



RESIDENCES DAR SAADA S.A.

PROSPECTUS SUMMARY COMMERCIAL PAPER ISSUANCE PROGRAM

Annual update relating to financial year 2017

Issuance program ceiling: 500 000 000 DH

Nominal value: 100 000 DH

Advisory Bodies



Investment Syndicate



Visa 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/040/2018 on 28 December 2018.

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 Authority for the Capital Market approved, on 28/12/2018 a prospectus summary for a commercial paper program, subject to a limit of (MAD 500,000,000).

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.

PART I: OVERVIEW OF THE OPERATION

I. OBJECTIVES OF THE 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 COMMERCIAL PAPERS TO BE ISSUED

The characteristics of the commercial papers 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
Outstanding amount as of 15th October 2018	MMAD 70
Nominal value	MAD 100 000
Maturity	From 10 days to 12 months
Vesting date	At the settlement date
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 commercial papers.
Principal payment	<i>In fine</i> , that is on each Coupon's maturity.
Assimilation clause	There is no assimilation of the commercial paper that are to be issued under the present prospectus to any securities in any previous issue.
Guarantee	The commercial paper 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	Upline Corporate Finance	162, Angle Bd d'Anfa et rue Molière, Casablanca
	CFG Finance	5-7, Rue Ibnou Toufail, 20100 Casablanca
Bodies in charge of underwriting	BCP	101, Bd Zerktouni, Casablanca
	CFG Bank	5-7, Rue Ibnou Toufail, 20100 Casablanca
Domiciliating institution in charge of the financial service of the Issuer	CFG Marchés	5-7, Rue Ibnou Toufail, 20100 Casablanca

PART II: GENERAL OVERVIEW OF THE ISSUER

I. GENERAL INFORMATION

	Description
Corporate name	Résidences Dar Saada S.A.
Registered office	Quartier Marina, Tour Crystal 3, 6 th , 7 th , 8 th 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. <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>
Financial year	The financial year starts on 1 st January and ends on 31 December
Share capital (as of 30 September 2018)	1,310,442,500 MAD, comprised of 26,208,850 shares with a nominal value of 50 MAD
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 and supplemented 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°1268-08 of 7 July 2008 amended and supplemented by decrees of the Minister of Economy and Finance, n°1156-10 of 07 April 2010, n°30-14 of 06 January 2014, and n°1955-16 of 04 July 2016 ;
- 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 Authority of Capital Markets;
- 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 (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 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.

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 history of share holders' of *Résidences Dar Saada* over the last 4 years.

Name or corporate purpose of the shareholders	2015		2016		2017		30 sept 2018	
	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	1 803 456	6,9%	-	-	-	-	-	-
Hicham Berrada Sounni	361 296	1,4%	-	-	-	-	-	-
Saad Berrada Sounni	361 296	1,4%	-	-	-	-	-	-
Naima Benmoussa	360 864	1,4%	-	-	-	-	-	-
Nabila Berrada Sounni	360 864	1,4%	-	-	-	-	-	-
Hanaa Berrada Sounni	360 864	1,4%	-	-	-	-	-	-
B Participation	-	-	3 608 640	13,8%	3 608 640	13,8%	3 608 640	13,8%
Palmeraie Développement Group	10 800 000	41,2%	10 800 000	41,2%	10 407 403	39,7%	10 223 403	39,0%
North Africa Holding Company	2 186 146	8,3%	2 186 146	8,3%	2 022 136	7,7%	2 022 136	7,7%
Aabar Investments PJSC	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%	728 716	2,8%	-	-	-	-
Wafa Assurance	728 716	2,8%	728 716	2,8%	-	-	-	-
Idraj SCA	728 716	2,8%	728 716	2,8%	-	-	-	-
Floating stock	5 241 770	20,0%	5 241 770	20,0%	7 984 525	30,5%	8 168 525	31,2%
Total	26 208 850	100,0%	26 208 850	100,0%	26 208 850	100,0%	26 208 850	100,0%

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 September 2018, the Board of Administrators is composed of the following people:

Name	Role	Start or renewal date	Expiration date
Mr. Hicham Berrada Sounni	Chairman of the Board	03-june-16	OGM approving the financial statements of 2021
Mr. Abdelali Berrada Sounni	Administrator	03-june-16	OGM approving the financial statements of 2021
Mr. Saad Berrada Sounni	Administrator	03-june-16	OGM approving the financial statements of 2021
Mr. Majid Benmlih	Administrator	29-june-17	OGM approving the financial statements of 2022
Mr. Mohamed Ben Ouda	Administrator	13-june-18	OGM approving the financial statements of 2022
Mr. Adil Douiri	Independent Administrator	29-june-17	OGM approving the financial statements of 2022
North Africa Holding (represented by Mr. Triq Mohamed Youssef Abdulsalam)	Administrator	29-june-17	OGM approving the financial statements of 2022
Aabar Investment PJS (represented by Cryll Karim Latroche)	Administrator	29-june-17	OGM approving the financial statements of 2022

Source: Résidences Dar Saada

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

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

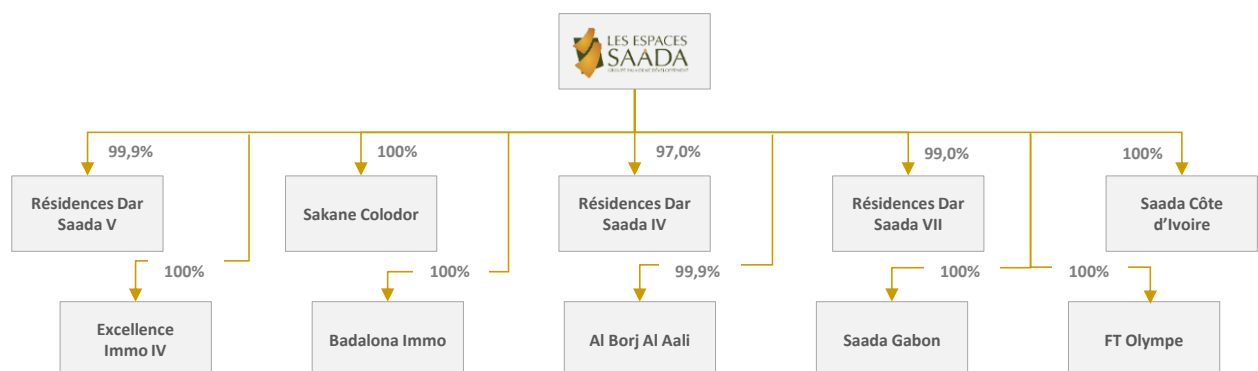
As of September 30, 2018, the Chairman of the Board (of Directors) also holds the following positions in other Group companies:

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

Source: Résidences Dar Saada

IV. Subsidiaries of Résidences Dar Saada

As of 30 June 2018, the management structure of Résidences Dar Saada is as follows:



Source: Résidences Dar Saada

PART III: ACTIVITY OF RESIDENCES DAR SAADA

I. PRESENTATION OF THE REAL-ESTATE PROGRAMS AND THE LAND RESERVE AS OF 31 DECEMBER 2017

The below table gives an overview of the various real-estate programs and the land reserve of *Résidences Dar Saada* as of 31 December 2017:

Project ¹	Company leading the project	Surface (in hectares)	Global Offer (in Units)	Marketing Start	Delivery Due Date
Projects realized		369	46 392		
Casablanca		174	22 303		
Mediouna (lot)	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 (realized tranches)**	RDS SA	63	7 893	2 012	2 014
Jnane El Menzeh (realized tranches)	RDS SA	23	396	2 012	2 015
Dyar Al Ghofrane (realized tranches)	RDS SA	24	3 568	2 013	2 016
Panorama 1 (realized tranches)		11	2 845	2 014	2 017
Fes		74	4 413		
Bouhayrat Saiss (realized tranches)	RDS SA	74	4 413	2 012	2 013
Marrakesh		77	10 462		
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
TargaResort (realized tranches)	RDS SA	11	1 786	2 013	2 015
Agadir		15	3 339		
Adrar Ilôt 5	RDS SA	2	403	2 010	2 014
Adrar Ilôt 8	RDS SA	1	724	2 010	2 012
Adrar 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
Tangier		13	3 182		
• Jardins de l'Atlantique (Ilôt 19) (Jnane El Boughaz)	RDS SA	5	1 063	2 009	2 014
Dyar El Boughaz (Ilôt 20)	RDS SA	4	770	2 009	2 014
Dyar El Boughaz (Ilôt 14)	RDS SA	4	1 349	2 012	2 015
Skhirat		4	796		
Jawharat Skhirat (realized tranches)	Excellence Immo IV	4	796	2 013	2 015
Martil		6	1 626		
Martil 1	Badalona	6	1 626	2 014	2 017
Oujda		6	271		
Oujda (realized tranches)	Sakan Colodor	6	271	2 014	2 017
Projects under construction		179	13 902		
Casablanca		80	2 950		
OuladAzzouz	RDS SA	5	101	2 012	2 014
Jnane El Menzeh**	RDS SA	33	562	2 012	2 015
Dyar Al Ghofrane	RDS SA	13	236	2 013	2 016
Panorama 1	RDS SA	3	490	2 014	2 017
Tamaris	RDS SA	21	746	2 016	2 018
Ben Tachfine	RDS VII	4	815	2 017	2 019
Fes		50	2 999		
Bouhayrat Saiss**	RDS SA	50	2 999	2 012	2 013
Marrakesh		7	2 033		
Targa Resort	RDS SA	2	78	2 013	2 015
Dyar Nakhil		5	1 955	2 017	2 018
Skhirat		6	1 436		
JawharatSkhirat	Excellence Immo IV	6	1 436	2 013	2 015
Oujda		21	1 438		
Oujda	Sakan Colodor	21	1 438	2 014	2 017
Martil		15	3 056		
Martil 1	Badalona	4	758	2 014	2 017
Martil 2	RDS SA	10	2 296	2 016	2 018
Projects under development		317	36 304		
Casablanca		216	22 885		
Sania**	RDS V	22	2 251	2 022	2 024
Arraha**	RDS IV	16	2 402	2 022	2 024
Laassilate***	RDS SA	115	5 830	2 022	2 024
Dyar Al Ghofrane 2	RDS SA	36	6 959	2 018	2 020
Panorama 2	RDS SA	14	2 640	2 018	2 020
Lomo*	RDS SA	13	2 803	2 018	2 019

¹ *Oh which 8,5 ha definitively sold

**Some packages of these projects have been securitized in 2017

*** land pledged as collateral for a bond issue in 2017

Agadir		3	260		
Adrar Ilôt 8 extension	RDS SA	3	260	2 020	2 022
Marrakesh		20	4 836		
Azzouzia	RDS SA	16	2 205	2 020	2022
Petit Azzouzia	RDS SA	3	2 202	2 020	2 022
Dyar Hamra	RDS SA	2	429	2 019	2 022
Martil		37	6 326		
Martil 3	AL Borj Al Ali	37	6 326	2 018	2 020
Afrique		41	1 997		
Côte d'Ivoire	Saada Côte d'Ivoire	41	1 997	2 018	2 020
S/ Total Real-Estate Projects		865	96 598		
S/Total Land Reserve		210			
S/ Total Real-Estate Projects		1 075			

Source: Résidences Dar Saada

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 MMAD	2014	2015	2016	Agg 2015-2017
Sale of houses and similar products	1 714	2 068	1 860	5 642
<i>% of variation</i>		<i>21%</i>	<i>-10%</i>	
Economical housing units	1 182	1 249	1 684	4 115
<i>in % of the total</i>	<i>69%</i>	<i>60%</i>	<i>35%</i>	
Medium-standard accommodations	109	79	19	207
<i>in % of the total</i>	<i>6%</i>	<i>4%</i>	<i>-76%</i>	
Residences and land	352	611	74	1 037
<i>in % du total</i>	<i>21%</i>	<i>30%</i>	<i>-88%</i>	
Villas	12	42	6	60
<i>in % du total</i>	<i>1%</i>	<i>2%</i>	<i>-86%</i>	
Shops and other	60	88	78	226
<i>in % of the total</i>	<i>4%</i>	<i>4%</i>	<i>-11%</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	2015	2016	2017	Agg 2015-2017
Deliveries	5 695	6 761	7 217	19 673
<i>% of variation</i>		<i>19%</i>	<i>7%</i>	
Economical housing units	4 827	5 088	6 898	16 813
<i>in % of the total</i>	<i>85%</i>	<i>75%</i>	<i>96%</i>	
Medium-standard accommodations	246	195	44	485
<i>in % of the total</i>	<i>4%</i>	<i>3%</i>	<i>1%</i>	
Residences and land	438	1 067	69	1 574
<i>in % du total</i>	<i>8%</i>	<i>16%</i>	<i>1%</i>	
Villas	9	38	5	52
<i>in % du total</i>	<i>0%</i>	<i>1%</i>	<i>0%</i>	
Shops and other	175	373	201	749
<i>in % of the total</i>	<i>3%</i>	<i>6%</i>	<i>3%</i>	

Source: Résidences Dar Saada

Over the last three financial years, *Résidences Dar Saada* has delivered 19 673 units for an aggregate turnover of MMAD 5 642.

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*.

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)*.

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 2015-2017:

In MMAD	2015	2016	2017	Var.15-16	Var.16-17
Written-off Fixed Assets	31.0	25.3	29.7	(18.5%)	17.6%
Intangible Assets	6.2	7.9	8.1	26.5%	3.1%
Fixed Assets	18.3	16.1	15.8	(11.7%)	(2.2%)
Investments	258.3	355.9	379.3	37.8%	6.6%
Fixed Assets	313.8	405.1	433.0	29.1%	6.9%
Stocks	4 777.2	4 507.1	3 666.7	(5.7%)	(18.6%)
Receivables in current assets	2 317.5	2 974.8	2 942.2	28.4%	(1.1%)
Securities and investment securities	-	-	-	<i>n.a</i>	<i>n.a</i>
Translation adjustments Assets(Curr Assets)	-	0.0	-	<i>n.a</i>	<i>n.a</i>
Current Assets	7 094.6	7 481.9	6 608.9	5.5%	(11.7%)
Cash Assets	326.0	320.2	420.2	(1.8%)	31.2%
Assets	7 734.5	8 207.3	7 462.0	6.1%	(9.1%)
Equity	3 830.9	4 077.9	4 182.3	6.4%	2.6%
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	63.1	86.0	107.4	36.3%	24.9%
Other Reserves	404.6	404.6	404.6	-	-
Retained earnings	454.9	709.6	1 030.6	56.0%	45.2%
Net income for the year	458.5	427.8	189.8	(6.7%)	(55.6%)
Minority interest	-	-	-	<i>n.a</i>	<i>n.a</i>
Financing debts	2 322.7	2 432.0	1 963.1	4.7%	(19.3%)
Permanent Total Funding	6 153.6	6 509.9	6 145.4	5.8%	(5.6%)
Accounts payable	652.1	784.3	615.7	20.3%	(21.5%)
Advance payments from customers, deposits and advances	534.0	402.9	243.6	(24.6%)	(39.5%)
Staff	5.7	5.4	6.1	(4.7%)	11.9%
Social organizations	2.8	3.6	2.8	31.1%	(22.1%)
State	196.4	222.2	232.9	13.2%	4.8%
Associates accounts	-	13.6	7.1	<i>n.a</i>	(47.6%)
Other creditors	4.6	44.1	112.9	> 100%	> 100%
Regularization accounts –Liabilities	31.9	35.3	54.3	10.9%	53.6%
Other Provisions For R&C	0.5	0.2	0.3	(54.8%)	21.4%
• Conversion gains Liabilities (Curr Assets)	-	-	-	<i>n.a</i>	<i>n.a</i>
Current Liabilities	1 428.0	1 511.7	1 275.7	5.9%	(15.6%)
Liabilities Cash-flow	152.9	185.7	40.9	21.4%	(78.0%)
Total Liabilities	7 734.5	8 207.3	7 462.0	6.1%	(9.1%)

Source: *Résidences Dar Saada*

2. PROFIT AND LOSS STATEMENT

The below table outlines the historical data of the statement of cash flows for the group *Résidences Dar Saada* for the years 2015, 2016 and 2017:

In MMAD	2015	2016	2017	Var.15-16	Var.16-17	TCAM 15-17
Turnover	1 754.7	1 921.5	1 823.8	9.5%	(5.1%)	2.0%
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>
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	1 754.7	1 921.5	1 823.8	9.5%	(5.1%)	2.0%
Product inventory variation	(261.6)	(403.9)	(1 090.5)	54.4%	> 100%	> 100%
Production of the fiscal year	1 493.0	1 517.6	733.3	1.6%	(51.7%)	(29.9%)
Purchases of consumed materials and supplies	(759.9)	(825.1)	(479.4)	8.6%	(41.9%)	(20.6%)
Other external charges	(115.6)	(114.9)	(117.4)	(0.5%)	2.1%	0.8%
Consumption of the fiscal year	(875.5)	(940.1)	(596.8)	7.4%	(36.5%)	(17.4%)
Added Value	617.6	577.6	136.5	(6.5%)	(76.4%)	(53.0%)
AV/TO	35.2%	30.1%	7.5%	-5.1 pts	-22.6 pts	-22.6 pts
Dues and Taxes	(31.9)	(31.5)	(50.4)	(1.4%)	60.2%	25.7%
Personnel Expenses	(67.6)	(72.0)	(79.6)	6.6%	10.5%	8.5%
EBITDA	518.1	474.0	6.5	(8.5%)	(98.6%)	(88.8%)
EBITDA/TO	29.5%	24.7%	0.4%	-4.9 pts	-24.3 pts	-24.3 pts
Operating write-backs	1.3	9.8	242.5	> 100%	> 100%	> 100%
Operating reversals	(20.1)	(17.5)	(20.2)	(13.0%)	15.2%	0.1%
	-	-	(27.7)		-	-
Operating income	499.2	466.3	201.2	(6.6%)	(56.9%)	(36.5%)
Operating margin (OM/TO)	28.4%	24.3%	11.0%	-4.2 pts	-13.2 pts	-13.2 pts
Financial products	155.5	161.3	165.6	3.8%	2.7%	3.2%
Financial expenses	(157.1)	(159.4)	(164.7)	1.5%	3.4%	2.4%
Financial result	(1.6)	1.9	0.9	<i>n.a</i>	(53.2%)	<i>n.a</i>
				-	-	-
Current income	497.6	468.2	202.1	(5.9%)	(56.8%)	(36.3%)
Non-recurring income	0.5	0.3	0.5	(45.9%)	86.6%	0.5%
Non-recurring expenses	(13.9)	(8.6)	(9.0)	(37.8%)	3.7%	(19.7%)
Non-recurring income	(13.4)	(8.4)	(8.5)	(37.5%)	1.0%	(20.5%)
Pre-tax income	484.2	459.9	193.7	(5.0%)	(57.9%)	(36.8%)
Income tax	(25.7)	(32.0)	(3.8)	24.5%	(88.1%)	(61.5%)
Net income	458.5	427.8	189.8	(6.7%)	(55.6%)	(35.7%)
Net margin(NI/TO)	26.1%	22.3%	10.4%	-3.9 pts	-11.9 pts	-11.9 pts

Source: *Résidences Dar Saada*

The consolidated financial statements as of December 31, 2016 are prepared in accordance with the legal and regulatory provisions applicable in Morocco as prescribed by the methodology adopted by the National Accounting Board.

For the 2017 financial year, the *Résidences Dar Saada* Group has opted for the option of publishing its consolidated financial statements in accordance with IFRS standards, for greater performance clarity and readability.

The application of IAS 1 "Presentation of Financial Statements" has modified the presentation of the Statement of Financial Position and the Statement of Comprehensive Income by giving more details in the Summary Statements section and by adopting for the Statement of Financial Position the distinction between current and non-current items.

3. CONSOLIDATED BALANCE-SHEET ANALYSIS – IAS/IFRS

The below table outlines the main balance-sheet consolidated indicators of the Group *Résidences Dar Saada* over the period 2016-2017:

In MMAD	2016	2017	Var.16-17	% Total Assets
Goodwill	-	-	n.a	0.0%
Intangible assets	8.6	8.5	(1%)	0.1%
Property, plant and equipment	85.5	96.3	13%	1.1%
Investment properties	-	-	n.a	0.0%
Long Term Loans	-	-	n.a	
Equity-accounted securities	-	-	n.a	
Securities available for sale	0.1	0.1	0.0%	
Other financial assets	2.1	3.4	59.0%	
Total financial assets	2.2	3.4	58%	0.0%
Deferred tax assets	33.4	35.5	6.4%	
Total non current asset	129.6	143.7	11%	1.7%
Inventories and Net Outstandings	5 280.5	5 027.5	(4.8%)	
Net Receivables	971.7	753.3	(22.5%)	
Other Third Parties	1 703.5	1 898.3	11.4%	
Receivables on disposals of short-term assets	-	-	n.a	
Short term loans	-	-	n.a	
Cash and cash equivalents	391.9	570.7	45.6%	
Total current assets	8 347.5	8 249.9	(1%)	98.3%
Non current assets available for sale	-	-	n.a	
Total assets	8 477.1	8 393.6	(1%)	100.0%
Equity	1 310.4	1 310.4	-	
Issuance and merger premiums	1 107.2	1 107.2	-	
Stocks/Reserves	944.5	1 223.9	29.6%	
Reserves related to the var. in fair value of financial instruments	-	-	n.a	
Reserves related to staff benefits	-	-	n.a	
Fiscal Year Income	364.8	330.4	(9.5%)	
Exchange Differentials	-	-	n.a	
Group Share Equity	3 727.0	3 971.9	7%	47.3%
Minority Reserves	0.2	0.2	0.8%	
Minority Results	0.0	(0.0)	n.a	
Equity Shareholders' Equity	0.2	0.1	(22%)	0.0%
Equity	3 727.2	3 972.0	7%	47.3%
Subordinated Notes with Indefinite Duration	-	-	n.a	
Bonds Convertible into Shares	-	-	n.a	
Other long-term Debts	808.5	2 071.1	> 100%	
Indebtedness linked to long-term Financing Leases	55.6	62.1	11.6%	

Deferred Tax Liabilities	7.7	10.2	32.6%	
Provisions for non-current Risks and Charges	-		n.a	
Total Non-Current Liabilities	871.7	2 143.3	> 100%	25.5%
suppliers	813.1	680.2	(16.3%)	
Other third parties and corporation tax	932.7	713.0	(23.6%)	
Provisions for current risks and charges	0.2	0.3	26.8%	
Short-term financial debts (incl. Finance lease)	1 946.4	843.8	(56.6%)	
Banks	185.7	40.9	(78.0%)	
Total Current Liabilities	3 878.2	2 278.3	-41%	27.1%
Liabilities relating to non-current assets available for sale	-	-	n.a	
Total liabilities	8 477.1	8 393.6	(1%)	100.0%

Source: Résidences Dar Saada

4. CONSOLIDATED FINANCIAL RESULT ANALYSIS – IAS/IFRS

In MMAD	2016	2017	Var.16-17
Turnover	2 075.5	1 860.1	(10.4%)
Other Activity Income	(257.5)	(347.7)	35.0%
Revenue from ordinary activities	1 818.0	1 512.4	(17%)
Purchases consumed and external expenses	(1 178.3)	(986.5)	(16.3%)
Staff Expenses	(72.0)	(79.6)	10.5%
Taxes and levies	(33.2)	(64.4)	93.7%
Other Income and Operating Expenses	(100.5)	7.6	n.a
Net depreciation, amortization and provisions	(6.3)	(6.5)	3.3%
Expenses of ordinary activities	(1 390.3)	(1 129.4)	(19%)
Current operating income	427.6	383.1	(10%)
Assets Sale	0.1	(0.3)	n.a
Restructuring charges	-	-	n.a
Sale of subsidiaries and equity interests	-	-	n.a
Negative goodwill	-	-	n.a
Other non-current income & expenses	(7.7)	(9.8)	27.9%
Operating profit	420.1	373.0	(11%)
Bottom line	(24.3)	(37.0)	52.0%
Share in net income of companies accounted for using the equity method	-	-	n.a
Pre-tax income of integrated businesses	395.8	336.0	(15%)
Corporate Taxes	(32.2)	(5.3)	(83.5%)
Deferred Tax	1.3	(0.4)	n.a
Net Income of Integrated Businesses	364.8	330.3	(9%)
Share in results of companies accounted for by the equity method	-	-	n.a
Net income from continuing operations	364.8	330.3	(9%)
Net income from discontinued operations	-	-	n.a
Result of the Consolidated Income	364.8	330.3	(9%)
Minority interests	0.0	(0.0)	n.a
Net Income – Group Share	364.8	330.4	(9%)

Source: Résidences Dar Saada

5. BALANCE-SHEET ANALYSIS 2015-2016

The following table represents the main consolidated indicators of the Résidences Dar Saada Group's balance sheet for the 2015-2016 period:

In MMAD	2015	2016	Var.15-16
Goodwill	149.8	253.1	68.9%
Fixed Assets in Non-Value	-	-	n.a
Intangible Assets	6.2	7.9	26.4%
Fixed Assets	29.6	82.8	> 100%
Financial Assets	1.5	2.2	43.7%
Immobilized Asset	187.2	345.9	84.8%
Stocks	5 493.5	5 404.8	(1.6%)
Customers and Related Accounts	742.8	971.7	30.8%
Other Receivables and Accruals	1 235.6	1 718.1	39.1%

Current Assets	7 471.9	8 094.6	8.3%
Investment Securities	-	-	-
Cash Flow (*)	399.5	391.9	(1.9%)
Cash Flow (*)	399.5	391.9	(1.9%)
Assets	8 058.6	8 832.4	9.6%
Equity	1 310.4	1 310.4	-
Issuance and Merger Premiums	1 107.2	1 107.2	-
Consolidated Reserves	892.8	1 162.1	30.2%
Consolidated Result	450.0	468.2	4.0%
Equity Group Share	3 760.4	4 047.9	7.6%
Minority Interests	0.3	0.2	(41.9%)
Equity of the Consolidated Group	3 760.7	4 048.1	7.6%
Provisions for risks and charges	0.5	0.2	100.0%
Financial Debts	2 481.8	2 810.8	13.3%
Circulating Liabilities	1 662.2	1 787.6	7.5%
Accounts Payable	693.4	853.8	23.1%
Accounts payable. advances and down payments	720.5	577.3	(19.9%)
Other debts and accruals	248.3	356.5	43.6%
Passive Cash	153.5	185.7	21.0%
Liabilities	8 058.6	8 832.4	9.6%

Source: Résidences Dar Saada

6. CONSOLIDATED FINANCIAL RESULT 2015-2016:

En MDH	2015	2016	Var.15-16
Revenue from ordinary activities	1 565.4	1 769.3	13%
Turnover	1 746.5	2 075.5	18.8%
Other Income Expenses	(181.1)	(306.2)	69.0%
Expenses of ordinary activities	1 050.5	1 234.5	17.5%
Purchases consumed	808.7	1 000.1	23.7%
Staff Expenses	67.6	72.0	6.6%
Other Operating Expenses	124.4	122.4	(1.6%)
Taxes and levies	43.8	33.2	(24.2%)
Depreciation Expenses	6.1	6.8	11.4%
Operating profit	514.8	534.8	3.9%
Financial income	160.2	177.2	10.7%
Financial operating	187.2	206.1	10.1%
Bottom line	(27.0)	(28.9)	(6.8%)
Current income of integrated businesses	487.8	505.9	3.7%
non-current income	0.5	1.1	> 100%
non-current operating	13.9	8.7	(37.3%)
Non-current Income	(13.4)	(7.6)	43.6%
Corporate Taxes	24.4	30.2	23.6%
Net Income of Integrated Businesses	450.0	468.2	4.0%

Source: Résidences Dar Saada

II. SEMESTRIAL BALANCE AS OF 06/30/2018

1. PROFIT AND LOSS STATEMENT AS OF 06/30/2018

The below table outlines the historical data of the statement of cash flows for the group *Résidences Dar Saada* for the first semesters of 2017 and 2018:

In MMAD	S1 - 2017	S1 - 2018	Var.S1 17-18
Turnover	598.2	257.3	-57.0%
Sale of goods in the unaltered state	-	-	n.a
Purchases of resold goods	-	-	n.a
Gross margin on sales in the unaltered state			n.a
Sale of goods and services	598.2	257.3	-57.0%
Product inventory variation	(165.2)	74.2	n.a
Production of the fiscal year	432.9	331.6	-23.4%
Purchases of consumed materials and supplies	(263.2)	(134.3)	-49.0%
Other external charges	(57.4)	(55.5)	-3.2%
Consumption of the fiscal year	(320.6)	(189.8)	-40.8%
Added Value	112.3	141.7	26.2%
AV/TO	18.78%	55.08%	36.3 pts
Dues and Taxes	(13.2)	(1.7)	-87.4%
Personnel Expenses	(41.0)	(39.0)	-4.7%
EBITDA	58.1	101.0	73.8%
EBE/CA	9.7%	39.3%	29.5 pts
Operating write-backs	0.7	0.3	-56.8%
Operating reversals	(8.2)	(9.3)	12.7%
			n.a
Operating income	50.5	92.0	82.0%
Operating margin (OM/TO)	8.45%	35.76%	27.3 pts
Financial products	78.0	64.7	-17.1%
Financial expenses	(76.6)	(71.1)	-7.2%
Financial result	1.4	(6.4)	n.a
Current income	52.0	85.6	64.7%
Non-recurring income	0.1	0.1	82.8%
Non-recurring expenses	(5.4)	(4.3)	-20.2%
Non-recurring income	(5.3)	(4.2)	-21.3%
Pre-tax income	46.7	81.4	74.5%
Income tax	(1.2)	(9.2)	> 100%
Net income	45.5	72.2	58.77%
Net margin(NI/TO)	7.6%	28.1%	20.5 pts

Source: *Résidences Dar Saada*

2. COMPANY BALANCE-SHEET

In MMAD	2017	S1-2018	Var. 17-S1 18
Fixed assets in non-value	29.7	22.4	(24.5%)
Intangible Assets	8.1	8.0	(1.4%)
Tangible Assets	15.8	15.2	(3.5%)
Financial Assets	379.3	379.2	(0.0%)
Fixed Asset	433.0	424.9	(1.9%)
Stocks	3 666.7	3 864.9	5.4%
Receivables from circulating assets	2 942.2	2 889.2	(1.8%)
Circulating assets	6 608.9	6 754.0	2.2%
Checks and cash values	230.4	253.1	9.8%
Banks. GT and CCP	189.6	61.3	(67.7%)
Cashier. imprest accounts and accreditations	0.1	0.1	(51.8%)
Cash Assets	420.2	314.5	(25.2%)
			<i>n.a</i>
Active	7 462.0	7 493.4	0.4%
In MDH	2017	S1-2018	Var. 17-S1 18
Equity capital	4 182.3	4 113.0	(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	107.4	116.9	8.8%
Other reserves	404.6	404.6	-
Carry-Forward	1 030.6	1 069.4	3.8%
Net Result of the Fiscal Year	189.8	72.2	(62.0%)
Minority Interests	-	-	<i>n.a</i>
Financial Debts	1 963.1	1 892.7	(3.6%)
Bond Issues	250.0	250.0	-
Other Financing Debts	1 713.1	1 642.7	(4.1%)
Sustainable Provisions for R & C	-	-	<i>n.a</i>
Expenses Provisions	-	-	<i>n.a</i>
Liabilities Conversion Gap	-	-	<i>n.a</i>
Decrease in Financing Debts	-	-	<i>n.a</i>
Total Permanent Financing	6 145.4	6 005.6	(2.3%)
Accounts Payable	615.7	531.4	(13.7%)
Accounts Payable. Advances and Down Payments	243.6	306.8	26.0%
Staff	6.1	10.9	78.8%
Social Organizations	2.8	2.8	(0.6%)
State	232.9	196.5	(15.6%)
Associates' Accounts	7.1	67.5	> 100%
Other Creditors	112.9	228.7	> 100%
Regularization Accounts – Liabilities	54.3	64.9	19.6%
Other Provisions For R&D	0.3	0.1	(48.4%)
Passive Conversion Difference (Circ. Elts)	-	0.0	<i>n.a</i>
Circulating Liabilities	1 275.7	1 409.6	10.5%
Cash Credits	40.0	20.0	(50.0%)
Regularization Banks	0.9	58.1	> 100%

Liability cash	40.9	78.1	90.7%
Total liabilities	7 462.0	7 493.4	0.4%

Source: Résidences Dar Saada

3. CONSOLIDATED PROFIT & LOSS STATEMENT AS OF 06/30/2018

En MDH	S1 - 2017	S1 - 2018	Var.S1 17-18
Sales figures	917.1	411.9	(55.1%)
Other products of the activity	(206.1)	76.9	n.a
Revenue from ordinary activities	711.1	488.8	-31%
Purchases consumed and external charges	(474.4)	(323.6)	(31.8%)
Staff costs	(41.0)	(39.1)	(4.7%)
Dues and taxes	(23.1)	(3.0)	(86.9%)
Other income and operating expenses	4.2	3.6	(14.2%)
Net depreciation, amortization and provisions	(3.4)	(3.1)	(8.5%)
Expenses of ordinary activities	(537.7)	(365.2)	-32%
Current operating income	173.3	123.6	-29%
Disposals of assets	(0.0)	(0.1)	> 100%
Restructuring charges	-	-	n.a
Disposals of subsidiaries and equity interests	-	-	n.a
Negative goodwill	-	-	n.a
Other non-current income & expenses	(6.6)	(4.0)	(38.9%)
Operating profit	166.7	119.4	-28%
bottom line	(20.9)	(10.1)	(51.5%)
Share in net income of companies accounted for using the equity method	-	-	n.a
Pre-tax income of integrated businesses	145.9	109.3	-25%
Corporate tax	(1.7)	(10.1)	> 100%
Deferred tax	2.3	1.7	(25.5%)
Net income of integrated businesses	146.5	100.9	-31%
Share in results of companies accounted for by the equity method	-	-	n.a
Net income from continuing operations	146.5	100.9	-31%
Net income from discontinued operations	-	-	n.a
Result of the Consolidated Group	146.5	100.9	-31%
Minority Interests	(0.0)	(0.1)	> 100%
Net Income Group Share	146.5	100.9	-31%

Source: Résidences Dar Saada

4. CONSOLIDATED BALANCE-SHEET AS OF 30/06/2018

En MDH	2017	S1 - 2018	Var. 17-S1 18	% total actif
Goodwill	-	-	n.a	0.0%
Intangible Assets	8.5	8.1	-5%	0.1%
Property, Plant and Equipment	96.3	98.3	2%	1.1%
Investment Properties	-	-	n.a	0.0%
Long Term Loans	-	-	n.a	0.0%
Equity-accounted securities	-	-	n.a	0.0%
Securities available for sale	0.1	0.1	-	0.0%
Other financial assets	3.4	3.2	(4.2%)	0.0%
			n.a	0.0%

Total financial assets	3.4	3.3	-4%	0.0%
Deferred tax assets	35.5	37.8	6.5%	0.4%
Total non current assets	143.7	147.5	3%	1.7%
Inventories and Net Outstandings	5 027.5	5 215.7	3.7%	59.9%
Net Receivables	753.3	654.7	(13.1%)	9.0%
Other Third Parties	1 898.3	2 120.8	11.7%	22.6%
Receivables on disposals of short-term assets	-	-	n.a	0.0%
Short Term Loans	-	-	n.a	0.0%
Cash and Cash Equivalents	570.7	433.8	(24.0%)	6.8%
Total Current Assets	8 249.9	8 425.1	2%	98.3%
• Non Current Assets Available for Sale	-	-	n.a	0.0%
Total Assets	8 393.6	8 572.5	2%	100.0%
Capital	1 310.4	1 310.4	-	15.6%
Issuance and merger premiums	1 107.2	1 107.2	-	13.2%
Stocks	1 223.9	1 412.7	15.4%	14.6%
Reserves related to the change of financial instruments	-	-	n.a	0.0%
Reserves related to employee benefits	-	-	n.a	0.0%
Fiscal Year Income	330.4	101.0	(69.4%)	3.9%
Exchange Differentials	-	-	n.a	0.0%
Group Share Equity	3 971.9	3 931.3	-1%	47.3%
Minority Reserves	0.2	0.1	(22.5%)	0.0%
Minority Income	(0.0)	(0.1)	60.3%	0.0%
Equity Shareholders' Equity	0.1	0.1	-47%	0.0%
Equity	3 972.0	3 931.4	-1%	47.3%
Subordinated Notes with Indefinite Duration	-	-	n.a	0.0%
Bonds Convertible into Shares	-	-	n.a	0.0%
Other long-term debts	2 071.1	1 997.2	(3.6%)	24.7%
Indebtedness linked to long-term financing leases	62.1	62.5	0.8%	0.7%
Deferred Tax Liabilities	10.2	10.8	5.7%	0.1%
Provisions for Non-Current Risks and Expenses	-	-	n.a	0.0%
Total Non-Current Liabilities	2 143.3	2 070.5	-3%	25.5%
Suppliers	680.2	590.3	(13.2%)	8.1%
Other third parties and Corporate Tax	713.0	1 057.9	48.4%	8.5%
Provisions for Current Risks and Charges	0.3	0.1	(49.0%)	0.0%
Short-term financial debts (incl. Finance Lease)	843.8	844.2	0.0%	10.1%
Banks	40.9	78.1	90.7%	0.5%
Total Current Liabilities	2 278.3	2 570.6	13%	27.1%
Liabilities relating to non-current assets available for sale	-	-	n.a	0.0%
Total Liabilities	8 393.6	8 572.5	2%	100.0%

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 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 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 commercial paper 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.

DISCLAIMER

The information above is only a part of the information given in the prospectus approved by the AMMC under reference n° VI/EM/040/2018 on 28 December 2018.

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