PROSPECTUS SUMMARY

GROUPE ADDOHA
DOUJA PROMOTION

COMMERCIAL PAPER ISSUANCE PROGRAM

UPDATE OF A PROSPECTUS RELATING TO THE 2016 FISCAL YEAR

ISSUANCE CEILING: 1 000 000 000 MAD
NOMINAL VALUE: 100 000 MAD

Financial Advisor and Global Coordinator

BMCE CAPITAL CONSEIL

Bookrunner

BMCE BANK OF AFRICA

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 29th, 2017 under reference VI/EM/041/2017.

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 29th, 2017 a prospectus relating to the issue of commercial papers by Douja Promotion Groupe Addoha relating to the 2016 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	*At maturity*. i.e. upon due date of each paper.
Reimbursement of principal	*At maturity*. 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 18th 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 31st, 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 Sebaa. 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 2014 to mid-2017:

Table 4 Shareholding history

Actionnaires	31/12/2014-2015-2016		30/06/2017	
	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%**
M. Anas Sefrioui	*182 420 353*	*56,55%*	*182 420 353*	*56,55%*
Mme Mounia Benzekri	*5 360*	*n.s.*	*5 360*	*n.s.*
Mlle Alia Sefrioui	*5 360*	*n.s.*	*5 360*	*n.s.*
Mlle Kenza Sefrioui	*5 360*	*n.s.*	*5 360*	*n.s.*
M. Malik Sefrioui	*5 360*	*n.s.*	*5 360*	*n.s.*
O.I.P.	*5 574*	*n.s.*	*5 574*	*n.s.*
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 2014 to mid-2017. The company is owned in majority by the Sefrioui family with a shareholding of 56.6%.

III. Board of Directors

On 30/06/2017, 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	2017	OGM called to approve the financial statements for 2022	Himslef
Mrs Kenza Sefrioui	Deputy-CEO	2017	OGM called to approve the financial statements for 2022	Daughter
Mr Malik Sefrioui	Director	2017	OGM called to approve the financial statements for 2022	Son
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

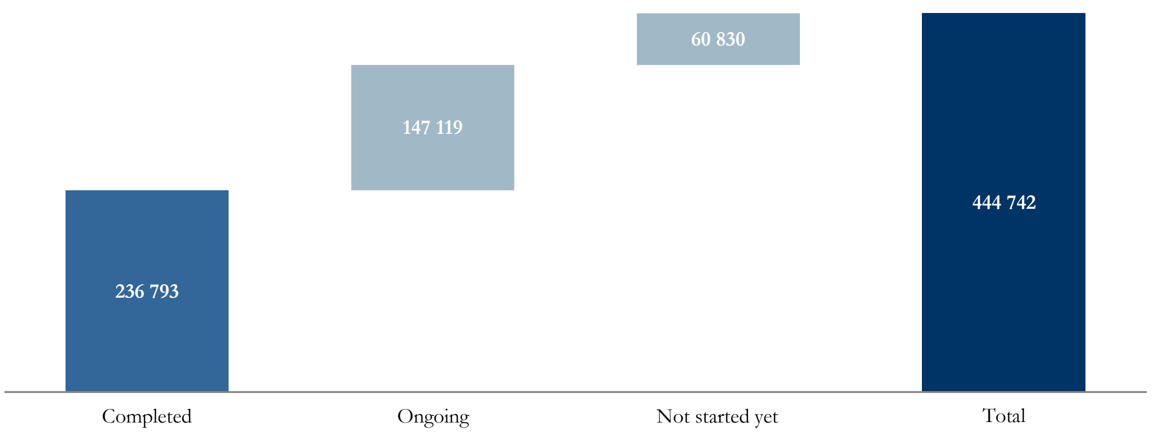
IV. Business of Douja Promotion Groupe Addoha

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 2016, 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 1995-2016 (in units)



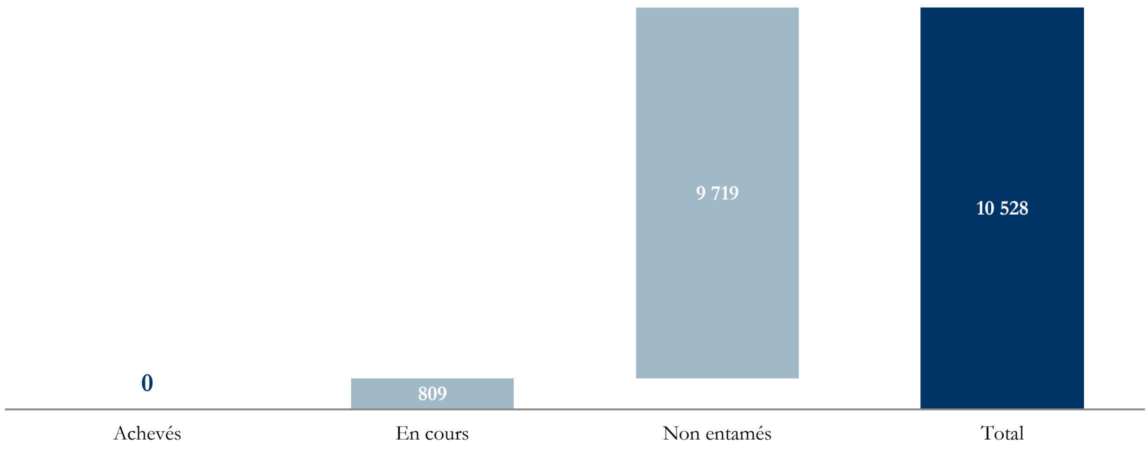
Source : Douja Promotion Groupe Addoha

On December 31st, 2016, the programs completed, in process of completion and not yet initiated by Addoha group, all segments combined, amount to 444 742 units divided as follows:

- Housing units completed: 236,793;
- Housing units in process of completion: 147,119;
- Housing units not yet initiated: 60,830.

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

Figure 2 Cumulative projects production in all segments combined over the period as of end of 2016 in sub-Saharan Africa (in units)



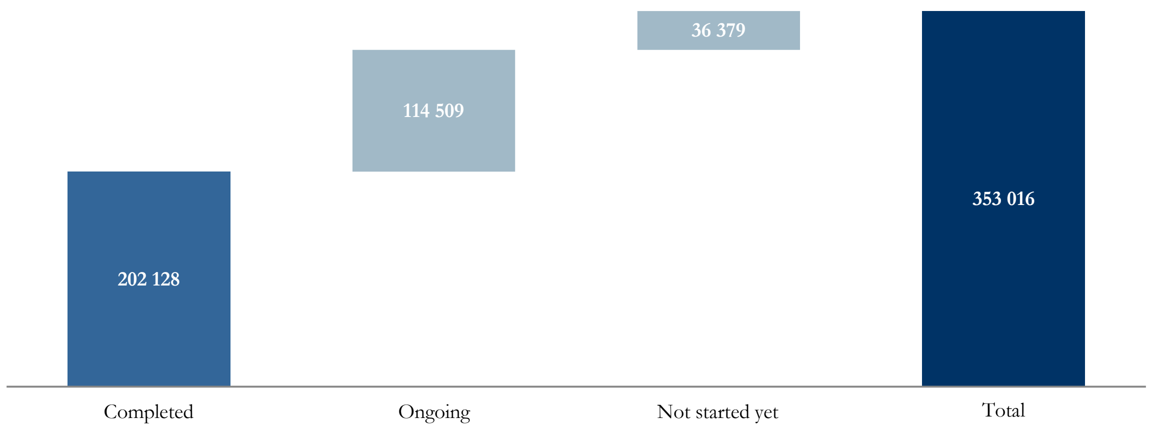
Source : Douja Promotion Groupe Addoha

On December 31st, 2016, the programs completed, in process of completion and not yet initiated by Addoha group, all segments combined, in sub-Saharan Africa amounts to 10,528 units divided as follows:

- Housing units in process of completion: 809 ;
- Housing units not yet initiated: 9,719.

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, 2016:

Figure 3 Cumulative projects production in the social segment on December 31st, 2016 (in units)



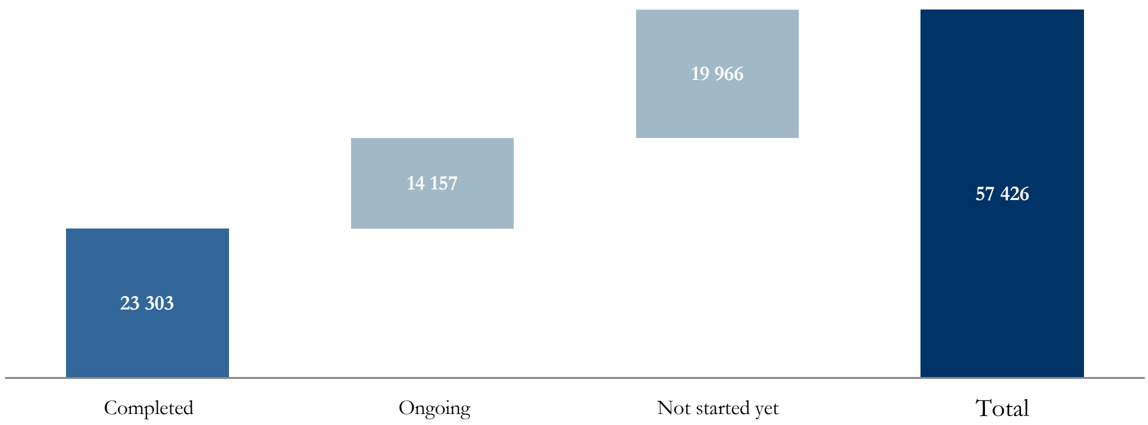
Source : Douja Promotion Groupe Addoha

In the social segment, the group has completed 202,128 units and is in the process of completing real estate programs amounting to 114,509 units.

Other projects not yet initiated are expected to bring this number to 36,379 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 4 Cumulative projects production for the intermediate segment on 31/12/2016 (in units)

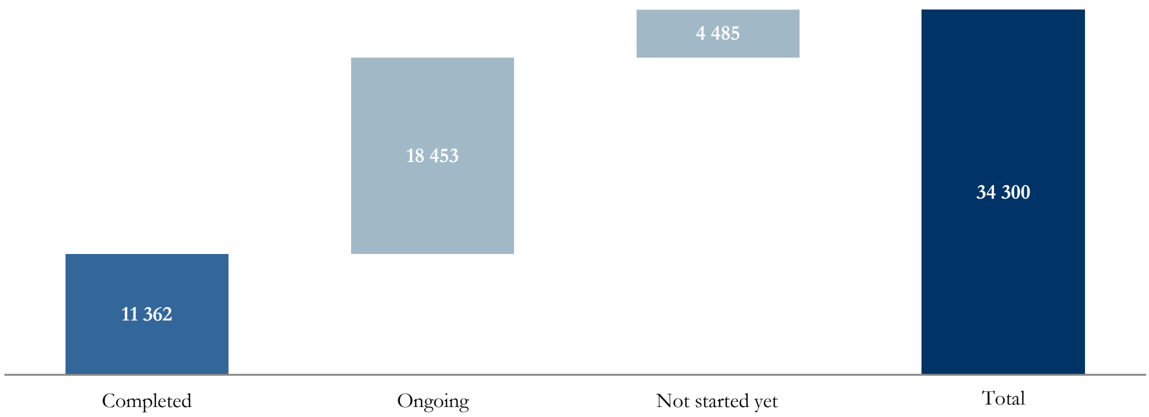


Source : Douja Promotion Groupe Addoha

As shown by the graph above, on December 31st, 2016, the completed units in the intermediate segment come to 23,303 housing units. Other programs are in the process of completion and amounts to 14,157 units. Furthermore, intermediate real estate projects are slated for launch to the tune of 19,966 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 5 Cumulative accomplishments in the high-end segment on 31/12/2016 (in units)



Source : Douja Promotion Groupe Addoha

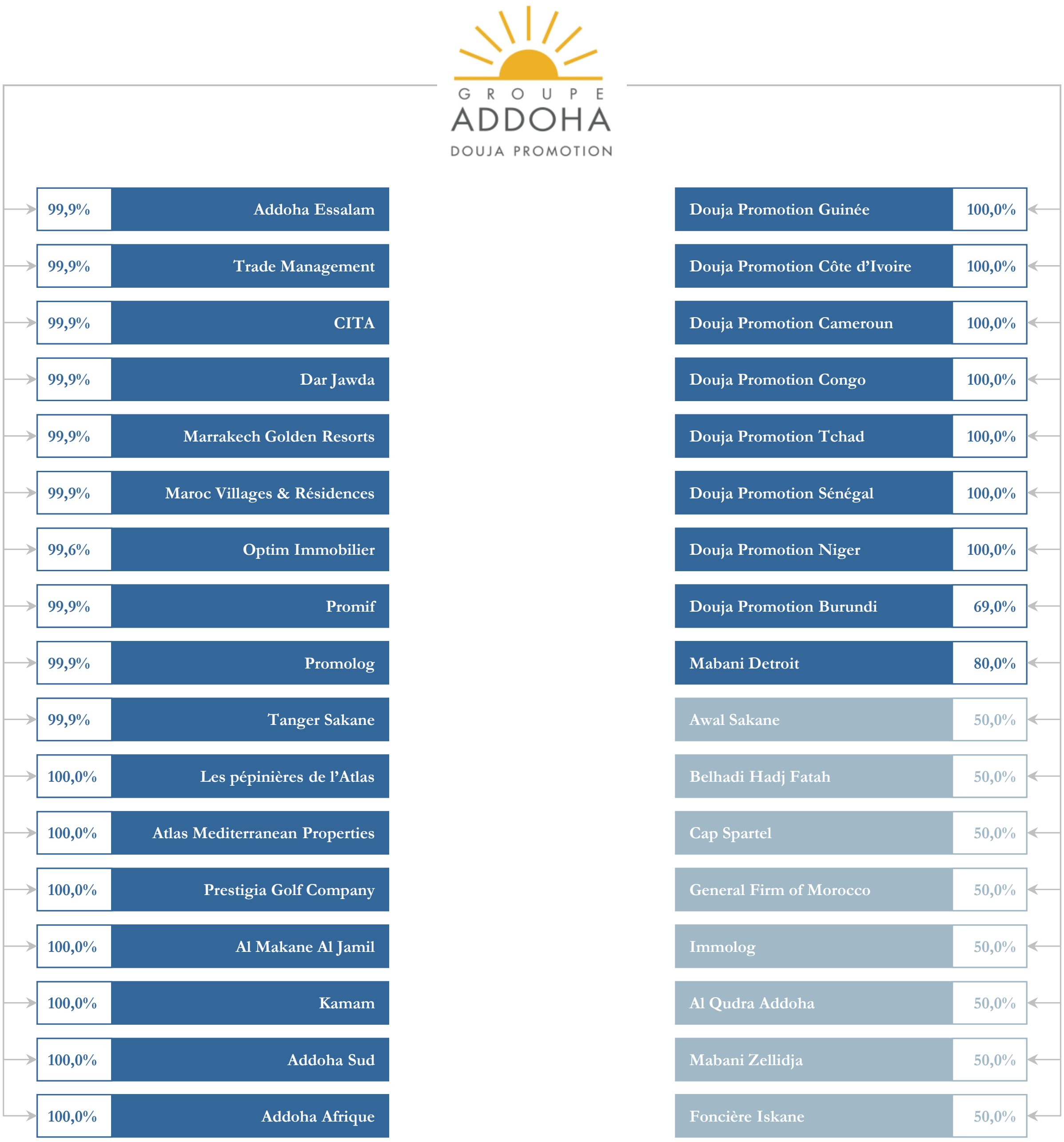
On December 31st, 2016, the Addoha Group completed and delivered 11,362 units in the high-end segment.

At the end of December 2016, the high-end segment programs in the process of completion amounted to 18,453 units. The programs not yet initiated amount to 4,485 units.

V. Legal flowchart

On December 31st, 2016, the legal flowchart of Groupe Addoha is presented as follows:

Figure 6 Legal flowchart of Douja Promotion Groupe Addoha on 31/12/2016



Source : Douja Promotion Groupe Addoha

Part III. CONSOLIDATED FINANCIAL DATA

I. The scope of consolidation

I.1. The scope of consolidation on December 31st, 2016

Company	Percentage of control	Percentage of interests	Consolidation method
Douja Promotion Groupe Addoha	-	-	Consolidating company
Immolog	50%	50%	Full consolidation
Promolog	100%	100%	Full consolidation
Promif	100%	100%	Full consolidation
Dar Jawda	100%	100%	Full consolidation
Addoha Essalam	100%	100%	Full consolidation
Tanger Sakane	100%	100%	Full consolidation
Mabani Zellidja	50%	50%	Equity method
Al Qudra Addoha	50%	50%	Equity method
Mabani Detroit	80%	80%	Full consolidation
General Firm Of Morocco	50%	50%	Equity method
Trade Management	100%	100%	Full consolidation
Marrakech Golden Resorts	100%	100%	Full consolidation
Beladi Hadj Fatah	50%	50%	Full consolidation
Optim Immobilier	100%	100%	Full consolidation
Cap Spartel	50%	50%	Equity method
CITA	100%	100%	Full consolidation
Maroc Villages & Residences	100%	100%	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 Groupe Addoha 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 Groupe Addoha Cameroun	100%	100%	Full consolidation
Douja Promotion Groupe Addoha Sénégal	100%	100%	Full consolidation
Douja Promotion Groupe Addoha Congo	100%	100%	Full consolidation
Douja Promotion Groupe Addoha Tchad	100%	100%	Full consolidation
Addoha Sud	100%	100%	Full consolidation
Addoha Afrique	100%	100%	Full consolidation

I.2. The scope of consolidation on December 31st, 2015

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

I.3. 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

II. Consolidated management balances States

In KMAD	2014	2015	Var. 14/15	2016	Var. 15/16
Turnover	7 036 279	7 105 332	1,0%	7 116 230	0,2%
Inventory changes	1 125 728	-1 573 292	n.a.	-1 753 243	-11,4%
Fixed assets produced by the company for itself	2 356	88	-96,3%	-	n.a.
Production	**8 164 363**	**5 532 128**	**-32,2%**	**5 362 987**	**-3,1%**
Purchases consumed of materials and goods	6 268 491	3 840 551	-38,7%	3 395 928	-11,6%
Other external expenses	260 740	215 647	-17,3%	271 294	25,8%
Consumption	**6 529 231**	**4 056 198**	**-37,9%**	**3 667 222**	**-9,6%**
Value added	1 635 132	1 475 930	-9,7%	1 695 765	14,9%
VA / TO	***23,2%***	***20,8%***	***-2,5 pts***	***23,8%***	***3,1 pts***
Payroll expenses	246 590	258 966	5,0%	264 980	2,3%
Tax	17 076	16 541	-3,1%	11 965	-27,7%
Gross operating surplus	1 371 466	1 200 423	-12,47%	1 418 820	18,2%
EBITDA / TO	***19,5%***	***16,9%***	***-2,6 pts***	***19,9%***	***3,0 pts***
Other operating income and expenses	-75 872	-8 201	89,2%	-10 303	-25,6%
Operating write downs	59 153	76 137	28,7%	116 569	53,1%
Operating depreciations	22 571	49 161	>100,0%	56 634	15,2%
Transfer of expenses	-	-	n.a.	-	n.a.
Current operating income	1 332 176	1 219 198	-8,48%	1 468 451	20,4%
OI / TO	***18,9%***	***17,2%***	***-1,8 pts***	***20,6%***	***3,4 pts***
Transfer of shares	-	-16 461	n.a.	-	n.a.
Other non-current operating income and expenses	-1 761	54 258	n.a.	121 056	>100,0%
Operating income	**1 330 415**	**1 256 995**	**-5,52%**	**1 589 507**	**26,5%**
Net borrowing cost	-579 851	-584 810	0,9%	-453 850	22,4%
Other financial income	528 134	468 680	-11,3%	372 721	-20,5%
Other financial income	-6 823	52 264	n.s.	-5 082	n.a.
Financial income	**-58 540**	**-63 865**	**-9,10%**	**-86 211**	**-34,0%**
Pre-tax income from consolidated companies	**1 271 875**	**1 193 130**	**-6,2%**	**1 503 296**	**26,0%**
Corporate tax	-228 450	-240 173	-5,13%	-341 002	-41,0%
Differed tax	24 214	35 088	44,9%	-19 086	n.a.
Net income from consolidated companies	**1 067 642**	**988 044**	**-7,5%**	**1 143 208**	**15,7%**
Income from associates (equity method)	6 284	47 070	>100,0%	-21 484	n.a.
Net income from ongoing operations	**1 073 924**	**1 035 114**	**-3,6%**	**1 121 724**	**8,4%**
Net income from discontinued operations	-	-	n.a.	-	n.a.
Income of the consolidated group	**1 073 924**	**1 035 114**	**-3,6%**	**1 121 724**	**8,4%**
Minority interests	-62 213	-182 518	n.a.	-112 560	38,0%
Net income – Group share	1 011 711	852 596	-15,7%	1 009 164	18,4%
Net margin (NI-GS/TO)	***14,4%***	***12,0%***	***-2,4 pts***	***14,2%***	***2,2 pts***
Basic earnings per share (in MAD)	3,16	2,67	-15,5%	3,16	18,4%
Diluted earnings per share (in MAD)	3,16	2,67	-15,5%	3,16	18,4%

Source : Douja Promotion Groupe Addoha

III. Consolidated balance sheet

Assets - In thousands of MAD	2014	2015	Var. 14/15	2016	Var. 15/16
Intangible fixed assets	3 312	4 437	34,0%	3 400	-23,4%
Tangible fixed assets	287 239	236 892	-17,5%	705 278	>100,0%
Investment property	70 821	-	>-100,0%	173 514	n.a.
Investments in equity	534 528	564 111	5,5%	479 852	-14,9%
Other financial assets	7 588	6 493	-14,4%	6 206	-4,4%
Deferred taxes' assets	376 419	305 954	-18,7%	246 818	-19,3%
Other non-current assets	606	156,791	-74,2%	0	-99,9%
Total non-current assets	1 280 513	1 118 044	-12,7%	1 615 067	44,5%
Inventories	18 358 882	17 283 093	-5,9%	15 277 213	-11,6%
Receivables	8 407 720	7 245 350	-13,8%	7 156 256	-1,2%
Other current receivables	3 782 361	3 008 580	-20,5%	2 575 415	-14,4%
Other financial assets	94	-	n.a.	-	n.a.
Cash and cash equivalents	291 123	331 429	13,8%	836 866	>100,0%
Total current assets	30 840 180	27 868 452	-9,6%	25 845 750	-7,3%
Total Assets	**32 120 693**	**28 986 496**	**-9,8%**	**27 460 817**	**-5,3%**

Liabilities - In KMAD	2014	2015	Var. 14/15	2016	Var. 15/16
Capital	3 225 571	3 225 571	n.a.	3 225 571	-
Issue and merger premiums	3 034 812	3 034 812	n.a.	3 034 812	-
Consolidated reserves	3 845 849	4 192 971	9,0%	4 266 082	1,7%
Net income – Group share	1 011 711	852 596	-15,7%	1 009 164	18,4%
Currency translation adjustment	-	-	n.a.	1 896	n.a.
Shareholders' equity – group share	**11 117 943**	**11 305 950**	**1,7%**	**11 537 525**	**2,0%**
Minority reserves	436 141	495 203	13,5%	625 043	26,2%
Minority income	62 213	182 518	>100,0%	112 560	-38,3%
Shareholders' equity – minority share	**498 354**	**677 721**	**36,0%**	**737 603**	**8,8%**
Shareholders' equity of the group	11 616 297	11 983 671	3,2%	12 275 128	2,4%
Non-current financial debts	6 066 796	4 878 345	-19,6%	4 828 680	-1,0%
Non-current provisions	733	-	-100,0%	93	n.a.
Other non-current liabilities	-	-	n.a.	12	n.a.
Deferred tax liability	300 382	218 616	-27,2%	181 177	-17,1%
Total of non-current liabilities	6 367 912	5 096 961	-20,0%	5 009 963	-1,7%
Current provisions	122 216	134 613	10,1%	172 550	28,2%
Current financial debts	3 540 543	2 954 110	-16,6%	2 181 882	-26,1%
Trade payables	5 207 993	3 592 181	-31,0%	3 220 862	-10,3%
Other current liabilities	5 265 733	5 224 960	-0,8%	4 600 432	-12,0%
Total current debts	14 136 485	11 905 864	-15,8%	10 175 726	-14,5%
Total Liabilities	**32 120 693**	**28 986 496**	**-9,8%**	**27 460 817**	**-5,3%**

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 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 level[1].

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.

IV. 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.

[1] *Ministry of Housing*

V. 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.

VI. 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.

VII. 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.

VIII. 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/041/2017 on December 29th, 2017.

The AMMC advises reading the full prospectus available in French.