



## RESIDENCES DAR SAADA S.A.

# PROSPECTUS SUMMARY

## COMMERCIAL PAPER ISSUANCE PROGRAM

**Annual update relating to financial year 2016**

**Issuance program ceiling: 500 000 000 DH**

**Nominal value: 100 000 DH**

### Advisory Bodies



### Investment Syndicate



### Sign-off of the Moroccan Capital Market Authority

In accordance with the provisions of article 18 of Dahir n°1-95-3 of 24 *Chaabane* 1415 (26 January 1995) promulgating law n°35-94 related to certain negotiable debt securities, as amended and extended, the original copy of the present prospectus has been approved by the AMMC under the reference n° VI/EM/032/2017 on November 17<sup>th</sup>, 2017.

The approval neither implies an approval regarding the merits of the transaction, nor a validation of the documents presented herein. It has been attributed after an examination of the relevance and the consistency of the information given in relation to the operation proposed to investors.

## DISCLAIMER

The Moroccan Capital Market Authority approved, on November 17<sup>th</sup>, 2017 a Prospectus Summary for a commercial paper issue program, subject to a limit of (500,000,000 MAD).

The Prospectus Summary approved by the AMMC is available at any time at *Résidences Dar Saada* and its financial advisors' headquarters. It is also available within a maximum of 48 hours from order collection points.

The Prospectus Summary is made available to the public on the AMMC website [www.ammc.ma](http://www.ammc.ma).

## **PART I: OVERVIEW OF THE OPERATION**

## I. OBJECTIVES OF THE TREASURY BILL ISSUE

With this commercial paper issue program, the company *Résidences Dar Saada* aims at:

- Meeting punctual cash needs generated by variations in the working capital needs in the current year;
- Optimizing its financing costs;
- Diversifying its financial sources.

## II. INFORMATION ON TREASURY BILLS TO BE ISSUED

The characteristics of the Treasury bills to be issued are outlined below:

<b>Nature of the securities</b>	Negotiable Debt Securities dematerialized by subscription at the Central Depository (Maroclear) and recorded in the books of authorized affiliates.
<b>Legal form of the securities</b>	Bearer
<b>Issuance ceiling</b>	500 000 000 DH
<b>Outstanding as of 31<sup>st</sup> July 2017</b>	494 000 000 DH
<b>Nominal value</b>	100 000 DH
<b>Maturity</b>	From 10 days to 12 months
<b>Vesting date</b>	At the settlement date
<b>Interest rate</b>	Determined for each issuance on the basis of the market's conditions.
<b>Interests</b>	Accrued interests
<b>Coupon payment</b>	<i>In fine.</i>
<b>Securities negotiability</b>	Over the counter. There are no restrictions imposed by the issuance conditions on the free negotiability of these Treasury bills.
<b>Principal payment</b>	<i>In fine</i> , that is on each Coupon's maturity.
<b>Assimilation clause</b>	There is no assimilation of the Treasury bills that are to be issued under the present prospectus to any securities in any previous issue.
<b>Guarantee</b>	The Treasury bills issued by <i>Résidences Dar Saada S.A.</i> are not subject to any guarantee.

### III. BODIES IN CHARGE OF THE ISSUANCE AND FINANCIAL INTERMEDIARIES

Types of financial intermediaries	Name	Address
Advisory Bodies	<b>Upline Corporate Finance</b>	162, Angle Bd d'Anfa et rue Molière, Casablanca
	<b>CFG Bank Corporate Finance</b>	5-7, Rue Ibnou Toufail, 20100 Casablanca
Bodies in charge of underwriting	<b>BCP</b>	101, Bd Zerktouni, Casablanca
	<b>CFG Bank</b>	5-7, Rue Ibnou Toufail, 20100 Casablanca
Domiciliating institution in charge of the financial service of the Issuer	<b>CFG Bank</b>	5-7, Rue Ibnou Toufail, 20100 Casablanca

## **PART II: GENERAL OVERVIEW OF THE ISSUER**

## I. GENERAL INFORMATION

	Description
<b>Corporate name</b>	Résidences Dar Saada S.A.
<b>Registered office</b>	277-279 Bd. Zerktoni, Casablanca
<b>Telephone number</b>	+212 (0) 5 22 97 97 77
<b>Fax number</b>	+212 (0) 5 22 39 39 96
<b>Internet website</b>	<a href="http://www.espacessaada.com">www.espacessaada.com</a>
<b>Legal form</b>	Public Limited Company of Moroccan law with a Board of Directors
<b>Formation date</b>	2001
<b>Life time</b>	99 years
<b>Company purpose (art. 4 of statutes)</b>	<p>The Company's purpose in Morocco and abroad is still:</p> <ul style="list-style-type: none"> <li>• Real-estate promotion in all its forms;</li> <li>• The acquisition by all the means permitted by law, of vacant land or with buildings to be destroyed;</li> <li>• The building or erection of any real-estate, buildings or other, in Morocco and abroad;</li> <li>• The execution on these lands of all housing operations, erection of all residence buildings or real estate destined to a commercial, professional or administrative use;</li> <li>• The use of the corporate assets, thus constituted, by the sales, the renting or a personal use of the constructions;</li> <li>• The development and parceling of urban and rural land;</li> <li>• The execution of all operations in order to realize the company's defined purpose, the acquisition of interests or participation by means of partial contribution, merger, subscription or securities acquisition, in any existing company or in the course of constitution with a similar or related purpose.</li> </ul> <p>And more broadly, to perform any financial, commercial, real-estate operations that are required to or simply useful for the realization of its company purpose and likely to promote its growth and development, as well as any direct or indirect participation, in whatever form, in companies with similar or related purposes.</p>
<b>Financial year</b>	The financial year starts on 1 <sup>st</sup> January and ends on 31 December
<b>Share capital (as of 31<sup>st</sup> July 2017)</b>	1,310,442,500 MAD, comprised of 26,208,850 shares with a nominal value of 50 MAD
<b>Location of legal documents</b>	The corporate, accounting and legal documents of the company, which must be made available to the public in accordance with the law and the bylaws, can be consulted at the registered office of <i>Résidences Dar Saada</i> .
<b>Registration number in the trade register</b>	116 417 - Casablanca
<b>Applicable law</b>	Moroccan law
<b>Laws and regulations applicable to the company</b>	<p>Through its legal form and its relations with third parties, the Company is governed by Moroccan law, that is the law n°17-95 promulgated by Dahir n°1-96-124 of 30 August 1996, relating to <i>Public Limited Companies</i> as amended and supplemented by law n°20-05 of 23 may 2008 and by law n°78-12 of 28 august 2015.</p> <p>Through its activity. it is governed by following Dahirs:</p> <ul style="list-style-type: none"> <li>• law n°25-90 promulgated by Dahir n°1-92-7 of 17 june 1992 relating to housing developments (<i>residences</i>), groups of homes and parceling;</li> <li>• law n°17-95 promulgated by Dahir n°1-96-124 of 30 august 1996 relating to public limited companies, as amended and supplemented by law 20-05 and by law 78-12;</li> </ul>

- Dahir of 12 august 1913, constituting the code of bonds and agreements, supplemented by law n°44-00 of 3 october 2002 relating to the sale before completion;
- law n°18-00 of 3 October 2002 relating to the joint-ownership status of constructed buildings;
- Article 19 of the Finance Law (Loi des 1999-2000 establishing tax exonerations to real-estate developers, as amended and supplemented by article 16 bis of the Finance Law for fiscal year 2001;
- article 92 of the Finance Law 2010 establishing new tax exonerations for real-estate companies;
- article 247 of the Finance Law 2012 establishing new tax exonerations for real-estate companies;
- article 247 of the Finance Law 2013 establishing new tax exonerations for real-estate companies;

Through its public call on capital, the Company is subject to legal and regulatory provisions relating to the following financial markets:

- dahir promulgating law n°1-93-211 of 21 September 1993 relating to the Casablanca Stock Exchange amended and supplemented by laws 34-96. 29-00. 52-01.45-06 and 43-09 ;
- general terms and conditions of the Stock Exchange approved by Decree of the Minister of Economy and Finance n°1268-08 of 7 July 2008 amended and supplemented by the Decree of the Minister of Economy and Finance n°30-14 of 06 January 2014;
- dahir promulgating law n°1-93-212 of 21 September 1993 as amended and supplemented by laws n°23-01. 36-05 and 44-06 ;
- dahir n°1-96-246 of 9 January 1997 promulgating law n°35-96 relating to the creation of a central depository and to the institution of a general regime of registration in the books of certain stocks. amended and supplemented by law n°43-02 ;
- general regulation of the central depository approved by Decree of the Minister of Economy and Finance n°932-98 of 16 April 1998 and amended by Decree of the Minister of Economy, Finance, Privatization and Tourism n°1961-01 of 30 October 2001 and by Decree n°77-05 of 17 march 2005 ;
- general regulation of the Moroccan Capital Market Authority;
- dahir n°1-04-21 of 21 april 2004 promulgating law n°26-03 relating to the public offers on the Moroccan Stock Exchange Market, as amended and supplemented by law n°46-06 ;
- Circular of the AMMC;
- dahir 1-95-03 of 26 January 1995 promulgating law n°35-94 relating to certain securities of Negotiable Debts.

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**Applicable tax regime**

*Résidences Dar Saada* is regulated by the Common right tax law. It is subject to CT (corporate tax) at the rate of 31%. Its transactions are subjects to VAT at a rate of 20%. Besides, *Résidences Dar Saada* benefit from tax benefits granted by the Finance Laws.

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**Competent Court in case of dispute**

Casablanca Commercial Court

Source: *Résidences Dar Saada*

## II. INFORMATION ON THE CAPITAL OF RÉSIDENCES DAR SAADA

The below table shows the evolution of *Résidences Dar Saada*'s shareholders over the last 5 years:

Name or corporate purpose of the shareholders	2013		2014		2015		2016		S1 2017	
	Securities	% of the capital and the voting rights	Securities	% of the capital and the voting rights	Securities	% of the capital and the voting rights	Securities	% of the capital and the voting rights	Securities	% of the capital and the voting rights
Abdelali Berrada Sounni	500 960	8,6%	500 960	8,6%	1 803 456	6,9%	-	-	-	-
Hicham Berrada Sounni	100 360	1,7%	100 360	1,7%	361 296	1,4%	-	-	-	-
Saad Berrada Sounni	100 360	1,7%	100 360	1,7%	361 296	1,4%	-	-	-	-
Naima Benmoussa	100 240	1,7%	100 240	1,7%	360 864	1,4%	-	-	-	-
Nabila Berrada Sounni	100 240	1,7%	100 240	1,7%	360 864	1,4%	-	-	-	-
Hanaa Berrada Sounni	100 240	1,7%	100 240	1,7%	360 864	1,4%	-	-	-	-
B Participation	-	-	-	-	-	-	3 608 640	13,8%	3 608 640	13,8%
Groupe Palmeraie Développement	3 000 000	51,5%	3 000 000	51,5%	10 800 000	41,2%	10 800 000	41,2%	10 800 000	41,2%
North Africa Holding Company	607 263	10,4%	607 263	10,4%	2 186 146	8,3%	2 186 146	8,3%	2 186 146	8,3%
Aabar Investments PJS	607 263	10,4%	607 263	10,4%	2 186 146	8,3%	2 186 146	8,3%	2 186 146	8,3%
FCP RMA CAP Dynamique	202 421	3,5%	202 421	3,5%	728 716	2,8%	728 716	2,8%	-	-
Wafa Assurance	202 421	3,5%	202 421	3,5%	728 716	2,8%	728 716	2,8%	-	-
Idraj SCA	202 421	3,5%	202 421	3,5%	728 716	2,8%	728 716	2,8%	-	-
Autres actionnaires	-	-	-	-	5 241 770	20,0%	5 241 770	20,0%	7 427 918	28,4%
<b>TOTAL</b>	<b>5 824 189</b>	<b>100,0%</b>	<b>5 824 189</b>	<b>100,0%</b>	<b>26 208 850</b>	<b>100,0%</b>	<b>26 208 850</b>	<b>100,0%</b>	<b>26 208 850</b>	<b>100,0%</b>

Source : *Résidences Dar Saada*

At H1 2017, the ownership structure changed following the transformation of the registered securities held by FCP RMA CAP Dynamique, Wafa Assurance and Idraj SCA in bearer shares are now forming part of the free float.

### III. COMPOSITION OF THE BOARD OF ADMINISTRATORS

As of 30 June 2017, the Board of Administrators is composed of the following people:

Name	Role	Start or renewal date	Expiration date
<b>M. Hicham Berrada Sounni</b>	Chairman of the Board	03-june-16	OGM approving the financial statements of 2021
<b>M. Abdelali Berrada Sounni</b>	Administrator	03-june-16	OGM approving the financial statements of 2021
<b>M. Saad Berrada Sounni</b>	Administrator	03-june-16	OGM approving the financial statements of 2021
<b>M. Majid Benmlih</b>	Administrator	29-june-17	OGM approving the financial statements of 2022
<b>M. Amine Guennoun</b>	Administrator	29-june-17	OGM approving the financial statements of 2022
<b>M. Adil Douiri</b>	Administrator	29-june-17	OGM approving the financial statements of 2022
<b>North Africa Holding</b>	Administrator	29-june-17	OGM approving the financial statements of 2022
<b>Aabar Investment PJS</b>	Administrator	29-june-17	OGM approving the financial statements of 2022

Source: Résidences Dar Saada

North Africa Holding and Aabar Investment PJS are represented by M. Tariq Mohamed Youssef Abdulsalam and M. Cyril Karim Latroche respectively, while M. Adil Douiri is an independent administrator.

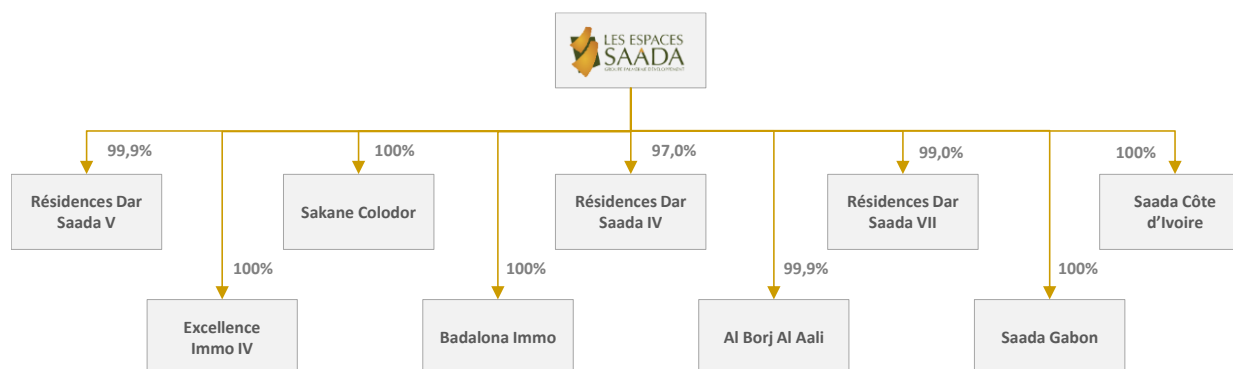
As of 30 June 2017, the Chairman of the Board also has the below duties within other companies of the group.

Company	Role
<b>B Group</b>	Vice-President
<b>Palmeraie Développement</b>	Executive Officer/Director
<b>Palmeraie Industrie et Services</b>	Vice-President

Source: Résidences Dar Saada

### IV. SUBSIDIARIES OF RÉSIDENCES DAR SAADA

As of 30 June of 2017, the management structure of Résidences Dar Saada is as follows:



Source: Résidences Dar Saada

## **PART III: ACTIVITY OF RÉSIDENCES DAR SAADA**

## I. PRESENTATION OF THE REAL-ESTATE PROGRAMS AND THE LAND RESERVE AS OF 31 DECEMBER 2016

The below table gives an overview of the various real-estate programs and the land reserve of *Résidences Dar Saada* as of 31 December 2016:

Projects	Company	Surface (in hectares)	Global offer (in units)	Marketing start	Delivery due date <sup>1</sup>
<b>Projects realized</b>		<b>314</b>	<b>37 958</b>		
<b>Casablanca</b>		<b>136</b>	<b>16 196</b>		
Mediouna (lotissement)	RDS SA	11	394	2 008	2 010
Jnane Nouaceur	RDS SA	19	3 265	2 008	2 011
Fadaat Rahma	RDS SA	14	1 913	2 011	2 013
Fadaat Elyassamine	RDS SA	4	799	2 012	2 014
Manazil Mediouna	RDS SA	5	1 230	2 014	2 016
Oulad Azzouz (tranches réalisées)	RDS SA	53	6 855	2 012	2 014
Jnane El Menzeh (tranches réalisées)	RDS SA	23	396	2 012	2 015
Dyar Al Ghofrane (tranches réalisées)	RDS SA	7	1 344	2 013	2 016
<b>Fès</b>		<b>74</b>	<b>4 413</b>		
Bouhayrat Saiss (tranches réalisées)	RDS SA	74	4 413	2 012	2 013
<b>Marrakech</b>		<b>73</b>	<b>10 032</b>		
Saada I	RDS SA	24	3 647	2 003	2 006
Saada II	RDS SA	3	794	2 006	2 009
Tamensourt (Saada III)	RDS SA	18	3 269	2 008	2 010
Dyar Marrakech	RDS SA	1	653	2 010	2 013
Targa Garden	RDS SA	21	313	2 007	2 010
Targa Resort (tranches réalisées)	RDS SA	7	1 356	2 013	2 015
<b>Agadir</b>		<b>15</b>	<b>3 339</b>		
Adrar Ilôt 5	RDS SA	2	403	2 010	2 014
Adar Ilôt 8	RDS SA	1	724	2 010	2 012
Adar Ilôt 9	RDS SA	3	513	2 010	2 013
Adrar Anza	RDS SA	1	400	2 010	2 014
Nzaha	RDS SA	8	1 299	2 010	2 012
<b>Tanger</b>		<b>13</b>	<b>3 182</b>		
Jardins de l'Atlantique (Ilôt 19)	RDS SA	5	1 063	2 009	2 014
Dyar El Boughaz (Ilôt 20)	RDS SA	4	770 <sup>2</sup>	2 009	2 014
Dyar El Boughaz (Ilôt 14)	RDS SA	4	1 349	2 012	2 015
<b>Skhirat</b>		<b>4</b>	<b>796</b>		
Jawharat Skhirat (tranches réalisées)	Excellence Immo IV	4	796	2 013	2 015
<b>Projects under construction</b>		<b>228</b>	<b>17 574</b>		
<b>Casablanca</b>		<b>128</b>	<b>8 503</b>		
Oulad Azzouz	RDS SA	15	1 068	2 012	2 014
Jnane El Menzeh	RDS SA	33	562	2 012	2 015
Dyar Al Ghofrane	RDS SA	31	2 474	2 013	2 016
Panorama	RDS SA	28	3 344	2 014	2 017
Tamaris	RDS SA	21	1 055	2 016	2 018
<b>Fès</b>		<b>50</b>	<b>2 999</b>		
Bouhayrat Saiss	RDS SA	50	2 999	2 012	2 013
<b>Marrakech</b>		<b>5</b>	<b>530</b>		
Targa Resort	RDS SA	5	530	2 013	2 015
<b>Skhirat</b>		<b>6</b>	<b>1 436</b>		
Jawharat Skhirat	Excellence Immo IV	6	1 436	2 013	2 015
<b>Oujda</b>		<b>27</b>	<b>1 716</b>		
Oujda	Sakan Colodor	27	1 716	2 014	2 017
<b>Martil</b>		<b>11</b>	<b>2 390</b>		
Martil 1	Badalona	11	2 390	2 014	2 017
<b>Projects under development</b>		<b>186</b>	<b>16 340</b>		
<b>Casablanca</b>		<b>157</b>	<b>11 529</b>		
Sania	RDS V	22	2 251	2 013	2 020
Arraha	RDS IV	16	2 402	2 018	2 020
Laassilate	RDS SA	115	5 830	2 018	2 020
Ben Tachfine	RDS VII	4	1 046	2 017	2 018
<b>Agadir</b>		<b>3</b>	<b>307</b>		
Adrar Ilôt 8 extension	RDS SA	3	307	2 018	2 020
<b>Marrakech</b>		<b>16</b>	<b>2 205</b>		
Azzouzia	RDS SA	16	2 205	2 018	2 020
<b>Martil</b>		<b>10</b>	<b>2 299</b>		
Martil 2	RDS SA	10	2 299	2 016	2 018
<b>S/Total Real Estate Projects</b>		<b>728</b>	<b>71 872</b>		
<b>S/Total Land Reserve</b>		<b>298</b>			
<b>S/Total Real Estate Projects</b>		<b>1 026</b>			

Source: *Résidences Dar Saada*

<sup>1</sup>Based on the evolution of the demand, *Résidences Dar Saada* decided to slow down the marketing pace of some projects and postponed the launch of their construction and thus their delivery due date.

<sup>2</sup> The global consistency of the Dyar Al Boughaz (Ilôt 20) project has been adjusted since the physical inventory led by *Résidences Dar Saada* (824 units in 2014 vs. 770 units in 2016). This adjustment didn't have any impact on the company's turnover.

## II. EVOLUTION OF THE ACTIVITY OF RÉSIDENCES DAR SAADA

The table below outlines the realizations by *Résidences Dar Saada* in terms of turnover over the last three financial years:

In MMDH	2014	2015	2016	Agg 2014-2016
<b>Sale of houses and similar products</b>	<b>1 804</b>	<b>1 714</b>	<b>2 068</b>	<b>5 586</b>
<i>% of variation</i>	<i>62%</i>	<i>-5%</i>	<i>21%</i>	
Economical housing units	1 116	1 182	1 249	<b>3 546</b>
<i>in % of the total</i>	<i>62%</i>	<i>69%</i>	<i>60%</i>	
Medium-standard accommodations	106	109	79	<b>294</b>
<i>in % of the total</i>	<i>6%</i>	<i>6%</i>	<i>4%</i>	
Residences and land	418	352	611	<b>1 381</b>
<i>in % du total</i>	<i>23%</i>	<i>21%</i>	<i>30%</i>	
Villas	139	12	42	<b>193</b>
<i>in % du total</i>	<i>8%</i>	<i>1%</i>	<i>2%</i>	
Shops and other	25	60	88	<b>173</b>
<i>in % of the total</i>	<i>1%</i>	<i>3%</i>	<i>4%</i>	

Source: *Résidences Dar Saada*

The below table outlines the realizations of *Résidences Dar Saada*, expressed in number of units over the three last financial years :

In number of units	2014	2015	2016	Agg 2014-2016
<b>Deliveries</b>	<b>5 990</b>	<b>5 695</b>	<b>6 761</b>	<b>18 446</b>
<i>% of variation</i>	<i>61%</i>	<i>-5%</i>	<i>19%</i>	
Economical housing units	4 662	4 827	5 088	<b>14 577</b>
<i>in % of the total</i>	<i>78%</i>	<i>85%</i>	<i>75%</i>	
Medium-standard accommodations	258	246	195	<b>699</b>
<i>in % of the total</i>	<i>4%</i>	<i>4%</i>	<i>3%</i>	
Residences and land	876	438	1 067	<b>2 381</b>
<i>in % du total</i>	<i>15%</i>	<i>8%</i>	<i>16%</i>	
Villas	112	9	38	<b>159</b>
<i>in % du total</i>	<i>2%</i>	<i>0%</i>	<i>1%</i>	
Shops and other	82	175	373	<b>630</b>
<i>in % of the total</i>	<i>1%</i>	<i>3%</i>	<i>6%</i>	

Source: *Résidences Dar Saada*

Over the last three financial years, *Résidences Dar Saada* has delivered 18 446 units for an aggregate turnover of 5 586 MMAD.

In 2014, *Résidences Dar Saada* has delivered 5 990 units, of which 4 662 economical housing units, mainly as part of the projects *Bouhayrat Saiss, Fadaat Al Yassamine and Dyar Al Boughaz*

In 2015, *Résidences Dar Saada* has delivered 5 695 units, of which 4 827 economical housing units, mainly as part of the projects *Ouled Azzouz, Dyar Al Boughaz (Ilôt 14), Targa Resort, Bouhayrat Saiss and Dyar Nzaha*.

In 2016, *Résidences Dar Saada* has delivered 6 761 units, of which 5 088 economical housing units, mainly as part of the projects *Targa Resort and Dyar Al Ghofrane*.

## **PART IV: FINANCIAL SITUATION OF THE ISSUER**

## I. FINANCIAL INFORMATION

### 1. COMPANY BALANCE-SHEET

The below table outlines the main indicators of the balance-sheet of *Résidences Dar Saada* over the period 2014-2016:

In MMAD	2014	2015	2016	Var.14-15	Var.15-16
<b>Written-off Fixed Assets</b>	<b>45,4</b>	<b>31,0</b>	<b>25,3</b>	<b>(31,6%)</b>	<b>(18,5%)</b>
<b>Intangible Assets</b>	<b>6,4</b>	<b>6,2</b>	<b>7,9</b>	<b>(2,5%)</b>	<b>26,5%</b>
<b>Fixed Assets</b>	<b>19,4</b>	<b>18,3</b>	<b>16,1</b>	<b>(6,0%)</b>	<b>(11,7%)</b>
<b>Investments</b>	<b>254,9</b>	<b>258,3</b>	<b>355,9</b>	<b>1,3%</b>	<b>37,8%</b>
<b>Fixed Assets</b>	<b>326,1</b>	<b>313,8</b>	<b>405,1</b>	<b>(3,8%)</b>	<b>29,1%</b>
<b>Stocks</b>	<b>4 825,1</b>	<b>4 777,2</b>	<b>4 507,1</b>	<b>(1,0%)</b>	<b>(5,7%)</b>
<b>Receivables in current assets</b>	<b>1 702,1</b>	<b>2 317,5</b>	<b>2 974,8</b>	<b>36,2%</b>	<b>28,4%</b>
Securities and investment securities	759,6	-	-	(100,0%)	n.a
Translation adjustments Assets(Curr Assets)	-	-	0,0	n.a	n.a
<b>Current Assets</b>	<b>7 286,7</b>	<b>7 094,6</b>	<b>7 481,9</b>	<b>(2,6%)</b>	<b>5,5%</b>
<b>Cash Assets</b>	<b>352,2</b>	<b>326,0</b>	<b>320,2</b>	<b>(7,4%)</b>	<b>(1,8%)</b>
<b>Assets</b>	<b>7 965,0</b>	<b>7 734,5</b>	<b>8 207,3</b>	<b>(2,9%)</b>	<b>6,1%</b>
<b>Equity</b>	<b>3 540,2</b>	<b>3 830,9</b>	<b>4 077,9</b>	<b>8,2%</b>	<b>6,4%</b>
Company capital or personnel	1 310,4	1 310,4	1 310,4	-	-
Issuance. merger and contribution premiums	1 139,4	1 139,4	1 139,4	-	-
Legal Reserves	42,1	63,1	86,0	49,8%	36,3%
Other Reserves	404,6	404,6	404,6	-	-
Retained earnings	224,2	454,9	709,6	> 100%	56,0%
Net income for the year	419,4	458,5	427,8	9,3%	(6,7%)
Minority interest	-	-	-	n.a	n.a
<b>Financing debts</b>	<b>2 642,1</b>	<b>2 322,7</b>	<b>2 432,0</b>	<b>(12,1%)</b>	<b>4,7%</b>
<b>Permanent Total Funding</b>	<b>6 182,3</b>	<b>6 153,6</b>	<b>6 509,9</b>	<b>(0,5%)</b>	<b>5,8%</b>
Accounts payable	577,0	652,1	784,3	13,0%	20,3%
Advance payments from customers, deposits and advances	787,4	534,0	402,9	(32,2%)	(24,6%)
Staff	3,8	5,7	5,4	48,6%	(4,7%)
Social organizations	4,0	2,8	3,6	(31,0%)	31,1%
State	140,6	196,4	222,2	39,6%	13,2%
Associates accounts	12,8	-	13,6	(100,0%)	n.a
Other creditors	0,7	4,6	44,1	> 100%	> 100%
Regularization accounts –Liabilities	37,0	31,9	35,3	(13,9%)	10,9%
<b>Other Provisions For R&amp;C</b>	<b>0,4</b>	<b>0,5</b>	<b>0,2</b>	<b>37,4%</b>	<b>(54,8%)</b>
<b>Conversion gains Liabilities (Curr Assets)</b>	<b>0,0</b>	<b>-</b>	<b>-</b>	<b>(100,0%)</b>	<b>n.a</b>
<b>Current Liabilities</b>	<b>1 563,8</b>	<b>1 428,0</b>	<b>1 511,7</b>	<b>(8,7%)</b>	<b>5,9%</b>
<b>Liabilities Cash-flow</b>	<b>218,9</b>	<b>152,9</b>	<b>185,7</b>	<b>(30,1%)</b>	<b>21,4%</b>
<b>Total Liabilities</b>	<b>7 965,0</b>	<b>7 734,5</b>	<b>8 207,3</b>	<b>(2,9%)</b>	<b>6,1%</b>

Source: *Résidences Dar Saada*

## 2. STATEMENT OF CASH FLOW DATA

The below table outlines the historical data of the statement of cash flows for the group *Résidences Dar Saada* for the years 2014, 2015 and 2016:

In MMAD	2014	2015	2016	Var.14-15	Var.15-16	TCAM 14-16
<b>Turnover</b>	<b>1 813,3</b>	<b>1 754,7</b>	<b>1 921,5</b>	<b>(3,2%)</b>	<b>9,5%</b>	<b>2,9%</b>
Sale of goods in the unaltered state	-	-	-	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
Purchases of resold goods	-	-	-	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
<b>Gross margin on sales in the unaltered state</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b><i>n.a</i></b>	<b><i>n.a</i></b>	<b><i>n.a</i></b>
Sale of goods and services	1 813,3	1 754,7	1 921,5	(3,2%)	9,5%	2,9%
Product inventory variation	(406,5)	(261,6)	(403,9)	(35,6%)	54,4%	(0,3%)
<b>Production of the fiscal year</b>	<b>1 406,8</b>	<b>1 493,0</b>	<b>1 517,6</b>	<b>6,1%</b>	<b>1,6%</b>	<b>3,9%</b>
Purchases of consumed materials and supplies	(721,4)	(759,9)	(825,1)	5,3%	8,6%	6,9%
Other external charges	(110,7)	(115,6)	(114,9)	4,4%	(0,5%)	1,9%
<b>Consumption of the fiscal year</b>	<b>(832,1)</b>	<b>(875,5)</b>	<b>(940,1)</b>	<b>5,2%</b>	<b>7,4%</b>	<b>6,3%</b>
<b>Added Value</b>	<b>574,7</b>	<b>617,6</b>	<b>577,6</b>	<b>7,5%</b>	<b>(6,5%)</b>	<b>0,3%</b>
<b>AV/TO</b>	<b>31,7%</b>	<b>35,2%</b>	<b>30,1%</b>	<b>3,5 pts</b>	<b>-5,1 pts</b>	<b>-5,1 pts</b>
Dues and Taxes	(47,3)	(31,9)	(31,5)	(32,5%)	(1,4%)	(18,4%)
Personnel Expenses	(65,3)	(67,6)	(72,0)	3,5%	6,6%	5,0%
<b>EBITDA</b>	<b>462,0</b>	<b>518,1</b>	<b>474,0</b>	<b>12,1%</b>	<b>(8,5%)</b>	<b>1,3%</b>
<b>EBC/CA</b>	<b>25,5%</b>	<b>29,5%</b>	<b>24,7%</b>	<b>4,0 pts</b>	<b>-4,9 pts</b>	<b>-4,9 pts</b>
Operating write-backs	45,8	1,3	9,8	(97,3%)	> 100%	(53,8%)
Operating reversals	(18,9)	(20,1)	(17,5)	6,4%	(13,0%)	(3,8%)
<b>Operating income</b>	<b>489,0</b>	<b>499,2</b>	<b>466,3</b>	<b>2,1%</b>	<b>(6,6%)</b>	<b>(2,3%)</b>
<b>Operating margin (OM/TO)</b>	<b>27,0%</b>	<b>28,4%</b>	<b>24,3%</b>	<b>1,5 pts</b>	<b>-4,2 pts</b>	<b>-4,2 pts</b>
Financial products	170,9	155,5	161,3	(9,0%)	3,8%	(2,8%)
Financial expenses	(185,0)	(157,1)	(159,4)	(15,1%)	1,5%	(7,2%)
<b>Financial result</b>	<b>(14,2)</b>	<b>(1,6)</b>	<b>1,9</b>	<b>(88,6%)</b>	<b><i>n.a</i></b>	<b><i>n.a</i></b>
<b>Current income</b>	<b>474,8</b>	<b>497,6</b>	<b>468,2</b>	<b>4,8%</b>	<b>(5,9%)</b>	<b>(0,7%)</b>
Non-recurring income	14,2	0,5	0,3	(96,5%)	(45,9%)	(86,2%)
Non-recurring expenses	(10,0)	(13,9)	(8,6)	38,7%	(37,8%)	(7,1%)
Non-recurring income	<b>4,2</b>	<b>(13,4)</b>	<b>(8,4)</b>	<b><i>n.a</i></b>	<b>(37,5%)</b>	<b><i>n.a</i></b>
<b>Pre-tax income</b>	<b>479,0</b>	<b>484,2</b>	<b>459,9</b>	<b>1,1%</b>	<b>(5,0%)</b>	<b>(2,0%)</b>
Income tax	(59,6)	(25,7)	(32,0)	(56,8%)	24,5%	(26,7%)
<b>Net income</b>	<b>419,4</b>	<b>458,5</b>	<b>427,8</b>	<b>9,3%</b>	<b>(6,7%)</b>	<b>1,0%</b>
<b>Net margin(NI/TO)</b>	<b>23,1%</b>	<b>26,1%</b>	<b>22,3%</b>	<b>3,0 pts</b>	<b>-3,9 pts</b>	<b>-3,9 pts</b>

Source: *Résidences Dar Saada*

### 3. CONSOLIDATED BALANCE-SHEET

The below table outlines the main balance-sheet consolidated indicators of the Group *Résidences Dar Saada* over the period 2014-2016:

In MMAD	2014	2015	2016	Var.14-15	Var.15-16
Goodwill	141,1	149,8	253,1	6,2%	68,9%
Written-off Fixed Assets	-	-	-	<i>n.a</i>	<i>n.a</i>
Intangible Assets	6,4	6,2	7,9	(2,5%)	26,4%
Tangible Assets	31,9	29,6	82,8	(7,2%)	> 100%
Financial Assets	1,0	1,5	2,2	49,6%	43,7%
<b>Fixed Assets</b>	<b>180,4</b>	<b>187,2</b>	<b>345,9</b>	<b>3,8%</b>	<b>84,8%</b>
Stocks	5 273,9	5 493,5	5 404,8	4,2%	(1,6%)
Customers and related accounts	530,9	742,8	971,7	39,9%	30,8%
Other loans and adjustment accounts	861,4	1 235,6	1 718,1	43,4%	39,1%
<b>Current Asset</b>	<b>6 666,2</b>	<b>7 471,9</b>	<b>8 094,6</b>	<b>12,1%</b>	<b>8,3%</b>
Investment securities	759,6	-	-	-	-
Liquid Assets	365,0	399,5	391,9	9,5%	(1,9%)
<b>Liquid Assets</b>	<b>1 124,6</b>	<b>399,5</b>	<b>391,9</b>	<b>(64,5%)</b>	<b>(1,9%)</b>
<b>Assets</b>					
<b>Fixed Assets</b>	<b>7 971,1</b>	<b>8 058,6</b>	<b>8 832,4</b>	<b>1,1%</b>	<b>9,6%</b>
Capital	1 310,4	1 310,4	1 310,4	-	-
Issue and merger premiums	1 107,2	1 107,2	1 107,2	-	-
Consolidated reserves	645,5	892,8	1 162,1	38,3%	30,2%
Consolidated income	406,5	450,0	468,2	10,7%	4,0%
<b>Group share holders' equity</b>	<b>3 469,6</b>	<b>3 760,4</b>	<b>4 047,9</b>	<b>8,4%</b>	<b>7,6%</b>
Minority interests	0,1	0,3	0,2	> 100%	(41,9%)
<b>Consolidated shareholders' equity</b>	<b>3 469,7</b>	<b>3 760,7</b>	<b>4 048,1</b>	<b>8,4%</b>	<b>7,6%</b>
<b>Provisions for liabilities and charges</b>	<b>0,4</b>	<b>0,5</b>	<b>0,2</b>	<b>100,0%</b>	<b>100,0%</b>
<b>Financial debts</b>	<b>2 650,5</b>	<b>2 481,8</b>	<b>2 810,8</b>	<b>(6,4%)</b>	<b>13,3%</b>
<b>Group shareholders' equity</b>	<b>1 631,7</b>	<b>1 662,2</b>	<b>1 787,6</b>	<b>1,9%</b>	<b>7,5%</b>
<b>Current Liabilities</b>					
Suppliers and related accounts	594,7	693,4	853,8	16,6%	23,1%
Other Current Liabilities	833,1	720,5	577,3	(13,5%)	(19,9%)
<b>Treasury Liabilities</b>	<b>203,8</b>	<b>248,3</b>	<b>356,5</b>	<b>21,8%</b>	<b>43,6%</b>
<b>Liabilities</b>	<b>218,9</b>	<b>153,5</b>	<b>185,7</b>	<b>(29,9%)</b>	<b>21,0%</b>
<b>Current Liabilities</b>	<b>7 971,1</b>	<b>8 058,6</b>	<b>8 832,4</b>	<b>1,1%</b>	<b>9,6%</b>

Source: *Résidences Dar Saada*



#### 4. CONSOLIDATED FINANCIAL RESULT

In MMAD	2014	2015	2016	Var.14-15	Var.15-16
<b>Revenues from ordinary activities</b>	<b>1 534,1</b>	<b>1 565,4</b>	<b>1 769,3</b>	<b>2%</b>	<b>13%</b>
Turnover	1 812,3	1 746,5	2 075,5	(3,6%)	18,8%
Other operating income	(278,2)	(181,1)	(306,2)	(34,9%)	69,0%
<b>Charges from ordinary activities</b>	<b>1 044,0</b>	<b>1 050,5</b>	<b>1 234,5</b>	<b>0,6%</b>	<b>17,5%</b>
Purchases consumed	788,7	808,7	1 000,1	2,5%	23,7%
Personnel expenses	65,3	67,6	72,0	3,5%	6,6%
Other operating income	123,8	124,4	122,4	0,5%	(1,6%)
Taxes and levies	54,9	43,8	33,2	(20,1%)	(24,2%)
Operating Expenses	11,4	6,1	6,8	(46,6%)	11,4%
<b>Operating income</b>	<b>490,0</b>	<b>514,8</b>	<b>534,8</b>	<b>5,1%</b>	<b>3,9%</b>
Financial Products	176,4	160,2	177,2	(9,2%)	10,7%
Financial Expenses	203,2	187,2	206,1	(7,9%)	10,1%
<b>Financial Results</b>	<b>(26,9)</b>	<b>(27,0)</b>	<b>(28,9)</b>	<b>(0,5%)</b>	<b>(6,8%)</b>
<b>Net Income of Consolidated Companies</b>	<b>463,1</b>	<b>487,8</b>	<b>505,9</b>	<b>5,3%</b>	<b>3,7%</b>
Non-current income	14,3	0,5	1,1	(96,5%)	> 100%
Non-current charges	10,7	13,9	8,7	29,7%	(37,3%)
<b>Non-current results</b>	<b>3,6</b>	<b>(13,4)</b>	<b>(7,6)</b>	<b>&lt;-100%</b>	<b>43,6%</b>
Corporate Tax	60,4	24,4	30,2	(59,5%)	23,6%
<b>Net Income of Consolidated Companies</b>	<b>406,4</b>	<b>450,0</b>	<b>468,2</b>	<b>10,7%</b>	<b>4,0%</b>

Source: Résidences Dar Saada

## **PART V: RISK FACTORS**

As part of its global strategy, the risk management represents a critical axis for the management of *Résidences Dar Saada*.

This Prospectus Summary outlines the risks inherent to the economic sector and to the very activity of the Group *Résidences Dar Saada*.

## **RISK ASSOCIATED WITH THE TAX REGIME EVOLUTION**

The evolution of the fiscal regulations and also the suppression of tax benefits attributed to social housing developers and buyers might have a significant impact on the performance of the Group *Résidences Dar Saada*. However, the risk is limited, since the agreements signed in the context of the *Finance Act 2010* are guaranteed for a period of 10 years (i.e. until 2020), thus offering a fiscal stability to the industry's developers.

## **COMPETITION RISK**

The growing demand for social housing, associated with tax benefits previously enumerated, attracts numerous operators that are keen on investing in the social housing industry. Therefore, the risk of seeing many national and international operators penetrate this segment is significantly high. A situation that would lead to a margin drop for *Résidences Dar Saada* associated with a potential drop in the sales prices, a rise of the property value and an increase in the production costs.

In order to mitigate this risk, *Résidences Dar Saada* has adopted a competitive differentiation strategy by offering a high-quality customer service and sales prices in line with the market's average.

## **RISK ASSOCIATED WITH THE INCREASE IN PROPERTY VALUE**

The discrepancy between the supply of social housing units and the demand thereof, in particular between the two major cities Rabat and Casablanca, has led to a surge in the cost of properties in urban areas. This upward trend in prices might be the cause of the reduction of profit margins for companies operating in the social housing business segment, with a sales price capped at 250.000 MAD.

However, *Résidences Dar Saada* has taken upstream measures in order to reduce the impact of this risk, especially through:

- A strategy based on a geographic diversification focused on strong-potential areas, which lack housing units (Tangier, Fes, etc.);
- The signing of investments agreements with the State, enabling the company to secure additional property;
- The enlargement of the urban perimeter by the Government, that aims at creating 15 new cities by 2020 around major urban hubs.

## **RISK ASSOCIATED WITH THE CHOICE OF PBS OPERATORS (PUBLIC BUILDING SECTOR)**

Concerned to deliver an excellent service, *Résidences Dar Saada* seeks the help of historical partners for the delivery of its projects. The choice of these partners is made based on their references, their technical skills and their financial capabilities. These operators must be able to meet the specifications requirements relating to the different projects in terms of quality and delivery deadlines.

The trust and loyalty relationship established by *Résidences Dar Saada* with its partners enables it to face the risk of unavailability of subcontractors due to the competition.

## **RISK ASSOCIATED WITH THE INTEREST RATES**

Despite the high shortage of accommodations in that segment, there is a risk of seeing accommodations demand decreasing, likely due to a significant inflation of the interest rates relative to the real-estate credits.

The risk associated with the rise in interest rates is also incurred by real-estate developers. whose construction activity is often funded by banks loans.

## **RISK ASSOCIATED WITH SUB-CONTRACTING**

*Résidences Dar Saada* uses subcontractors to ensure the development's building projects. Thus, a potential unavailability of these subcontractors might undermine the progress of the building projects of the Company, and this, due to an increased competition on this social and intermediate housing economic segment.

## **RISKS ASSOCIATED WITH CREDIT ACCESS**

The indebtedness level of *Résidences Dar Saada* remains reasonable in spite of the industry's specificities in which the company is active (requiring a strong recourse to credits). However, the evolution of this sector is likely to constitute a solvency risk for the company.

## **RISKS ASSOCIATED WITH ACCESS TO FUNDING**

In order to finance its development, *Résidences Dar Saada* uses its equity capital, its credit lines, calls on the private debt market (bonds and treasury bills programs) and resorts to the customers' advance payments. The evolution of the credit market's conditions (and mainly the lack of cash) as well as the demand's decrease might negatively impact the company's capacity to finance itself.

## **RISK ASSOCIATED WITH A LOWER DEMAND**

A potential drop in demand for social or intermediate housing would have a negative impact on the sector's dynamism resulting in a decrease of the business volume for *Résidences Dar Saada*.

## **DISCLAIMER**

**The information above is only a part of the information given in the prospectus approved by the *AMMC* (Moroccan Capital Market Authority) under reference n° VI/EM/032/2017 on November 17<sup>th</sup>, 2017.**

**The *AMMC* recommends that the prospectus made available to the public in French be read in its entirety.**