Sefrioui</i>	<i>5 360</i>	<i>n.s.</i>	<i>5 360</i>	<i>n.s.</i>
<i>M^{lle} Kenza Sefrioui</i>	<i>5 360</i>	<i>n.s.</i>	<i>5 360</i>	<i>n.s.</i>
<i>M. Malik Sefrioui</i>	<i>5 360</i>	<i>n.s.</i>	<i>5 360</i>	<i>n.s.</i>
<i>O.I.P.</i>	<i>5 574</i>	<i>n.s.</i>	<i>5 574</i>	<i>n.s.</i>
RCAR	20 403 996	6,33%	20 403 996	6,33%
Other shareholders	119 705 755	37,11%	119 705 755	37,11%
Total	322 557 118	100,00%	322 557 118	100,00%

The shareholding of Douja Promotion Groupe Addoha did not change on the period from 2013 to mid-2016. The company is owned in majority by the Sefrioui family with a shareholding of 56.6%.

III. Board of Directors

On 30/06/2016, the Board of Directors of Douja Promotion Groupe Addoha is composed as follows:

Table 5 The Board of Management of Douja Promotion Groupe Addoha

Members of the Board of Management	Current position	Date of appointment and renewal	Expiration of the mandate	Family relationship with the CEO
Mr. Anas Sefrioui CEO	CEO	2011	OGM called to approve the financial statements for 2016	Himself
Mrs Kenza Sefrioui	Vice-president	2016	OGM called to approve the financial statements for 2016	Daughter
Mr. Philippe Faure	Director	2013	OGM called to approve the financial statements for 2018	None
Mr. Jean-René Fourtou	Director	2013	OGM called to approve the financial statements for 2018	None
Mr. Azzedine Kettani	Director	2015	OGM called to approve the financial statements for 2020	None
Mr. Mohamed El Mernissi	Director	2015	OGM called to approve the financial statements for 2020	None

Source : Douja Promotion Groupe Addoha

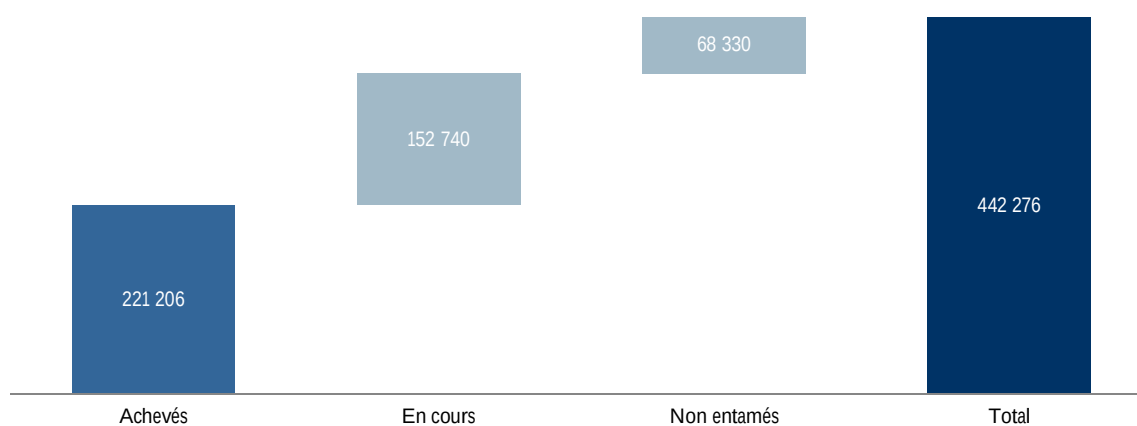
IV. Business of Douja Promotion Groupe Addoha

The activity of Douja Promotion Groupe Addoha consists of the carrying out of social and high-end housing programs. The principal activity of the group is social housing.

Since 2006, the Company has highly reinforced its high-end business materialized by the acquisition of lands dedicated to high-end programs and the creation of subsidiaries with notorious national and foreign partners in order to carry out real estate and tourist programs.

At the end of 2015, housing programs developed by the group, including the activity of its subsidiaries in the social, intermediate and high-end segments is as follows:

Figure 1 Cumulative projects production in all segments combined over the period 1995-2015 (in units)



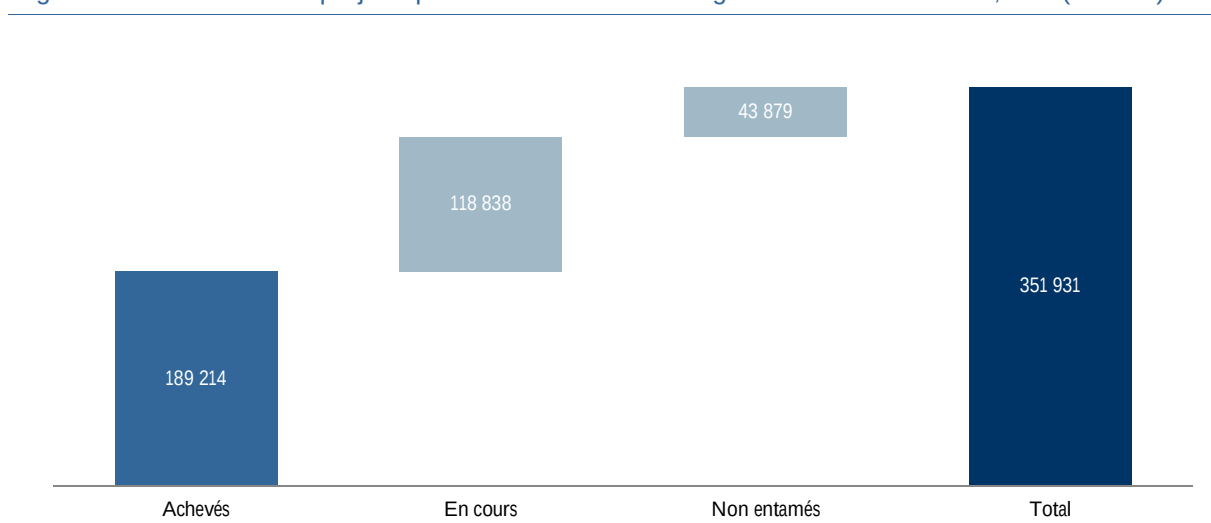
Source : Douja Promotion Groupe Addoha

On December 31st, 2015, the programs completed, in process of completion and not yet initiated by Addoha group, all segments combined, amount to 442 276 units divided as follows:

- Housing units completed: 221 206;
- Housing units in process of completion: 152 740;
- Housing units not yet initiated: 66 330.

The graph below shows the projects completed by Douja Promotion Groupe Addoha and its subsidiaries for the social segment as well as the programs which have not been launched yet and the pending programs as of December 31st, 2015:

Figure 2 Cumulative projects production in the social segment on December 31st, 2015 (in units)



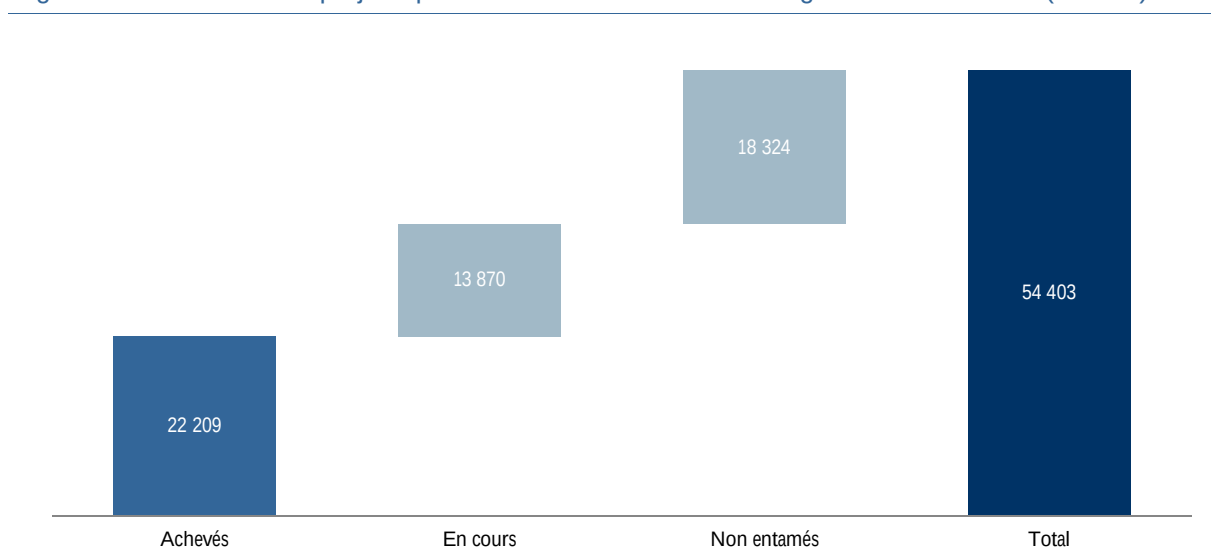
Source : Douja Promotion Groupe Addoha

In the social segment, the group has completed 189,214 units and is in the process of completing real estate programs amounting to 118,838 units.

Other projects not yet initiated are expected to bring this number to 43,879 units in the coming years.

The achievements of Douja Promotion Groupe Addoha and its subsidiaries in the intermediate segment as well as the programs which have not been launched yet and the pending programs are schematized in the following graph:

Figure 3 Cumulative projects production for the intermediate segment on 31/12/2015 (in units)

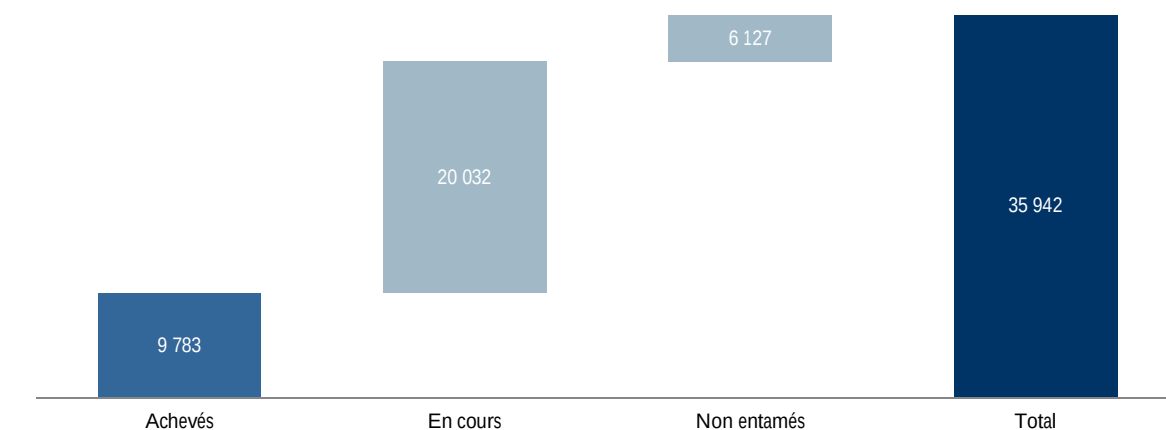


Source : Douja Promotion Groupe Addoha

As shown by the graph above, on December 31st, 2015, the completed units in the intermediate segment come to 22 209 housing units. Other programs are in the process of completion and amounts to 13 870 units. Furthermore, intermediate real estate projects are slated for launch to the tune of 18 324 units.

The graph below presents the accomplishments, the programs that have not been initiated yet and projects in the process of completion of Douja Promotion Groupe Addoha and its subsidiaries in the high-end segment.

Figure 4 Cumulative accomplishments in the high-end segment on 31/12/2015 (in units)



Source : Douja Promotion Groupe Addoha

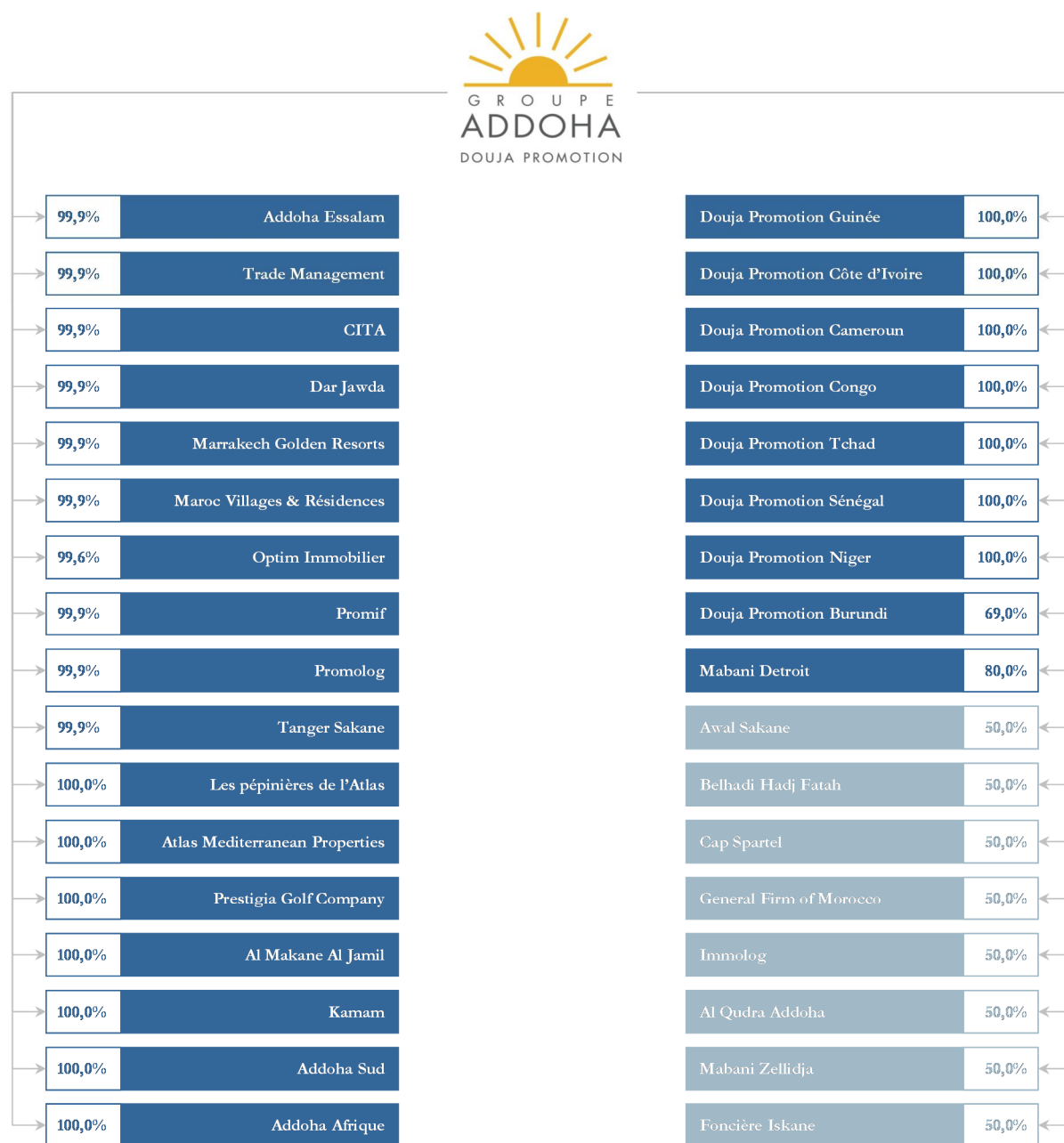
On December 31st, 2015, the Addoha Group completed and delivered 9 783 units in the high-end segment.

At the end of December 2015, the high-end segment programs in the process of completion amounted to 20 032 units. The programs not yet initiated amount to 6 127 units.

V. Legal flowchart

On December 31st, 2015, the legal flowchart of Groupe Addoha is presented as follows :

Figure 5 Legal flowchart of Douja Promotion Groupe Addoha on 31/12/2015



Source : Douja Promotion Groupe Addoha

Part III. CONSOLIDATED FINANCIAL DATA

I. The scope of consolidation

I.1. The scope of consolidation on December 31st, 2015

Company	Percentage of control	Percentage of interests	Consolidation method
Douja Promotion Groupe Addoha	-	-	Société consolidante
Immolog	50,00%	50,00%	Intégration Globale
Promolog	100,00%	100,00%	Intégration Globale
Promif	99,90%	99,90%	Intégration Globale
Dar Jawda	99,90%	99,90%	Intégration Globale
Addoha Essalam	99,90%	99,90%	Intégration Globale
Tanger Sakane	99,90%	99,90%	Intégration Globale
Mabani Zellidja	50,00%	50,00%	Mise en équivalence
Al Qudra Addoha	50,00%	50,00%	Mise en équivalence
Mabani Detroit	80,00%	80,00%	Intégration Globale
General Firm Of Morocco	50,00%	50,00%	Mise en équivalence
Trade Management	99,90%	99,90%	Intégration Globale
Marrakech Golden Resorts	99,90%	99,90%	Intégration Globale
Beladi Hadj Fatah	50,00%	50,00%	Intégration Globale
Optim Immobilier	99,60%	99,60%	Intégration Globale
Cap Spartel	50,00%	50,00%	Mise en équivalence
Cita	100,00%	100,00%	Intégration Globale
Maroc Villages & Residences	99,87%	99,87%	Intégration Globale
Awal Sakane	50,00%	50,00%	Intégration Globale
Les Pépinières de l'Atlas	100,00%	100,00%	Intégration Globale
Atlas Mediterranean	100,00%	100,00%	Intégration Globale
Douja Promotion Groupe Addoha Guinée	100,00%	100,00%	Intégration Globale
Foncière Iskane	50,00%	50,00%	Intégration Globale
Douja Promotion Côte d'Ivoire	100,00%	100,00%	Intégration Globale
Prestigia Golf Company	100,00%	100,00%	Intégration Globale
Al Makane Al Jamil	100,00%	100,00%	Intégration Globale
Kamam	100,00%	100,00%	Intégration Globale
Douja Promotion Cameroun	100,00%	100,00%	Intégration Globale
Douja Promotion Groupe Addoha Sénégal	100,00%	100,00%	Intégration Globale
Douja Promotion Congo	100,00%	100,00%	Intégration Globale
Douja Promotion Tchad	100,00%	100,00%	Intégration Globale
Addoha Sud	100,00%	100,00%	Intégration Globale

I.2. The scope of consolidation on December 31st, 2014

Company	Percentage of control	Percentage of interests	Consolidation method
Douja Promotion Groupe Addoha	-	-	Consolidating company
Immolog	50,00%	50,00%	Full consolidation
Promolog	99,95%	99,95%	Full consolidation
Promif	99,95%	99,95%	Full consolidation
Dar Jawda	99,99%	99,99%	Full consolidation
Addoha Essalam	99,90%	99,90%	Full consolidation
Tanger Sakane	99,87%	99,87%	Full consolidation
Mabani Zellidja	49,99%	49,99%	Equity method
Al Qudra Addoha	49,99%	49,99%	Equity method
Mabani Detroit	80,00%	80,00%	Full consolidation
General Firm Of Morocco	50,00%	50,00%	Equity method
Trade Management	99,87%	99,87%	Full consolidation
Marrakech Golden Resorts	99,87%	99,87%	Full consolidation
Beladi Hadj Fatah	50,00%	50,00%	Full consolidation
Optim Immobilier	99,60%	99,60%	Full consolidation
Cap Spartel	50,00%	50,00%	Equity method
Cita	99,87%	99,87%	Full consolidation
Maroc Villages & Residences	99,87%	99,87%	Full consolidation
Awal Sakane	50%	50%	Full consolidation
Les Pépinières de l'Atlas	100%	100%	Full consolidation
Atlas Mediterranean	100%	100%	Full consolidation
Douja Promotion Groupe Addoha Guinée	100%	100%	Full consolidation
Foncière Iskane	50%	50%	Full consolidation
Douja Promotion Côte d'Ivoire	100%	100%	Full consolidation
Prestigia Golf Company	100%	100%	Full consolidation
Al Makane Al Jamil	100%	100%	Full consolidation
Kamam	100%	100%	Full consolidation
Douja Promotion Cameroun	100%	100%	Full consolidation
Douja Promotion Groupe Addoha Sénégal	100%	100%	Full consolidation
Douja Promotion Congo	100%	100%	Full consolidation
Addoha Sud	100%	100%	Full consolidation

Source : Douja Promotion Groupe Addoha

I.3. Scope of consolidation on December 31st, 2013

Company	Percentage of control	Percentage of interests	Consolidation method
Douja Promotion Groupe Addoha	-	-	Consolidating company
Immolog	50,00%	50,00%	Full consolidation
Promolog	99,95%	99,95%	Full consolidation
Promif	99,95%	99,95%	Full consolidation
Dar Jawda	99,99%	99,99%	Full consolidation
Addoha Essalam	99,90%	99,90%	Full consolidation
Tanger Sakane	99,87%	99,87%	Full consolidation
Mabani Zellidja	49,99%	49,99%	Proportionate consolidation
Al Qudra Addoha	49,99%	49,99%	Proportionate consolidation
Mabani Detroit	80,00%	80,00%	Full consolidation
General Firm Of Morocco	50,00%	50,00%	Proportionate consolidation
Trade Management	99,87%	99,87%	Full consolidation
Marrakech Golden Resorts	99,87%	99,87%	Full consolidation
Beladi Hadj Fatah	50,00%	50,00%	Full consolidation
Optim Immobilier	99,60%	99,60%	Full consolidation
Cap Spartel	50,00%	50,00%	Proportionate consolidation
Cita	99,87%	99,87%	Full consolidation
Maroc Villages & Residences	99,87%	99,87%	Full consolidation
Awal Sakane	50%	50%	Full consolidation
Les Pépinières de l'Atlas	100%	100%	Full consolidation
Atlas Mediterranean	100%	100%	Full consolidation
Douja Promotion Groupe Addoha Guinée	100%	100%	Full consolidation
Foncière Iskane	50%	50%	Full consolidation
Douja Promotion Côte d'Ivoire	100%	100%	Full consolidation
Prestigia Golf Company	100%	100%	Full consolidation
Al Makane Al Jamil	100%	100%	Full consolidation
Kamam	100%	100%	Full consolidation
Douja Promotion Cameroun	100%	100%	Full consolidation

Source : Douja Promotion Groupe Addoha

II. Consolidated management balances States

In KMAD	2013 published	2013 proforma	2014	Var. 13 / 14	2015	Var. 14 / 15
Turnover	9 450 777	9 044 804	7 036 279	-22,2%	7 105 332	1,0%
Inventory changes	-467 865	-329 990	1 125 728	n.a.	-1 573 292	n.a.
Fixed assets produced by the company for itself	-	1 645	2 356	43,2%	88	-96,3%
Production	8 982 912	8 716 459	8 164 363	-6,3%	5 532 128	-32,2%
Purchases consumed of materials and goods	6 486 353	6 344 347	6 268 491	-1,2%	3 840 551	-38,7%
Other external expenses	168 071	163 271	260 740	59,7%	215 647	-17,3%
Consumption	6 654 424	6 507 618	6 529 231	0,3%	4 056 198	-37,9%
Value added	2 328 488	2 208 841	1 635 132	-26,0%	1 475 930	-9,7%
VA / TO	24,6%	24,4%	23,2%	-1,2 pts	20,8%	-2,5 pts
Payroll expenses	233 532	219 348	246 590	12,4%	258 966	5,0%
Tax	13 694	7 079	17 076	141,2%	16 541	-3,1%
Gross operating surplus	2 081 262	1 982 414	1 371 466	-30,8%	1 200 423	-12,47%
EBITDA / TO	22,0%	21,9%	19,5%	-2,4 pts	16,9%	-2,6 pts
Other operating income and expenses	111 195	61 316	-75 872	n.a.	-8 201	89,2%
Operating write downs	105 083	104 829	59 153	-43,6%	76 137	28,7%
Operating depreciations	57 921	44 019	22 571	-48,7%	49 161	>100,0%
Transfer of expenses	-	-	-	n.a.	-	n.a.
Current operating income	2 239 618	2 104 540	1 332 176	-36,7%	1 219 198	-8,48%
OI / TO	23,7%	23,3%	18,9%	-4,4 pts	17,2%	-1,8 pts
Transfer of shares	-477	-477	-	n.a.	-16 461	n.a.
Other non-current operating income and expenses	-37 505	-13 879	-1 761	-87,3%	54 258	n.a.
Operating income	2 201 637	2 090 184	1 330 415	-36,6%	1 256 995	-5,52%
Net borrowing cost	-660 231	-612 014	-579 851	-5,3%	-584 810	0,9%
Other financial income	413 591	413 876	528 134	27,6%	468 680	-11,3%
Other financial income	-781	-780	-6 823	n.s.	52 264	n.s.
Financial income	-247 421	-198 919	-58 540	-70,6%	-63 865	-9,10%
Pre-tax income from consolidated companies	1 954 216	1 891 266	1 271 875	-32,8%	1 193 130	-6,2%
Corporate tax	-255 281	-233 679	-228 450	-2,2%	-240 173	-5,13%
Differed tax	10 282	9 831	24 214	146,3%	35 088	44,9%
Net income from consolidated companies	1 709 217	1 667 418	1 067 642	-36,0%	988 044	-7,5%
Income from associates (equity method)	-3 389	38 411	6 284	-83,6%	47 070	>100,0%
Net income from ongoing operations	1 705 828	1 705 828	1 073 924	-37,0%	1 035 114	-3,6%
Net income from discontinued operations	-	-	-	n.a.	-	n.a.
Income of the consolidated group	1 705 828	1 705 828	1 073 924	-37,0%	1 035 114	-3,6%
Minority interests	-23 995	-23 995	-62 213	159,3%	-182 518	n.a.
Net income – Group share	1 681 834	1 681 834	1 011 711	-39,8%	852 596	-15,7%
Net margin (NI-GS/TO)	17,8%	18,6%	14,4%	-4,2 pts	12,0%	-2,4 pts
Basic earnings per share (in MAD)	5,26	5,26	3,16	-39,9%	2,67	-15,5%
Diluted earnings per share (in MAD)	5,26	5,26	3,16	-39,9%	2,67	-15,5%

Source : Douja Promotion Groupe Addoha

III. Consolidated balance sheet

Assets - In thousands of MAD	2013 published	2013 proforma	2014	Var. 13/14	2015	Var. 14/15
Goodwill	452	-	-	n.a.	-	n.a.
Intangible fixed assets	3 251	3 093	3 312	7,1%	4 437	34,0%
Tangible fixed assets	281 317	149 787	287 239	91,8%	236 892	-17,5%
Investment property	59 018	59 018	70 821	20,0%	-	>-100,0%
Investments in equity	112 827	582 818	534 528	-8,3%	564 111	5,5%
Other financial assets	17 397	9 743	7 588	-22,1%	6 493	-14,4%
Deferred taxes' assets	259 585	162 073	376 419	132,3%	305 954	-18,7%
Other non-current assets	-	-	606	n.a.	156,791	-74,2%
Total non-current assets	733 847	966 532	1 280 513	32,5%	1 118 044	-12,7%
Inventories	17 798 609	16 614 729	18 358 882	10,5%	17 283 093	-5,9%
Receivables	10 320 617	10 156 464	8 407 720	-17,2%	7 245 350	-13,8%
Other current receivables	5 671 755	5 078 748	3 782 361	-25,5%	3 008 580	-20,5%
Other financial assets	-	-	94	n.a.	-	n.a.
Cash and cash equivalents	213 470	159 279	291 123	82,8%	331 429	13,8%
Total current assets	34 004 451	32 009 221	30 840 180	-3,7%	27 868 452	-9,6%
Total Assets	34 738 298	32 975 753	32 120 693	-2,6%	28 986 496	-9,8%

Liabilities - In KMAD	2013 published	2013 proforma	2014	Var. 13/14	2015	Var. 14/15
Capital	3 225 571	3 225 571	3 225 571	0,0%	3 225 571	n.a.
Issue and merger premiums	3 034 812	3 034 812	3 034 812	0,0%	3 034 812	n.a.
Consolidated reserves	2 882 900	2 882 900	3 845 849	33,4%	4 192 971	9,0%
Net income – Group share	1 681 834	1 681 834	1 011 711	-39,8%	852 596	-15,7%
Currency translation adjustment	-	-	-	n.a.	-	n.a.
Shareholders' equity – group share	10 825 116	10 825 116	11 117 943	2,7%	11 305 950	1,7%
Minority reserves	262 684	262 684	436 141	66,0%	495 203	13,5%
Minority income	23 995	23 995	62 213	159,3%	182 518	>100,0%
Shareholders' equity – minority share	286 678	286 678	498 354	73,8%	677 721	36,0%
Shareholders' equity of the group	11 111 795	11 111 795	11 616 297	4,5%	11 983 671	3,2%
Non-current financial debts	6 220 501	5 751 066	6 066 796	5,5%	4 878 345	-19,6%
Non-current provisions	1 635	-	733	n.a.	-	-100,0%
Employee benefits	-	-	-	n.a.	-	n.a.
Other non-current liabilities	-	-	-	n.a.	-	n.a.
Deferred tax liability	112 995	110 931	300 382	170,8%	218 616	-27,2%
Total of non-current liabilities	6 335 132	5 861 997	6 367 912	8,6%	5 096 961	-20,0%
Current provisions	212 884	132 632	122 216	-7,9%	134 613	10,1%
Current financial debts	3 763 934	3 735 727	3 540 543	-5,2%	2 954 110	-16,6%
Trade payables	5 686 016	5 369 187	5 207 993	-3,0%	3 592 181	-31,0%
Other current liabilities	7 628 538	6 764 416	5 265 733	-22,2%	5 224 960	-0,8%
Total current debts	17 291 371	16 001 961	14 136 485	-11,7%	11 905 864	-15,8%
Total Liabilities	34 738 298	32 975 753	32 120 693	-2,6%	28 986 496	-9,8%

Source : Douja Promotion Groupe Addoha

Part IV. RISK FACTORS

I. Risks related to land

Increase of land prices constitutes a risk over the past few years due to galloping demographics and easier access to credit. However, this risk is mitigated by the determination of the State to create 15 new towns by 2020 constituting additional land offerings in urban areas which will mitigate the sharp increase of land prices.

Increasingly expensive land prices tend to negatively impact profit margins.

To confront this risk, Douja Promotion Groupe Addoha has adopted the measures hereafter:

- Setting up partnerships with public bodies in the framework of which the said bodies agree to marshal land for sale to the Company;
- Decision to extend its field of action through the completion of several programs in Casablanca, Tangier, Agadir, Marrakech, Rabat-Salé, Fez-Tamesna and in several Sub-Saharan African countries (Guinea, Côte d'Ivoire, Cameroon, Congo Brazzaville, Mali, Ghana, Senegal and Niger).
- Diversification of its programs by initiating intermediate segment projects not subject to ceiling prices set by public administration.

To be pointed out is that the public authorities are upholding their determination to widen the urban scope of several cities of Morocco, in particular Casablanca.

However, this risk has been mitigated by the adoption of a new budget of 2010 pursuant to the rise in social dwelling units prices to MAD 250 000, enabling developers to make up for the risk of the rising cost of land. A higher price of sale allows the keeping of the company margins.

II. Competition risk

The absence of barriers at the entry level combined with the favorable perspectives that the sector offers, is continuously attracting several operators on the real estate market. The multiplication of both local and international operators could engender a twofold effect:

- Erosion of profit margins resulting from continuously rising competition;
- More expensive land prices in certain areas due to greater demand from real estate developers.

III. Risks relating to the increase in interest rates

An important increasing of debtor interests applied to loans contracted by buyers could cause a limitation of housing demand.

This could result in a potential impact on the turnover of Douja Promotion Groupe Addoha and more particularly on the business volume generated by the social housing segment.

To mitigate this risk, it should be noted that Douja Promotion Groupe Addoha systematically signed agreements with its banking partners to allow its future purchasers to benefit from loans at attractive interest rates.

This risk also affects the Company at the level of its debt and interests payment capacity. To cope with this situation, the Group established a rigorous follow-up of its outstanding financial debt which allowed an appropriate anticipation of the payment of its future payments and, therefore, to take the appropriate measures.

IV. Risks related to the decrease in demand

An overall drop in national or foreign demand (owing to the international economic situation) is likely to negatively influence the soundness of the sector in general and the business volume in particular.

Nevertheless, to be recalled is that in 2013 the global housing deficit was assessed at 840 000 housing units at an annual production rate of some 166 556 housing units at the national level¹.

Further, in advance of the startup of large scale real estate projects Douja Promotion Groupe Addoha is carrying out upstream a pertinent market study to allow a commercial success of the project as well as to choose well adapted positioning.

To conclude, one of the key elements of the strategy adopted by Douja Promotion Groupe Addoha consists of placing emphasis in its portfolio on so-called « liquid » products mirroring intermediate dwelling projects within a logic of risk diversification.

V. Risks linked to changes in the fiscal regimes

Notwithstanding the fact that the measures established by the Finance Law of 2010 relating to the construction of social housing are guaranteed until 2020, changes in tax regulations and in particular the reduction in tax benefits to investors and purchasers may have a negative effect on the real estate market and consequently affect the financial situation of the sector.

VI. Risks linked to over-indebtedness

The current high debt ratio level of Douja Promotion Groupe Addoha could possibly pose a risk of solvency for the group.

VII. Risks linked to financing

The development of the group Douja Promotion Groupe Addoha necessarily involves external financing needs. The Group is financed through its own funds, credit lines and customer advances.

The difficulties experienced by the real estate industry and its effects on DPGA's business and financial position could have a negative impact on the ability of the Company to continue to finance on favorable terms should these difficulties not be overcome.

VIII. Risks related to contractors and suppliers

In order to provide its customers with a quality product, Douja Promotion Groupe Addoha solicits its historical partners to accompany it in the realization of all its projects, partners chosen according to their technical qualifications and references in the building and civil engineering market, the skills required by DPGA among its partners to better meet the specifications of the projects carried out by the various subsidiaries of DPGA, both in terms of quality and turnaround times.

The relationship of trust established between DPGA and its partners allows it to face the risk of non-availability of subcontractors due to competition.

¹ Ministry of Housing

IX. Risks related to access to financing

The development of the group Douja Promotion Groupe Addoha necessarily requires external financing sources. The Group is financed through its own funds, credit lines and customer advances.

The difficulties facing the real estate sector and its effects on the activity of DPGA and on its financial position could have a negative effect on the ability of the Company to continue to finance itself in good conditions, in the event that these difficulties would not be exceeded.

Warning

The information contained in the present prospectus summary is only a part of the prospectus approved by the Autorité Marocaine du Marché des Capitaux (AMMC) under the reference number VI/EM/036/2016 on December 14th, 2016.

The AMMC advises reading the full prospectus available in French.