



SUMMARY OFFER PROSPECTUS COMMERCIAL PAPER ISSUANCE PROGRAMME

The AMMC approved the Prospectus that consists of:

- The transaction note;
- Reference document of *Résidences Dar Saada* registered with the AMMC dated 26/12/2019, under the reference n° EN/EM/022/2019.

Program Implemented on: 06/06/2012

Date of the last Update of the Commercial Paper Program : 28/12/2018

Issuance Program Ceiling : MAD 500 000 000

nominal Value: MAD 100 000

Advisory Bodies



Head of Investment Syndicate



Member of Investment Syndicate



Approval of the Moroccan Capital Market Authority (AMMC)

In accordance with the provisions of the AMMC's Circular issued pursuant to Article 18 of Dahir 1-95-3 of 24 Shawaban 1425 (26 January 1995) promulgating Law 35-94 relating to certain negotiable debt securities, as amended and supplemented, this Letter deals with the program of issuance of Commercial Papers by Residences Dar Saada.

This note, registered by the AMMC as of 26/12/2019 under reference EN/EM/023/2019, is only a part of the Information Prospectus relating to the programme.

The information package consisting of this memorandum and the Reference Document registered by the AMMC on 26/12/2019 under reference EN/EM/022/2019, was approved by the AMMC on 26/12/2019 under reference VI/EM/039/2019.

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DISCLAIMER

The Moroccan Authority for the Capital Market approved, on 26/12/2019 a Summary Offer Prospectus for a debt securities issue program of *Résidence Dar Saada*.

The prospectus certified by the AMMC is available at any time at *Résidence Dar Saada*'s headquarters, on *Résidence Dar Saada*'s website, www.espacessaada.com, and from its financial advisor. It is also available within 48 hours at the order-collecting establishments. It is also available on the AMMC website (www.ammc.ma).

This summary has been translated by **Aaron & Babel** under the joint responsibility of that translator and **Résidence Dar Saada**. In the event of any discrepancy between the contents of this summary and the prospectus certified by the AMMC, only the certified prospectus will be considered as authentic.

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PART I: OVERVIEW OF THE OPERATION

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I. OPERATION FRAMEWORK

In accordance with the provisions of Article 15 of Law No. 35-94 promulgated by Dahir No. 1-95-3 of 24 Châabane 1415 (January 26, 1995) and of Order No. 2560-95 of the Minister of Finance and Foreign Investments of 13 Joumada I 1416 (October 9, 1995) relating to Negotiable Debt Securities, the company Résidences Dar Saada issues Commercial Papers to the public, bearing interest to represent a debt for a period of less than or equal to one year.

This issuance program, capped at MAD 500,000,000, was authorized by the Board of Directors gathered on December 20, 2011, which empowered the Chairman of the Board of Directors to set the terms of issue and the characteristics of the said program.

By his letter dated May 28, 2012, the Chairman of the Board of Directors set the said conditions and characteristics as defined in "Part III Characteristics".

Pursuant to Article 17 of the aforementioned law, and as long as the *Negotiable Debt Securities* are in circulation, the information package shall be updated annually within 45 days after the Ordinary Shareholders' Meeting called to approve the financial statements for the last financial year.

However, occasional updates may be made in the event of a change in the maximum outstanding amount of securities issued or any new event likely to have an impact on changes in the price of securities or the successful completion of the program.

The memorandum relating to the issuance program shall be updated at least 15 days before the effective date of any change relating to the characteristics of the program.

II. OBJECTIVES OF THE ISSUE

With this debt securities issue programme, 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.



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III. INFORMATION ON TREASURY BILLS TO BE ISSUED

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

Nature of the Securities	Negotiable Debt Securities dematerialized by subscription at the Central Depository (Maroclear) and recorded in the books of authorized affiliates.
Legal form of the securities	Bearer.
Issuance ceiling	MAD 500 000 000
Maximum number of securities	5 000 Securities
Nominal Value	MAD 100 000
Maturity	From 10 days to 12 months
Vesting date	At the settlement date
Rank	The rank is comparable to an ordinary debt contracted by the company
Interest rate	Determined for each issuance on the basis of the market's conditions.
Interests	Accrued* interests
Coupon payment	<i>In fine</i>
Securities negotiability	Over the counter. There are no restrictions imposed by the issuance conditions on the free negotiability of these Treasury bills.
Principal payment	<i>In fine.</i>
Assimilation clause	There is no assimilation of the Treasury bills to any securities in any previous issue.
Guarantee	The Treasury bills issued by Résidences Dar Saada S.A. are not subject to any guarantee.

IV. COMMITMENT TO INFORM THE AMMC

Résidences Dar Saada S.A. undertakes to send the AMMC the results of the issue (number of securities issued, amounts subscribed and allocated by type of investor, etc.) within 7 days of completion thereof.

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V. BODIES IN CHARGE OF THE ISSUANCE AND FINANCIAL INTERMEDIARIES

Types of financial intermediaries	Name	Address
Advisory Bodies	CFG Bank Corporate Finance	5-7, Rue Ibnou Toufail, Casablanca
Bodies in charge of underwriting	CFG Bank	5-7, Rue Ibnou Toufail, Casablanca
	Alma Finance Groupe	92, Bd. d'Anfa, Casablanca
Domiciliation institution in charge of the financial service of the Issuer	CFG Bank	5-7, Rue Ibnou Toufail, Casablanca

VI. SUBSCRIPTION AND ALLOTMENT – TERMS AND CONDITIONS

1. SUBSCRIPTION PERIOD

Each time the company Résidences Dar Saada expresses a need for cash, CFG Bank shall open the subscription period at least 72 hours before the dividend entitlement date.

2. BENEFICIARIES

Natural or juridical persons, resident or non-resident.

3. IDENTIFICATION OF SUBSCRIBERS

The organizations in charge of the placement shall ensure that the subscriber belongs to one of the categories defined above. To this end, they shall obtain a copy of the document certifying this identification and attach it to the subscription form.

For each category of subscribers, the identification documents to be produced are as follows:

Category	Documents to be Attached
Associations	Photocopy of the Articles of Association and receipt of file deposit
Underage (Minor) Children	Photocopy of the page of the family record book certifying the child's date of birth
Moroccan law UCITS	Photocopy of the approval decision mentioning the object which shows that it belongs to this category and in addition :
	<ul style="list-style-type: none"> ▪ For Mutual Funds (FCP), the reference of the certificate of deposit at the Court clerk's office ; ▪ For Open-ended Investment Companies (locally SICAV), the reference of the Trade Register.
Moroccan and foreign legal entities	Model of entries in the trade register (or equivalent for foreigners)
Non-resident and non-Moroccan natural persons	Photocopy of passport pages containing the identity of the person and the dates of issue and expiry of the document
Resident and non-Moroccan natural persons	Photocopy of the Residence Card

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Natural persons resident in Morocco and Moroccan nationals abroad	Photocopy of national identity card
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4. SUBSCRIPTION – TERMS AND CONDITIONS

Résidences Dar Saada undertakes to draw up a document detailing the terms and conditions of the issue and containing the information as defined by Article 1.60 of Circular No. 03/19 relating to the financial transactions and information of the AMMC. This document shall be made available to investors prior to the opening of the subscription period.

The organizations in charge of the placement are required to collect subscription orders from their clients, by means of firm and irrevocable subscription forms, after the closing of the subscription period, in accordance with the model attached hereto. These forms, considered firm and irrevocable at the time of subscription, must be completed and signed by the subscribers.

CFG Bank shall be in charge of the centralization of subscriptions collected by its network.

CFG Bank shall be in charge of processing subscription orders and rejecting applications that do not comply with the terms and conditions set out in the information prospectus/file.

Subscriptions are to be accepted and registered as and when they are confirmed in writing to CFG Bank until the issuance cap is reached.

All subscriptions shall be in cash, regardless of the category of subscribers:

- Subscriptions on behalf of minor children – aged 18 years or less – are authorized, provided they are made by the father, mother, tutor or legal representative of the minor child. The bodies in charge of the placement are required to obtain a copy of the page of the family record book showing the date of birth of the minor child and to attach it to the subscription form; in this case, the movements are made either to an account opened in the name of the minor child, or to the securities or cash account opened in the name of the father, mother, tutor or legal representative;
- Subscriptions on behalf of third parties are authorized provided that a power of attorney duly signed and legalised by the principal is presented. The organizations in charge of the placement are required to obtain a copy and attach it to the subscription form. The securities subscribed for must, in addition, shall refer to a securities account in the name of the third party concerned, who is the only party authorized to carry out transactions on that account, unless existing power of attorney;
- A power of attorney for a subscription shall in no case allow the opening of an account for the principal. Therefore, the opening of an account is to be done in the presence of its holder according to the legal or regulatory provisions in force;
- Any and all forms shall be signed by the subscriber or his proxy. The bodies in charge of the placement shall ensure, prior to the acceptance of a subscription, that the subscriber has the financial capacity to honor their commitments. The placement bodies shall freely determine the terms of the financial guarantee required from subscribers, which may be a deposit in cash, in securities, or a guarantee. Institutional investors are not required to cover the subscription;
- Investors may place several orders with the placing bodies. Orders are cumulative. Subscribers' attention is drawn to the fact that all orders may be satisfied in whole or in part depending on the availability of securities.

All subscription orders that do not comply with the above terms shall be null and void and are irrevocable after the end of the subscription period.

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5. ALLOTMENT TERMS AND CONDITION

During the subscription period, allotments shall be made on a "first-come, first-served" basis, based on subscriptions received and the quantities of commercial paper available. Thus, at the close of the subscription period, the allotment of securities will be made.

The subscription period may be closed anticipatively as soon as the placement of the whole tranche issued has been completed.

6. SUBSCRIPTION PAYMENT TERMS AND CONDITIONS

Subscriptions shall be settled by the transmission of delivery against payment orders (LCP MAROCLEAR) by CFG Bank, in its capacity as securities management institution, on the date of enjoyment. The securities are payable in cash in a single instalment.

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PART II: OVERVIEW OF THE ISSUER

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I. GENERAL INFORMATION

	Description
Corporate name	Résidences Dar Saada S.A.
Registered office	Quartier Marina, Tour Crystal 3, 6th, 7th, 8th floor, Casablanca
Telephone number	+212 (0) 5 22 97 97 77
Fax number	+212 (0) 5 22 39 39 96
Internet website	www.espacessaada.com
Legal form	Public Limited Company of Moroccan law with a Board of Directors
Formation date	2001
Life time	99 years
Company purpose (art. 4 of statutes)	<p>The Company's purpose in Morocco and abroad is still:</p> <ul style="list-style-type: none"> • Real-estate promotion in all its forms; • The acquisition by all the means permitted by law, of vacant land or with buildings to be destroyed; • The building or erection of any real-estate, buildings or other, in Morocco and abroad; • 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; • The use of the corporate assets, thus constituted, by the sales, the renting or a personal use of the constructions; • The development and parceling of urban and rural land; • 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. • 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.
Financial year	The financial year starts on 1 st January and ends on 31 December
Share capital (as of 30/06/2019)	MAD 1,310,442,500, comprised of 26,208,850 shares with a nominal value of MAD 50
Location of legal documents	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> .
Registration number in the trade register	116 417 - Casablanca
Applicable law	Moroccan Law
Laws and regulations applicable to the company	<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, by law n°78-12 of 28 August 2015, by law n°81-99 of 30 December 1999 and by law n° 23-01 of 21 April 2004.</p> <p>Through its activity, it is governed by following Dahirs:</p> <ul style="list-style-type: none"> • 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; • law n°17-95 promulgated by Dahir n°1-96-124 of 30 August 1996 relating to public limited companies, as amended

by law 20-05 and by law 78-12;

- 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°2208-19 of 3 July 2019
- General regulation of the Moroccan Authority of Capital Markets;
- Dahir 1-12-55 promulgating law 44-12 relating to the public offering and required informations of the juridical persons and the public offering organizations;
- Dahir n°1-13-21 of 1st jourmada I 1434 (13 march 2013) promulgating law n°43-12 relating to the AMMC;
- 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;
- 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 relating to financial operation & informations;
- Dahir 1-95-03 of 26 January 1995 promulgating law n°35-94 relating to certain securities of Negotiable Debts (Modified and completed by laws 35-96 and 33-06)

Applicable tax regime

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

Competent Court in case of dispute

Casablanca Commercial Court

Source : *Résidences Dar Saada*

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II. HISTORY AND STRUCTURE OF CAPITAL

The below table shows the history of share holders' of Résidences Dar Saada over the last 4 years.

Name or corporate purpose of the shareholders	2016		2017		2018		30-June-19	
	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
B Participation	3 608 640	13,8%	3 608 640	13,8%	3 608 640	13,8%	3 608 640	13,8%
Groupe Palmeraie Développement	10 800 000	41,2%	10 407 403	39,7%	10 223 403	39,0%	10 223 403	39,0%
North Africa Holding Company	2 186 146	8,3%	2 022 136	7,7%	2 022 136	7,7%	2 022 136	7,7%
Aabar Investments PJS	2 186 146	8,3%	2 186 146	8,3%	2 186 146	8,3%	2 186 146	8,3%
FCP RMA CAP Dynamique	728 716	2,8%	-	-	-	-	-	-
Wafa Assurance	728 716	2,8%	-	-	-	-	-	-
Idraj SCA	728 716	2,8%	-	-	-	-	-	-
Floating stock	5 241 770	20,0%	7 984 525	30,5%	8 168 525	31,2%	8 168 525	31,2%
TOTAL	26 208 850	100%	26 208 850	100%	26 208 850	100%	26 208 850	100%

Source : Résidences Dar Saada

During the year 2017, the shareholding structure changed following the conversion of registered shares held by FCP RMA CAP Dynamique, Wafa Assurance and Idraj SCA into bearer shares. In 2018, 184,000 additional registered shares held by Groupe Palmeraie Développement were converted into bearer shares.

III. COMPOSITION OF THE BOARD OF ADMINISTRATORS

As of 30 June 2019, the Board of Administrators is composed of the following people:

Name	Role	Start or renewal date	Expiration date	Link of natural persons with the issuer
Mr. Hicham Berrada Sounni	Chairman of the Board	03-June-16	OGM approving the financial statements of 2021	Founding Shareholder
Mr. Abdelali Berrada Sounni	Administrator	03-June-16	OGM approving the financial statements of 2021	Founding Shareholder
Mr. Saad Berrada Sounni	Administrator	03-June-16	OGM approving the financial statements of 2021	Founding Shareholder
Mr. Majid Benmlih	Administrator	29-June-17	OGM approving the financial statements of 2022	Vice-president of Palmeraie Développement
Mr. Mohamed Ben Ouda	Administrator	13-June-18	OGM approving the financial statements of 2022	General Manager of Palmeraie Développement
Mr. Adil Douiri	Independent Administrator	29-June-17	OGM approving the financial statements of 2022	None
North Africa Holding (represented by Mr. Triq Mohamed Youssef Abdulsalam)	Administrator	29-June-17	OGM approving the financial statements of 2022	None
Aabar Investment PJSC (represented by Cryll Karim Latroche)	Administrator	29-June-17	OGM approving the financial statements of 2022	None

Source : Résidences Dar Saada

North Africa Holding and Aabar Investment PJSC are represented respectively by Messrs. Tariq Mohamed Youssef Abdulsalam, in his capacity as Vice-President of North Africa Holding, and Cyril Karim Latroche, in his capacity as Vice-President of the Investment Committee.

Mr. Mohamed Ben Ouda has been appointed Director by co-option for the remaining term of Mr Amine Guennoun's office.

The independent Directors are appointed in accordance with the qualification criteria stipulated by Articles 41bis and 83 of Law No. 17-95 relating to public limited companies.

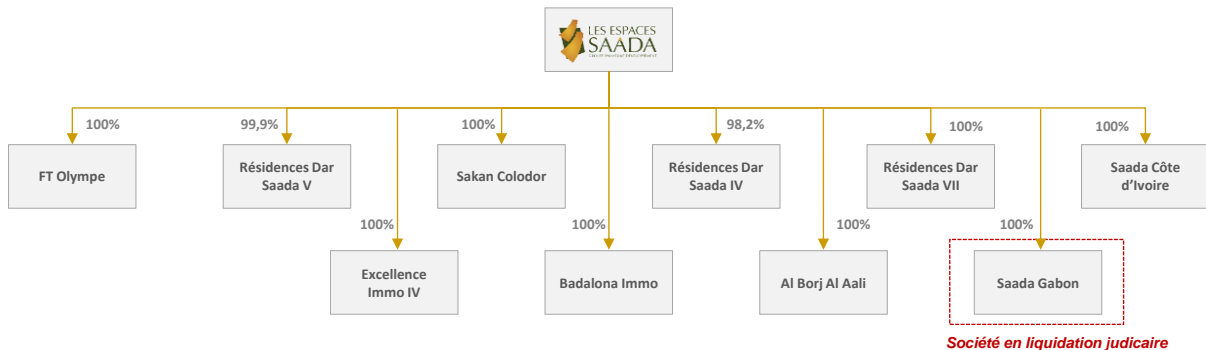
As of 30 June 2019, the Chairman of the Board (of Directors) also holds the following positions in other Group companies:

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

Source : Résidences Dar Saada

IV. FILIALES DE RESIDENCES DAR SAADA

As of 30 June 2019, the management structure of *Résidences Dar Saada* is as follows¹ :



Société en liquidation judiciaire

Source : Résidences Dar Saada

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¹ The holding percentages are equivalent to control percentages for all subsidiaries of the Company.

V. PRESENTATION OF THE REAL-ESTATE PROGRAMS AND THE LAND RESERVE AS OF 31 DECEMBER 2018

The below table gives an overview of the various real-estate programs and the land reserve of *Résidences Dar Saada* as of 31 December 2018:

Projects	Company leading the project	Surface (in ha)	Global Offer (In Units)	Marketing Start	Delivery Due Date
Realized Projects			50 709		
Casablanca			191	23 312	
Mediouna (lotissement)	RDS SA	11	394	2008	2010
Jnane Nouaceur	RDS SA	19	3 265	2008	2011
Fadaat Rahma	RDS SA	14	1 913	2011	2013
Fadaat Elyassamine	RDS SA	4	799	2012	2014
Manazil Mediouna	RDS SA	5	1 230	2014	2016
Oulad Azzouz **	RDS SA	68	8 024	2012	2014
Jnane El Menzeh (tranches réalisées)	RDS SA	23	396	2012	2015
Dyar Al Ghofrane 1 (tranches réalisées)	RDS SA	24	3 568	2013	2016
Panorama 1	RDS SA	14	3 335	2014	2018
Tamaris (tranches réalisées)	RDS SA	9	388	2016	2018
Fès			74	4 413	
Bouhayrat Saiss (tranches réalisées)	RDS SA	74	4 413	2012	2013
Marrakech			80	11 079	
Saada I	RDS SA	24	3 647	2003	2006
Saada II	RDS SA	3	794	2006	2009
Tamensourt (Saada III)	RDS SA	18	3 269	2008	2010
Dyar Marrakech	RDS SA	1	653	2010	2013
Targa Garden	RDS SA	21	313	2007	2010
Targa Resort (tranches réalisées)	RDS SA	11	1 786	2013	2015
Dyar Nakhil (tranches réalisées)	RDS SA	2	617	2017	2018
Agadir			15	3 339	
Adrar IIôt 5	RDS SA	2	403	2010	2014
Adar IIôt 8	RDS SA	1	724	2010	2012
Adar IIôt 9	RDS SA	3	513	2010	2013
Adrar Anza	RDS SA	1	400	2010	2014
Nzaha	RDS SA	8	1 299	2010	2012
Tanger			13	3 182	
Jardins de l'Atlantique (IIôt 19) (Jnane El Boughaz)	RDS SA	5	1 063	2009	2014
Dyar El Boughaz (IIôt 20)	RDS SA	4	770	2009	2014
Dyar El Boughaz (IIôt 14)	RDS SA	4	1 349	2012	2015
Skhirat			6	1 195	
Jawharat Skhirat (tranches réalisées)	Excellence Immo IV	6	1 195	2013	2015
Martil			16	3 848	
Martil 1	Badalona	10	2 384	2014	2017
Martil 2 (tranches réalisées)	RDS SA	6	1 464	2016	2018
Oujda			7	341	
Oujda (tranches réalisées)	Sakan Colodor	7	341	2014	2017
Projects under construction			161	12 255	
Casablanca			76	4 603	
Jnane El Menzeh **	RDS SA	33	562	2012	2015
Dyar Al Ghofrane 1	RDS SA	13	236	2013	2016
Tamaris	RDS SA	12	350	2016	2018
Ben Tachfine	RDS VII	4	815	2017	2019
Panorama 2	RDS SA	14	2 640	2018	2020
Fès			50	2 999	
Bouhayrat Saiss**	RDS SA	50	2 999	2012	2013
Marrakech			6	1 416	
Targa Resort	RDS SA	2	78	2013	2015
Dyar Nakhil	RDS SA	4	1 338	2017	2018
Skhirat			4	1 028	
Jawharat Skhirat	Excellence Immo IV	4	1 028	2013	2015
Oujda			20	1 371	
Oujda	Sakan Colodor	20	1 371	2014	2017
Martil			5	838	
Martil 2	RDS SA	5	838	2016	2018
Projects under development			307	32 508	
Casablanca			202	20 245	
Sania **	RDS V	22	2 251	2022	2024
Arraha **	RDS IV	16	2 402	2022	2024

Laassilate ***	RDS SA	115	5 830	2022	2024
Dyar Al Ghofrane 2	RDS SA	36	6 959	2018	2020
Lomo*	RDS SA	13	2 803	2018	2019
Agadir		3	306	-	-
Adrar Ilôt 8 extension	RDS SA	3	306	2020	2022
Marrakech		21	3 622	-	-
Petit Azzouzia (1)	RDS SA	16	2 700	2018	2020
Marché de gros (2)	RDS SA	3	450	2020	2022
Dyar Hamra	RDS SA	2	472	2019	2020
Martil		37	5 937	-	-
Martil 3	AL Borj Al Ali	37	5 937	2018	2020
Cabo Negro		3	219	-	-
Cabo	RDS SA	3	219	2019	2020
Afrique		41	2 179	-	-
Côte d'Ivoire	Saada Côte d'Ivoire	41	2 179	2019	2019
S/ Total Real-Estate Projects		869	95 472	-	-
S/Total Land Reserve		246			
Total Real-Estate Projects		1 114			

Source : Résidences Dar Saada

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VI. 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 MMAD	2016	2017	2018	Agg 2016-2018
Sale of Houses and similar products	2 068	1 860	1 440	5 368
<i>% of variation</i>		<i>-10%</i>	<i>-23%</i>	
Economical Housing Units	1 249	1 684	880	3 813
<i>in % of the total</i>	<i>60%</i>	<i>91%</i>	<i>61%</i>	<i>71%</i>
Medium-Standing Accommodations	79	19	173	271
<i>in % of the total</i>	<i>4%</i>	<i>1%</i>	<i>12%</i>	<i>5%</i>
Residences and lands	611	74	254	939
<i>in % of the total</i>	<i>30%</i>	<i>4%</i>	<i>18%</i>	<i>17%</i>
Villas	42	6	2	50
<i>in % of the total</i>	<i>2%</i>	<i>0%</i>	<i>0%</i>	<i>1%</i>
Shops and other	88	78	130	296
<i>in % of the total</i>	<i>4%</i>	<i>4%</i>	<i>9%</i>	<i>6%</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	2016	2017	2018	Agg 2016-2018
Sale of Houses and similar products	6 761	7 217	4 179	18 157
<i>% of variation</i>		<i>7%</i>	<i>-42%</i>	
Economical Housing Units	5 088	6 898	3 572	15 558
<i>in % of the total</i>	<i>75%</i>	<i>96%</i>	<i>85%</i>	<i>86%</i>
Medium-Standing Accommodations	195	44	171	410
<i>in % of the total</i>	<i>3%</i>	<i>1%</i>	<i>4%</i>	<i>2%</i>
Residences and lands	1067	69	194	1 330
<i>in % of the total</i>	<i>16%</i>	<i>1%</i>	<i>5%</i>	<i>7%</i>
Villas	38	5	2	45
<i>in % of the total</i>	<i>1%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>
Shops and other	373	201	240	814
<i>in % of the total</i>	<i>6%</i>	<i>3%</i>	<i>6%</i>	<i>4%</i>

Source : *Résidences Dar Saada*

Over the last three financial years, *Résidences Dar Saada* has delivered 18 157 units for a consolidated aggregate turnover of MMAD 5 368.

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*.

In 2017, *Résidences Dar Saada* has delivered 7 217 units, of which 6 898 economical housing units, mainly as part of the projects *Panorama, Fadaat Al Mohit, Al Ghofrane (Casablanca), Playa Martil (Martil), Bassatine Targa (Marrakech) et Dyar Boghaz 14 et 20 (Tangier)*.

In 2018, *Résidences Dar Saada* delivered 4,179 units, including 3,572 low-cost housing units, mainly as part of the *Panorama I, Dyar Nakhil and Martil 2* projects.

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PART III: FINANCIAL INFORMATION

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I. ANNUAL ACCOUNTS

1.1. Company/Corporate Accounts Financial Statements

Income Statement/Profit-and-Loss Accounts

The below table outlines the historical data of the statement of cash flows for the group *Résidences Dar Saada* for the years 2016, 2017 and 2018.

In MMAD	2016	2017	2018	Var.16-17	Var.17-18	TCAM 16-18
Turnover	1 921,5	1 823,8	1 199,1	(5,1%)	(34,3%)	(21,0%)
Sale of goods in the unaltered state	-	1 823,8	1 199,1	<i>n.a</i>	(34,3%)	<i>n.a</i>
Purchases of resold goods	-	-	-	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
Gross margin on sales in the unaltered state	-	-	-	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
Sale of goods and services	1 921,5	1 823,8	1 199,1	(5,1%)	(34,3%)	(21,0%)
Product inventory variation	(403,9)	(1 090,5)	(180,1)	>100%	(83,5%)	(33,2%)
Production of the fiscal year	1 517,6	733,3	1 019,0	(51,7%)	39,0%	(18,1%)
Purchases of consumed materials and supplies	(825,1)	(479,4)	(497,1)	(41,9%)	3,7%	(22,4%)
Other external charges	(114,9)	(117,4)	(98,4)	2,1%	(16,2%)	(7,5%)
Consumption of the fiscal year	(940,1)	(596,8)	(595,5)	(36,5%)	(0,2%)	(20,4%)
Added Value	577,6	136,5	423,5	(76,4%)	>100%	(14,4%)
AV/TO	30,1%	7,5%	35,3%	-22,6 pts	27,8 pts	
Dues and Taxes	(31,5)	(50,4)	(27,7)	60,2%	(45,1%)	(6,2%)
Personnel Expenses	(72,0)	(79,6)	(73,4)	10,5%	(7,8%)	0,9%
EBITDA	474,0	6,5	322,4	(98,6%)	>100%	(17,5%)
EBE/TO	24,7%	0,4%	26,9%	-24,3 pts	26,5 pts	
Other Operating products	-	-	-	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
Other operating charges	-	(27,7)	-	<i>n.a</i>	(100,0%)	<i>n.a</i>
Operating write-backs	9,8	242,5	0,3	>100%	(99,9%)	(82,9%)
Operating reversals	(17,5)	(20,2)	(18,5)	15,2%	(8,5%)	2,7%
Operating income	466,3	201,2	304,2	(56,9%)	51,2%	(19,2%)
Operating margin (OM/TO)	24,3%	11,0%	25,4%	-13,2 pts	14,3 pts	
Financial products	161,3	165,6	123,4	2,7%	(25,5%)	(12,5%)
Financial charges	(159,3)	(164,7)	(148,9)	3,4%	(9,6%)	(3,3%)
Financial result	1,9	0,9	(25,5)	(53,4%)	<i>n.a</i>	<i>n.a</i>
Current income	468,2	202,1	278,7	(56,8%)	37,9%	(22,8%)
Non-recurring products	0,3	0,5	48,7	86,6%	>100%	>100%
Non-recurring charges	(8,6)	(9,0)	(8,8)	3,7%	(1,5%)	1,0%
Non-recurring income	(8,4)	(8,5)	39,9	1,0%	<i>n.a</i>	<i>n.a</i>
Pre-tax income	459,9	193,7	318,6	(57,9%)	64,5%	(16,8%)
Income tax	(32,0)	(3,8)	(51,8)	(88,1%)	>100%	27,1%
Net income	427,8	189,8	266,9	(55,6%)	40,6%	(21,0%)
Net margin(NI/TO)	22,3%	10,4%	22,3%	-11,9 pts	11,8 pts	

Source : Résidences Dar Saada

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Balance-Sheet

The below table outlines the main indicators of the balance-sheet of *Résidences Dar Saada* over the period 2016-2018:

In MMAD	2016	2017	2018	Var.16-17	Var.17-18
Written-off Fixed Assets	25,3	29,7	15,1	17,6%	(49,3%)
Intangible Assets	7,9	8,1	7,9	3,1%	(2,9%)
Fixed Assets	16,1	15,8	11,8	(2,2%)	(25,3%)
Investments	355,9	379,3	382,0	6,6%	0,7%
Fixed Assets	405,1	433,0	416,7	6,9%	(3,7%)
Stocks	4 507,1	3 666,7	3 728,2	(18,6%)	1,7%
Receivables in current assets	2 974,8	2 942,2	3 183,1	(1,1%)	8,2%
Securities and investment securities	-	-	-	n.a	n.a
Translation adjustments Assets(Curr Assets)	-	-	-	n.a	n.a
Current Assets	7 481,9	6 608,9	6 911,3	(11,7%)	4,6%
Cash Assets	320,2	420,2	388,2	31,2%	(-7,6%)
Assets	8 207,3	7 462,0	7 716,2	(-9,1%)	3,4%
				n.a	n.a
Equity	4 077,9	4 182,3	4 307,6	2,6%	3,0%
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	86,0	107,4	116,9	24,9%	8,8%
Other Reserves	404,6	404,6	404,6	-	-
Retained earnings	709,6	1 030,6	1 069,4	45,2%	3,8%
Net income for the year	427,8	189,8	266,9	(-55,6%)	40,6%
Minority interest	-	-	-	n.a	n.a
Financing debts	2 432,0	1 963,1	1 978,8	(-19,3%)	0,8%
Permanent Total Funding	6 509,9	6 145,4	6 286,4	(-5,6%)	2,3%
Accounts payable	784,3	615,7	649,3	(-21,5%)	5,4%
Advance payments from customers, deposits and advances	402,9	243,6	161,9	(-39,5%)	(-33,5%)
Staff	5,4	6,1	6,8	11,9%	11,2%
Social organizations	3,6	2,8	2,6	(-22,1%)	(-7,9%)
State	222,2	232,9	277,3	4,8%	19,1%
Associates accounts	13,6	7,1	22,2	(-47,6%)	>100%
Other creditors	44,1	112,9	127,1	>100%	12,6%
Regularization accounts -Liabilities	35,3	54,3	49,8	53,6%	(-8,3%)
Other Provisions For R&C	0,2	0,3	0,2	21,4%	(-33,3%)
Conversion gains Liabilities (Curr Assets)	-	-	-	n.a	n.a
Current Liabilities	1 511,7	1 275,7	1 297,2	(-15,6%)	1,7%
				n.a	n.a
Liabilities Cash-flow	185,7	40,9	132,6	(-78,0%)	>100%
Total Liabilities	8 207,3	7 462,0	7 716,2	(-9,1%)	3,4%

Source : *Résidences Dar Saada*

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Financing Table

In MMAD	2016	2017	2018	Var.16-17	Var.17-18
Self-Financing Capacity	444,6	209,7	256,8	(53,0%)	22,4%
- Distribution of profits/dividends	(180,8)	(85,4)	(141,5)	(52,7%)	65,6%
Self-financing	263,8	124,3	115,2	(52,9%)	(7,3%)
Disposal/Sale and reduction of fixed assets	0,2	0,5	31,4	>100%	>100%
Disposals/Sale of intangible assets	-	-	-	n.a	n.a
Disposals/Sale of property, plant and equipment	0,2	0,0	31,2	(79,2%)	>100%
Disposals of financial assets	-	-	-	n.a	n.a
Recovery of fixed assets	-	0,5	0,1	n.a	(71,6%)
Increase in shareholders' equity and similar	-	-	-	n.a	n.a
Capital increase, contributions	-	-	-	n.a	n.a
Investment grants	-	-	-	n.a	n.a
Increase in financial debt	690,0	999,5	640,7	44,9%	(35,9%)
Total - Stable Resources	954,0	1 124,3	787,3	17,8%	(30,0%)
Acquisition (Purchase of) and increase in capital assets	101,5	28,0	5,0	(72,4%)	(82,1%)
Acquisition of intangible assets	2,4	0,8	0,2	(66,1%)	(69,9%)
Acquisition of property, plant and equipment	1,5	3,2	1,8	>100%	(45,0%)
Acquisition of financial fixed assets	96,9	4,2	3,0	(95,6%)	(29,2%)
Increase in fixed assets	0,7	19,7	-	>100%	(100,0%)
Repayment of shareholders' equity	-	-	-	n.a	n.a
Repayment of financing debts	580,6	1 468,4	625,0	>100%	(57,4%)
Write-offs	6,8	20,2	0,1	>100%	(99,7%)
Total - Stable Jobs	689,0	1 516,6	630,0	>100%	(58,5%)
				<i>n.a</i>	<i>n.a</i>
Change in Total Financing Requirement (Excluding SIS¹)	303,6	(637,1)	280,8	n.a	n.a
Change in cash	(38,6)	244,7	(123,6)	n.a	n.a
Net cash	134,5	379,2	255,4	>100%	(32,6%)

Source : Résidences Dar Saada

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¹ Securities and Investment Securities

1.2. Consolidated Accounts

Consolidated Financial Result - IAS / IFRS

In MMAD	2016	2017	2018	Var.16-17	Var.17-18
Turnover	2 075,5	1 860,1	1 440,0	(10,4%)	(22,6%)
Other Activity Income	(257,5)	(347,7)	(185,8)	35,0%	(46,6%)
Revenue from ordinary activities	1 818,0	1 512,4	1 254,2	(16,8%)	(17,1%)
Purchases consumed and external expenses	(1 178,3)	(986,5)	(765,1)	(16,3%)	(22,4%)
Staff Expenses	(72,0)	(79,6)	(74,0)	10,5%	(7,0%)
Taxes and levies	(33,2)	(64,4)	(29,2)	93,7%	(54,7%)
Other Income and Operating Expenses	(100,5)	7,6	8,1	n.a	6,8%
Net depreciation, amortization and provisions	(6,3)	(6,5)	(6,4)	3,3%	(1,6%)
Expenses of ordinary activities	(1 390,3)	(1 129,4)	(866,5)	(18,8%)	(23,3%)
Current operating income	427,6	383,1	387,7	(10,4%)	1,2%
Current REX/TO	20,6%	20,6%	26,9%	0,0 pts	6,3 pts
Assets Sale	0,1	(0,3)	18,7	n.a	n.a
Restructuring charges	-	-	-	n.a	n.a
Sale of subsidiaries and equity interests	-	-	-	n.a	n.a
Negative goodwill	-	-	-	n.a	n.a
Other non-current income & expenses	(7,7)	(9,8)	11,4	27,9%	n.a
Operating profit	420,1	373,0	417,9	(11,2%)	12,0%
REX/TO	20,2%	20,1%	29,0%	-0,2 pts	9,0 pts
Bottom line	(24,3)	(37,0)	(37,4)	52,0%	1,2%
Share in net income of companies accounted for using the equity method	-	-	-	n.a	n.a
Pre-tax income of integrated businesses	395,8	336,0	380,4	(15,1%)	13,2%
Corporate Taxes	(32,2)	(5,3)	(53,8)	(83,5%)	>100%
Deferred Tax	1,3	(0,4)	0,8	n.a	n.a
Net Income of Integrated Businesses	364,8	330,3	327,4	(9,5%)	(0,9%)
Share in results of companies accounted for by the equity method	-	-	-	n.a	n.a
Net income from continuing operations	364,8	330,3	327,4	(9,5%)	(0,9%)
Net income from discontinued operations	-	-	-	n.a	n.a
Result of the Consolidated Income	364,8	330,3	327,4	(9,5%)	(0,9%)
Minority interests	-	-	-	n.a	n.a
Net Income – Group Share	364,8	330,3	327,4	(9,5%)	(0,9%)
Net Margin (NI/TO)	17,6%	17,8%	22,7%	0,2 pts	5,0 pts

Source : Résidences Dar Saada

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Consolidated Balance-Sheet - IAS / IFRS

The below table outlines the main balance-sheet consolidated indicators of the Group *Résidences Dar Saada* over the period 2016-2018:

In MMAD	2016	2017	2018	Var.16-17	Var.17-18
Goodwill	-	-	-	n.a	n.a
Intangible assets	8,6	8,5	8,0	(0,9%)	(6,6%)
Property, plant and equipment	85,5	96,3	83,6	12,7%	(13,2%)
Investment properties	-	-	-	n.a	n.a
Long Term Loans	-	-	-	n.a	n.a
Equity-accounted securities	-	-	-	n.a	n.a
Securities available for sale	0,1	0,1	0,1	-	-
Other financial assets	2,1	3,4	4,7	59,0%	38,8%
Total financial assets	2,2	3,4	4,7	57,6%	38,3%
Deferred tax assets	33,4	35,5	35,6	6,4%	0,4%
Total non-current asset	129,6	143,7	131,9	10,9%	(8,2%)
Inventories and Net Outstandings	5 280,5	5 027,5	5 075,3	(4,8%)	0,9%
Net Receivables	971,7	753,3	825,4	(22,5%)	9,6%
Other Third Parties	1 703,5	1 898,3	2 067,3	11,4%	8,9%
Receivables on disposals of short-term assets	-	-	-	n.a	n.a
Short term loans	-	-	-	n.a	n.a
Cash and cash equivalents	391,9	570,7	579,8	45,6%	1,6%
Total current assets	8 347,5	8 249,9	8 547,7	(1,2%)	3,6%
Non current assets available for sale	-	-	-	n.a	n.a
Total assets	8 477,1	8 393,6	8 679,7	(1,0%)	3,4%
Equity	1 310,4	1 310,4	1 310,4	-	-
Issuance and merger premiums	1 107,2	1 107,2	1 107,2	-	-
Stocks/Reserves	944,5	1 223,9	1 412,7	29,6%	15,4%
Reserves related to the var. in fair value of financial instruments	-	-	-	n.a	n.a
Reserves related to staff benefits	-	-	-	n.a	n.a
Fiscal Year Income	364,8	330,4	327,4	(9,5%)	(0,9%)
Exchange Differentials	-	-	-	n.a	n.a
Group Share Equity	3 727,0	3 971,9	4 157,8	6,6%	4,7%
Minority Reserves	0,2	0,2	0,1	0,7%	(1,3%)
Minority Results	-	(0,0)	(0,0)	n.a	(50,0%)
Equity Shareholders' Equity	0,2	0,1	0,1	(22,0%)	12,8%
Equity	3 727,2	3 972,0	4 157,9	6,6%	4,7%
Subordinated Notes with Indefinite Duration	-	-	-	n.a	n.a
Bonds Convertible into Shares	-	-	-	n.a	n.a
Other long-term Debts	808,5	2 071,1	2 019,6	>100%	(2,5%)
Indebtedness linked to long-term Financing Leases	55,6	62,1	58,0	11,6%	(6,6%)
Deferred Tax Liabilities	7,7	10,2	9,5	32,6%	(6,4%)
Provisions for non-current Risks and Charges	-	-	-	n.a	n.a
Total Non-Current Liabilities	871,7	2 143,3	2 087,1	>100%	(2,6%)
suppliers	813,1	680,2	682,8	(16,3%)	0,4%
Other third parties and corporation tax	932,7	713,0	613,2	(23,6%)	(14,0%)
Provisions for current risks and charges	0,2	0,3	0,2	26,9%	(34,0%)
Short-term financial debts (incl. Finance lease)	1 946,4	843,8	889,7	(56,6%)	5,4%
Banks	185,7	40,9	248,8	(78,0%)	>100%
Total Current Liabilities	3 878,2	2 278,3	2 434,6	(41,3%)	6,9%
Liabilities relating to non-current assets available for sale	-	-	-	n.a	n.a
Total liabilities	8 477,1	8 393,6	8 679,7	(1,0%)	3,4%

Source : Résidences Dar Saada

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Table of Cash Flow - IAS / IFRS

In MMAD	2016	2017	2018	Var.16-17	Var.17-18
Cash flow from operating activities					
Net income of consolidated companies	364,8	330,3	327,4	-9,50%	-0,90%
Elimination of non-cash and non-operating income and expenses	98,4	-	-	-100,00%	n.a
Consolidated net allocations	5,7	6,2	5,8	8,20%	-5,20%
Change in deferred taxes	-1,3	0,4	-0,8	n.a	n.a
Capital gains or losses on disposals, net of tax	-0,1	0	-18,8	n.a	n.a
Other non-cash impacts	-	-	-	n.a	n.a
Cash flow from operations of consolidated companies	467,5	336,9	313,7	-27,90%	-6,90%
Dividends received	-	-	-	n.a	n.a
Change in working capital requirements	778,6	-76	-386,1	n.a	>100%
Net cash flow from operating activities	1 246,10	260,8	-72,4	-79,10%	n.a
Net cash flow from investing activities					
				n.a	n.a
Acquisitions of fixed assets, net of tax	-61	-17,2	-5,1	-71,80%	-70,30%
Disposals of fixed assets, net of tax	0,2	0	31,2	-79,00%	>100%
Change in financial fixed assets	-0,7	-1,3	-1,3	78,60%	4,60%
Impact of changes in the scope of consolidation	-98,4	-0,1	-	-99,90%	-100,00%
Net cash flow from investing activities	-159,9	-18,5	24,8	-88,40%	n.a
Cash flows from financing activities					
				n.a	n.a
Dividend distribution	-180,8	-85,4	-141,5	-52,70%	65,60%
Capital increase	-	-	-	n.a	n.a
Issuance of borrowings net of repayments	-945,1	166,7	-9,6	n.a	n.a
Net cash flow from financing activities	-1 125,90	81,2	-151,1	n.a	n.a
Change in cash and cash equivalents	-39,7	323,6	-198,7	n.a	n.a
Opening cash position	246,1	206,2	529,8	-16,20%	>100%
Closing cash position	206,4	529,8	331	>100%	-37,50%


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II. HALF-YEAR ACCOUNTS

2.1. Company/Corporate Accounts Financial Statements as of 30/06/2019

Income Statement

The below table outlines the historical data of the income and expense account of Résidences Dar Saada S.A. for the first semesters of 2018 and 2019:

In MMAD	S1 2018	S1 - 2019	Var. S1 19-18
Operating Revenues	331,8	331,9	0,0%
Sales of goods and services produced	257,3	612,9	>100%
Change in product inventories	74,2	(281,1)	n.a
Operating write-backs: transfer of expenses/charges	0,3	0,0	(93,0%)
Operating Expenses	239,8	191,8	(20,0%)
Consumed purchases of goods and supplies	134,3	113,4	(15,5%)
Other external expenses	55,5	32,7	(41,1%)
Taxes and levies	1,7	5,3	>100%
Personnel expenses	39,0	35,8	(8,4%)
Operating allocations	9,3	4,6	(50,7%)
Operating Income	92,0	140,0	52,2%
Financial income	64,7	114,5	77,0%
Financial expenses	71,1	69,4	(2,4%)
Financial income	(6,4)	45,1	>100%
Current income	85,6	185,1	>100%
Non-current income	0,1	2,6	>100%
Non-current expenses	4,3	5,9	37,9%
Non-current result	(4,2)	(3,3)	(21,1%)
Profit before tax	81,4	181,8	>100%
Income tax expense	9,2	30,7	>100%
Net income	72,2	151,1	>100%

Source : Résidences Dar Saada

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Balance-Sheet

In MMAD	2018	S1- 2019	Var. S1 19-18
Fixed assets in non-value	15,1	12,3	(18,5%)
Intangible Assets	7,9	7,7	(2,7%)
Tangible Assets	11,8	11,0	(6,2%)
Financial Assets	382,0	381,4	(0,2%)
Fixed Asset	416,7	412,3	(1,1%)
Stocks	3 728,2	3 551,2	(4,7%)
Receivables from circulating assets	3 183,1	3 527,3	10,8%
Exchange rates - Assets	-	0,0	n.a
Circulating assets	6 911,3	7 078,6	2,4%
Cash Assets	388,2	272,3	(29,9%)
Assets	7 716,2	7 763,2	0,6%
Equity capital	4 307,6	4 380,1	1,7%
Social or personal capital	1 310,4	1 310,4	-
Issuance, merger and contribution premiums	1 139,4	1 139,4	-
Legal reserves	116,9	130,3	11,4%
Other reserves	404,6	404,6	-
Carry-Forward	1 069,4	1 244,3	16,4%
Net Result of the Fiscal Year	266,9	151,1	(43,4%)
Financial Debts	1 978,8	1 832,2	(7,4%)
*Bond Issues	250,0	250,0	-
*Other Financing Debts	1 728,8	1 582,2	(8,5%)
Total Permanent Financing	6 286,4	6 212,3	(1,2%)
Accounts Payable	649,3	507,3	(21,9%)
Accounts Payable, Advances and Down Payments	161,9	148,1	(8,5%)
Staff	6,8	7,4	9,0%
Social Organizations	2,6	2,6	0,3%
State	277,3	221,4	(20,2%)
Associates' Accounts	22,2	90,0	>100%
Other Creditors	127,1	91,6	(27,9%)
Regularization Accounts – Liabilities	49,8	65,7	32,0%
Other Provisions For R&D	0,2	0,3	37,4%
Passive Conversion Difference (Circ. Elts)	-	-	n.a
Circulating Liabilities	1 297,2	1 134,4	(12,5%)
Liability cash	132,6	416,4	>100%
*Discount credit	-	-	n.a
*Cash Credits	40,0	280,0	>100%
*Banks	92,6	136,4	47,3%
Total liabilities	7 716,2	7 763,2	0,6%

Source : Résidences Dar Saada

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Financing Table

In MMAD	2018	S1 2019	Var.18 - S1 19
Self-Financing Capacity	256,8	155,6	(39,4%)
- Distribution of profits/dividends	(141,5)	78,6	n.a
Self-financing	115,2	234,2	>100%
Disposal/Sale and reduction of fixed assets	31,4	0,7	(97,9%)
Disposals/Sale of intangible assets	-	-	n.a
Disposals/Sale of property, plant and equipment	31,2	-	(100,0%)
Disposals of financial assets	-	-	n.a
Recovery of fixed assets	0,1	0,7	>100%
Increase in shareholders' equity and similar	-	-	n.a
Capital increase, contributions	-	-	n.a
Investment grants	-	-	n.a
Increase in financial debt	640,7	111,2	(82,6%)
Total - Stable Resources	787,3	346,0	(56,0%)
Acquisition (Purchase of) and increase in capital assets	5,0	0,7	(85,2%)
Acquisition of intangible assets	0,2	-	(100,0%)
Acquisition of property, plant and equipment	1,8	0,7	(58,0%)
Acquisition of financial fixed assets	3,0	-	(100,0%)
Increase in fixed assets	-	-	n.a
Repayment of shareholders' equity	-	-	n.a
Repayment of financing debts	625,0	257,7	(58,8%)
Write-offs	0,1	-	(100,0%)
Total - Stable Jobs	630,0	258,5	(59,0%)
			n.a
Change in Total Financing Requirement (excluding SIS¹)	280,9	330,0	17,5%
Change in cash and cash equivalents	(123,7)	(399,7)	>100%
Net cash and cash equivalents	255,6	(144,1)	n.a

Source : Résidences Dar Saada

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¹ Securities and Investment Securities

2.2. Consolidated accounts

Consolidated income statement

In MMAD	S1 - 2018	S1 - 2019	Var. S1 18-19
Sales figures	411,9	616,4	49,7%
Other products of the activity	76,9	(260,8)	n.a
Revenue from ordinary activities	488,8	355,6	(27,3%)
Purchases consumed and external charges	(323,6)	(168,1)	(48,0%)
Staff costs	(39,1)	(37,1)	(5,0%)
Dues and taxes	(3,0)	(5,6)	84,5%
Other income and operating expenses	3,6	4,7	32,3%
Net depreciation. amortization and provisions	(3,1)	(5,5)	78,2%
Expenses of ordinary activities	(365,2)	(211,7)	(42,0%)
Current operating income	123,6	143,9	16,5%
Disposals of assets	(0,1)	-	(100,0%)
Restructuring charges	-	-	n.a
Disposals of subsidiaries and equity interests	-	-	n.a
Negative goodwill	-	-	n.a
Other non-current income & expenses	(4,0)	(4,0)	0,1%
Operating profit	119,4	139,9	17,2%
bottom line	(10,1)	(26,5)	>100%
Share in net income of companies accounted for using the equity method	-	-	n.a
Pre-tax income of integrated businesses	109,3	113,4	3,8%
Corporate tax	(10,1)	(30,8)	>100%
Deferred tax	1,7	1,1	(34,8%)
Net income of integrated businesses	100,9	83,7	(17,0%)
Share in results of companies accounted for by the equity method	-	-	n.a
Net income from continuing operations	100,9	83,7	(17,0%)
Net income from discontinued operations	-	-	n.a
Result of the Consolidated Group	100,9	83,7	(17,0%)
Minority Interests	(0,1)	(0,0)	(85,1%)
Net Income Group Share	101,0	83,7	(17,1%)
<i>Net Margin</i>	<i>24,5%</i>	<i>13,6%</i>	<i>(10,9pts)</i>
Consolidated net income			
Other comprehensive income (loss)	-	-	n.a
Currency conversion/translation adjustment	-	-	n.a
Revaluation of translation derivatives	-	-	n.a
Revaluation of available-for-sale financial assets	-	-	n.a
Revaluation of fixed assets	-	-	n.a
Actuarial gains and losses on defined benefit plans	-	-	n.a
Share of comprehensive income of MEE companies, net of tax	-	-	n.a
Tax effect	-	-	n.a
Total other comprehensive income (loss) [net of tax]	-	-	n.a
Overall result	101,0	83,7	(17,1%)
Of which group share	101,0	83,7	(17,1%)
Of which minority interests	(0,1)	(0,0)	(85,1%)

Source : Résidences Dar Saada

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Consolidated Balance-Sheet

In MMAD	2018	S1 - 2019	Var. S1 18-19	% total assets
Goodwill	-	-	n.a	-
Intangible Assets	8,0	7,7	(3,2%)	0,1%
Property, Plant and Equipment	83,6	100,6	20,4%	1,2%
Investment Properties	-	-	n.a	-
Long Term Loans	-	-	n.a	-
Equity-accounted securities	-	-	n.a	-
Securities available for sale	0,1	0,1	(0,0%)	0,0%
Other financial assets	4,7	4,1	(11,8%)	0,0%
Total financial assets	4,7	4,2	(11,7%)	0,0%
Deferred tax assets	35,6	36,8	3,2%	0,4%
Total non-current assets	131,9	149,3	13,2%	1,7%
Inventories and Net Outstandings	5 075,3	4 913,4	(3,2%)	56,7%
Net Receivables	825,4	806,1	(2,3%)	9,3%
Other Third Parties	2 067,3	2 355,7	14,0%	27,2%
Receivables on disposals of short-term assets	-	-	n.a	-
Short Term Loans	-	-	n.a	-
Cash and Cash Equivalents	579,8	444,9	(23,3%)	5,1%
Total Current Assets	8 547,7	8 520,1	(0,3%)	98,3%
Non-Current Assets Available for Sale	-	-	n.a	-
Total Assets	8 679,7	8 669,4	(0,1%)	100,0%
Capital	1 310,4	1 310,4	-	15,1%
Issuance and merger premiums	1 107,2	1 107,2	-	12,8%
Stocks	1 412,7	1 662,7	17,7%	19,2%
Reserves related to the change of financial instruments	-	-	n.a	-
Reserves related to employee benefits	-	-	n.a	-
Fiscal Year Income	327,4	83,7	(74,4%)	1,0%
Exchange Differentials	-	-	n.a	-
Group Share Equity	4 157,8	4 164,0	0,2%	48,0%
Minority Reserves	0,1	0,1	(11,5%)	0,0%
Minority Income	(0,0)	(0,0)	(52,3%)	(0,0%)
Equity Shareholders' Equity	0,1	0,1	(6,2%)	0,0%
Equity	4 157,9	4 164,2	0,2%	48,0%
Subordinated Notes with Indefinite Duration	-	-	n.a	-
Bonds Convertible into Shares	-	-	n.a	-
Other long-term debts	2 019,6	2 020,9	0,1%	23,3%
Indebtedness linked to long-term financing leases	58,0	73,5	26,8%	0,8%
Deferred Tax Liabilities	9,5	9,5	0,1%	0,1%
Provisions for Non-Current Risks and Expenses	-	0,0	n.a	0,0%
Total Non-Current Liabilities	2 087,1	2 103,9	0,8%	24,3%
Suppliers	682,8	533,1	(21,9%)	6,1%
Other third parties and Corporate Tax	613,2	609,8	(0,6%)	7,0%
Provisions for Current Risks and Charges	0,2	0,3	35,0%	0,0%
Short-term financial debts (incl. Finance Lease)	889,7	721,5	(18,9%)	8,3%
Banks	248,8	536,7	>100%	6,2%
Total Current Liabilities	2 434,6	2 401,4	(1,4%)	27,7%
Liabilities relating to non-current assets available for sale	-	-	n.a	-
Total Liabilities	8 679,7	8 669,4	(0,1%)	100,0%

Source : Résidences Dar Saada

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Consolidated Cash Flow Statement

In MMAD	2018	S1 2019	Var.18- S1 19
Cash flow from operating activities			
Net income of consolidated companies	327,4	83,7	(74,4%)
Elimination of non-cash and non-operating income and expenses	0,0	0,0	<i>n.a</i>
Consolidated net allocations	5,8	5,2	(10,3%)
Change in deferred taxes	-0,8	-1,1	44,5%
Capital gains or losses on disposals, net of tax	-18,8	0,0	(100,0%)
Other non-cash impacts	0,0	0,0	<i>n.a</i>
Cash flow from operations of consolidated companies	313,7	87,8	(72,0%)
Dividends received	0,0	0,0	<i>n.a</i>
Change in working capital requirements	-386,1	-260,3	(32,6%)
Net cash flow from operating activities	-72,4	-172,5	>100%
Net cash flow from investing activities			
			<i>n.a</i>
Acquisitions of fixed assets, net of tax	-5,1	-22,0	>100%
Disposals of fixed assets, net of tax	31,2	0,0	(100,0%)
Change in financial fixed assets	-1,3	0,6	<i>n.a</i>
Impact of changes in the scope of consolidation	0,0	1,1	<i>n.a</i>
Net cash flow from investing activities	24,8	-20,3	<i>n.a</i>
Cash flows from financing activities			
Dividend distribution	-141,5	-78,6	(44,4%)
Capital increase	0,0	0,0	<i>n.a</i>
Issuance of borrowings net of repayments	-9,6	-151,4	>100%
Net cash flow from financing activities	-151,1	-230,0	(52,2%)
Change in cash and cash equivalents	-198,7	-422,8	>100%
Opening cash position	529,8	331,0	(37,5%)
Closing cash position	331,0	-91,8	<i>n.a</i>

Source : Résidences Dar Saada

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PART IV: RISK FACTORS

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

This summary prospectus 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 MAD 250.000.

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.

RISK OF CHANGE

RDS is exposed to a foreign exchange risk resulting from the transactions made abroad, particularly in Gabon and Ivory Coast. Indeed, the Company is exposed to foreign exchange risk DH/FCFA.

LIQUIDITY RISK

In the event of structural disruption of the RDS business, the company may find it impossible to obtain liquidity under normal volume and rate conditions. In such a case, the needs of future refinancing may reduce the projected margins.

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DISCLAIMER

The information above is only a part of the information given in the prospectus approved by the AMMC (Moroccan Authority of Capital Market) under reference n° VI/EM/039/2019 on 26/12/2019.

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

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