



The Board of Directors met on the 29th of September 2020 under the chairmanship of Mr. Hicham BERRADA SOUNNI to review the activity and approve the consolidated and non consolidated financial statements on June 30th, 2020.

Half Year performance was significantly impacted by the effects of the health crisis and the decreed lockdown.

The Covid-19 pandemic led to a general lockdown implemented by the Moroccan authorities for three months. The activity of Résidences Dar Saada Group was heavily impacted by both direct and indirect consequences linked to the slowdown of the national economic activity. While maintaining a sound financial structure, the group recorded a significant drop in its performance metrics of the first half of the year.

Consolidated Accounts at the end of June 2020

PRESOLD UNITS	SECURED TURNOVER	CONSOLIDATED TURNOVER	NET INCOME	RECEIVABLES	GEARING*
870 units	MAD 1,2 Billion	MAD 473 million	MAD -36 million	6,9 Month of the turnover	40%

*Net Debt/ (Equity+ Net Debt)

PRESALES WIDELY IMPACTED BY THE HEALTH ISSUE

The applied lockdown by the government and the lack of visibility regarding the end of the health issue harmed the decision-making process linked to housing acquisitions by potential buyers. Consequently, the presales level of Résidences Dar Saada Group significantly dropped during the second quarter thus impacting the performances of the first half of the year. Presales at the end of June reached 870 units compared to 2502 units in the first half of the previous year, a decrease of around 65%.

However, we have noticed a presales recovery after the end of the lockdown reaching its usual pace after the sacrifice feast. This fact gives comfort regarding the industry recovery and the deep trust in our products, especially that we have registered very few cancellations during this period. The secured turnover remains around MAD 1,2 Billion at the end of June, compared to MAD 1,3 Billion at the end of 2019.

DOWNWARD ACTIVITY DUE TO DELAYED COMPLETIONS AND LOWER SALES DURING THE LOCKDOWN PERIOD.

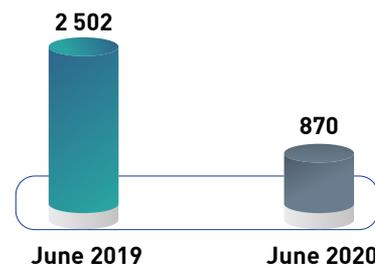
The sanitary crisis and the applied lockdown caused the shutdown of almost all our production sites. The tranches that should have been completed by the end of the first semester were postponed, leading to a delivery delay of reserved units and a shortfall in terms of turnover and cash collection.

The general lockdown resulted in a shutdown of various activities linked to our industry such as notaries, administrations ... making a huge number of customers unable to complete the acquisition of reserved units.

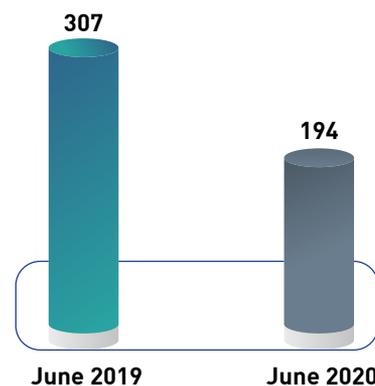
Consequently, the group's turnover fell from MAD 616 M during the first semester of 2019 to MAD 470 M at the end of the first semester of 2020, a decrease of almost 24%. This performance is achieved due to the delivery of 900 units during the first half of 2020 compared to 1 320 units during the same period of 2019.

Despite the decline in revenues, the group showed commitment in terms of preserving jobs, paying suppliers and lenders. However, the level of activity during the first half of the year did not cover the costs incurred, thus generating an operating loss of MAD 3 M and a net loss of MAD 36 M.

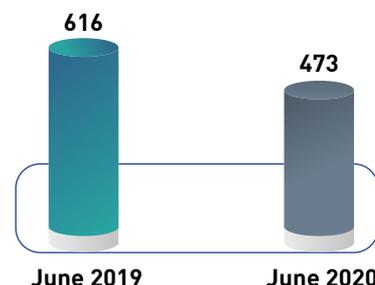
PRESALES



PRODUCTION (IN M MAD)



TURNOVER (IN M MAD)





A SOUND FINANCIAL BASIS THROUGH EFFECTIVE MANAGEMENT OF THE BALANCE SHEET AND GOOD CONTROL OF WORKING CAPITAL AND DEBT.

Despite a decline in the activity level due to the health crisis, Résidences Dar Saada Group is still in good financial health thanks to a better management of the balance sheet. The objective is to maintain an optimal cash generation in this difficult context which could be achieved through debt control, stabilization of investment, and a maintained policy of fast recovery of receivables.

Land reserve : The company has a high-quality land reserve of approximately 1,114 ha, 43% of which is located in the Casa-Rabat region. The current land reserve makes it possible to ensure the development of projects in the short and medium terms.

Receivables : Despite the general lockdown that impacted our collection policy, receivables remain under control around MAD 836 M at the end of June 2020, which represents 6.9 months of annual turnover

Finished products : We have noticed a significant drop in our inventory thanks to the policy of sales orientation towards finished units we applied from 2018. The inventory dropped from 6 932 units at the end of 2018 to 4 626 at the end of 2019 and finally reached 3 726 units at the end of this semester.

DEVELOPMENT PLAN ADJUSTMENTS TO DEAL WITH THE HEALTH CRISIS

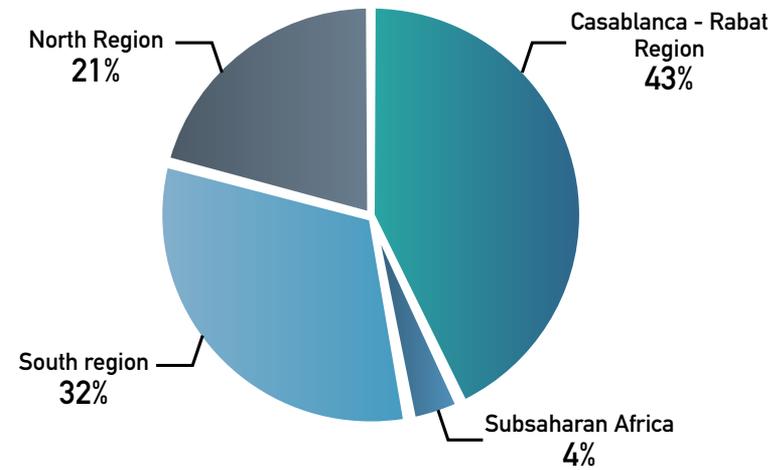
The current health crisis and the general applied lockdown had a significant impact on the group's performance. Indeed, the shut down of almost all our production sites causing several completion delays, the freezing activity of our partners, and a drop in customers' visits to our sales points are the main causes of this performance. While maintaining great confidence regarding prospects, the group wants to draw the attention of its shareholders on the fact that the current health situation will have a significant impact on its performance during the current year. Meanwhile, this highlight should not generate any significant uncertainty related to business continuity.

To deal with the current situation, we have adopted new priorities :

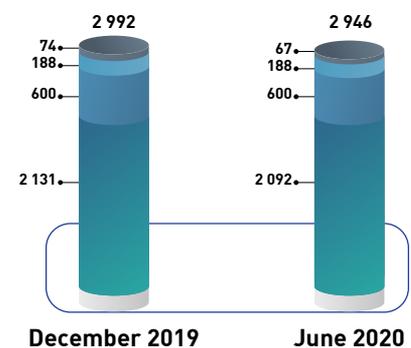
- Suspension of new land acquisition for better control of the working capital
- Maintaining the sales policy of finished products inventory
- Great focus on the completion of projects under construction, regardless of the segment, and development of projects with a high presale rate

These measures are intended to limit the negative effects of the crisis on the performance and the financial health of the group, and to maintain an optimal level of cash generation to ensure a promising future.

LAND RESERVE BY REGION

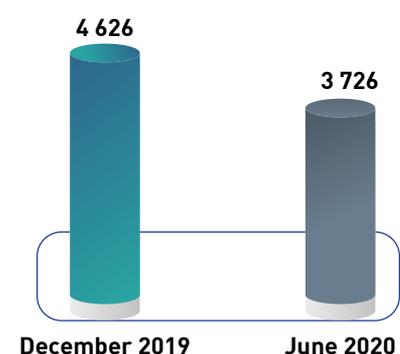


NET DEBT



- Rent (IFRS 16)
- Bond
- Securitization
- Bank Debts

FINISHED PRODUCTS INVENTORY





NON CONSOLIDATED ACCOUNTS

	In dirhams			Previous Fiscal Year
	Gross	Depreciation and provisions	Net	Net
ASSETS				
NON-VALUED FIXED ASSETS (A)	27.090.252,87	20.310.215,04	6.780.037,83	9.489.063,12
. Preliminary expenses				
. Expenses to be split	27.090.252,87	20.310.215,04	6.780.037,83	9.489.063,12
. Bond repayment premiums				
INTANGIBLE ASSETS (B)	12.050.425,71	4.941.423,97	7.109.001,74	7.474.884,83
. Fixed assets in Research and Development				
. Patents, trademarks, rights, and similar securities	7.570.425,71	4.941.423,97	2.629.001,74	2.772.884,83
. Commercial fund	4.480.000,00		4.480.000,00	4.702.000,00
. Other intangible assets				
TANGIBLE ASSETS (C)	34.311.742,19	25.826.721,57	8.485.020,62	9.744.713,38
. Land				
. Construction	19.007.666,65	13.648.845,25	5.358.821,40	6.210.116,58
. Technical Installation, equipment and tools	1.727.855,97	992.421,64	735.434,33	785.519,53
. Transport equipment	238.380,06	193.161,62	45.218,44	52.881,57
. Furniture, office equipment and amenities	13.337.839,51	10.992.293,06	2.345.546,45	2.696.195,70
. Other tangible assets				
. Tangible assets in progress				
FINANCIAL ASSETS (D)	292.853.132,60		292.853.132,60	282.914.632,60
. Fixed loans				
. Other financial claims	20.448.210,56		20.448.210,56	20.519.710,56
. Equity Securities	272.404.922,04		272.404.922,04	262.394.922,04
. Other fixed assets				
FOREIGN EXCHANGE TRANSLATION - ASSETS (E)				
. Decrease in fixed receivables				
. Increase in financial debts				
TOTAL I (A + B + C + D + E)	366.305.553,37	51.078.360,58	315.227.192,79	309.623.293,93
STOCKS (F)	2.962.526.017,43		2.962.526.017,43	3.275.395.649,95
. Goods				
. Materials and supplies, consumables	578.987.038,67		578.987.038,67	657.724.951,18
. Products under production	1.355.164.630,52		1.355.164.630,52	1.148.623.825,23
. Intermediary and residual products				
. Finished products	1.028.374.348,24		1.028.374.348,24	1.469.046.873,54
TRADING ASSETS RECEIVABLES (G)	4.522.865.480,16		4.522.865.480,16	4.116.220.929,92
. Suppliers, debtors, advances and down payments	95.743.034,33		95.743.034,33	65.768.321,68
. Customers and related accounts	806.333.657,58		806.333.657,58	860.980.430,80
. Staff	104.177,07		104.177,07	21.988,93
. State	429.154.246,76		429.154.246,76	430.981.565,65
. Associate accounts				
. Other debtors	2.953.277.137,58		2.953.277.137,58	2.532.695.273,00
. Accruals and prepayments	238.253.226,84		238.253.226,84	225.773.349,86
INVESTMENT SECURITIES (H)				
CURRENCY TRANSLATION - ASSETS (I)	6.914,56		6.914,56	513,92
. Current elements				
TOTAL II (F+G+H+I)	7.485.398.412,15		7.485.398.412,15	7.391.617.093,79
TREASURY - ASSETS				
. Checks and cash values	282.713.515,18		282.713.515,18	245.014.825,10
. Banks, Corporate treasury, and post office check accounts	14.939.157,09		14.939.157,09	13.003.824,75
. Cash	66.257,04		66.257,04	62.749,63
TOTAL III	297.718.929,31		297.718.929,31	258.081.399,48
OVERALL TOTAL (I + II + III)	8.149.422.894,83	51.078.360,58	8.098.344.534,25	7.959.321.787,20

	In dirhams	
	Half year 2020	Previous Fiscal Year
Equity and Liabilities		
EQUITY		
. Share Capital	1.310.442.500,00	1.310.442.500,00
. Less: shareholders, subscribed capital not called (1)		
. Called- up capital,		
. Paid-up capital		
. Share premium, merger, contribution	1.139.413.865,28	1.139.413.865,28
. Revaluation Surplus		
. Legal reserve	131.044.250,00	130.258.304,39
. Other reserves	404.614.776,30	404.614.776,30
. Retained Earnings	1.494.827.833,47	1.244.264.388,32
. Net income pending allocation (2)		
. Net income	137.051.506,28	251.349.390,76
TOTAL SHAREHOLDERS' EQUITY (A)	4.617.394.731,33	4.480.343.225,05
CAPITAL AND RESERVES, LOANS AND SIMILAR LIABILITIES (B)		
. Investment grants		
. Regulated provisions		
FINANCIAL DEBTS (C)	1.853.061.183,76	1.856.117.774,27
. Bond borrowings	187.500.000,00	187.500.000,00
. Other financial debts	1.665.561.183,76	1.668.617.774,27
LONG-TERM PROVISIONS FOR RISK AND EXPENSES (D)		
. Risk provisions		
. Expense provisions		
CURRENCY TRANSLATION - EQUITY (E)		
. Increase in long-term receivables		
. Decrease in financial debts		
TOTAL I (A + B + C + D + E)	6.470.455.915,09	6.336.460.999,32
CURRENT LIABILITIES (F)	1.218.627.320,63	1.101.608.804,84
. Suppliers and accounts payable	540.997.417,42	557.665.772,19
. Creditor clients, advances and down payments	125.634.566,35	110.352.696,04
. Staff	9.735.104,28	6.955.971,98
. Social Organisation	7.125.684,83	2.525.962,54
. State	349.899.101,26	272.281.687,03
. Partner accounts	10.668.391,41	10.668.391,41
. Other creditors	110.830.459,52	88.675.194,48
. Regularization accounts - Liabilities	63.736.595,56	52.483.129,17
OTHER PROVISIONS FOR RISK AND EXPENSES (G)	509.914,56	413.000,00
CURRENCY TRANSLATION - LIABILITIES (ELEM. CIRCUL.) (H)		
TOTAL II (F + G + H)	1.219.137.235,19	1.102.021.804,84
TREASURY - LIABILITIES		
. Discount credit		
. Short term loans	365.000.000,00	355.000.000,00
. Banks (accounts payable)	43.751.383,97	165.838.983,04
TOTAL III	408.751.383,97	520.838.983,04
OVERALL TOTAL I + II + III	8.098.344.534,25	7.959.321.787,20

	In dirhams			
	Allocated for period 1	On the previous fiscal year 2	Half year Total 3 = 1 + 2	Previous Half Year 4
PROFIT & LOSS STATEMENT				
OPERATIONS				
I OPERATING REVENUES				
Sales of goods				
Sale of good and services produced	471.586.690,75		471.586.690,75	612.922.853,83
Turnover	471.586.690,75		471.586.690,75	612.922.853,83
Change in stocks of products (1)	-358.499.713,62		-358.499.713,62	-281.060.115,97
Fixed assets manufactured by the company for itself				
General operating grants				
Other Operating Revenue				
Operating write-backs: Transfer of expenses				20.000,00
TOTAL I	113.086.977,13		113.086.977,13	331.882.737,86
II OPERATING EXPENSES				
Cost of goods sold (2)				
Purchases consumed of materials and supplies (2)	72.325.158,74		72.325.158,74	113.445.259,53
Other external costs	18.798.665,01	49.834,97	18.848.499,98	32.688.608,87
Taxes and duties	2.528.940,41	144.960,83	2.673.901,24	5.344.533,83
Staff costs	33.866.564,36		33.866.564,36	35.778.926,18
Other operating expenses				
Operating Provisions	4.351.785,53		4.351.785,53	4.578.518,90
TOTAL II	131.871.114,05	194.795,80	132.065.909,85	191.835.847,31
III OPERATING INCOME (I-II)	-18.784.136,92	-194.795,80	-18.978.932,72	140.046.890,55
IV FINANCIAL REVENUES				
Income from equity securities and other investment	179.995.000,00		179.995.000,00	56.700.000,00
Exchange Gains	1.141,27		1.141,27	
Interests and other financial income	9.904.479,55		9.904.479,55	10.660.364,21
Financial write-backs: expenses' transfer	45.428.081,10		45.428.081,10	47.163.179,99
TOTAL IV	235.328.701,92		235.328.701,92	114.523.544,20
V FINANCIAL EXPENSES				
Interest Expenses	72.137.339,39		72.137.339,39	69.441.892,20
Foreign exchange loss				
Other financial expenses				7.085,35
Financial depreciation	6.914,56		6.914,56	
TOTAL V	72.144.253,95		72.144.253,95	69.448.977,55
VI FINANCIAL INCOME (IV-V)	163.184.447,97		163.184.447,97	45.074.566,65
VIII CURRENT INCOME (III+ VI)	144.400.311,05	-194.795,80	144.205.515,25	185.121.457,20
NON-CURRENT INCOME				
Income from sales of fixed assets				
Balance subsidies				
Times on capital grants				
Other long-term income	374,89	2,92	377,81	2.599.393,66
Extraordinary write-backs - expenses transfer				
TOTAL VIII	374,89	2,92	377,81	2.599.393,66
IX NON-CURRENT EXPENSES				
Net amortization of assets sold				
Granted Subsidies				
Other non-current expenses	3.986.725,78	22.972,00	4.009.697,78	5.893.814,05
Non-current depreciation, amortization and provision				
TOTAL IX	3.986.725,78	22.972,00	4.009.697,78	5.893.814,05
XI NON CURRENT INCOME (VIII-IX)	-3.986.350,89	-22.969,08	-4.009.319,97	-3.294.420,39
XII INCOME BEFORE TAXES (VII+X)	140.413.960,16	-217.764,88	140.196.195,28	181.827.036,81
XIII INCOME TAXES	3.144.689,00		3.144.689,00	30.728.662,00
XIV NET INCOME	137.269.271,16	-217.764,88	137.051.506,28	151.098.374,81
XV TOTAL REVENUE (I+IV+VII)	348.416.053,94	2,92	348.416.056,86	449.005.675,72
XVI TOTAL EXPENSES (II+V+IX+XII)	211.146.782,78	217.767,80	211.364.550,58	297.907.300,91
NET INCOME (Total Income - Total Expenses)	137.269.271,16	-217.764,88	137.051.506,28	151.098.374,81

CONSOLIDATED ACCOUNTS (IFRS)

FINANCIAL POSITION STATEMENTS

in K MAD

Assets	30/06/20	31/12/19
Goodwill		
Intangible Assets	7.152	7.518
Tangible Assets	87.763	95.586
Investment Property		
Long term loan		
Shares in net assets of equity affiliates		
Available-for-sale securities	50	50
Other financial assets	4.133	4.164
Total Financial Assets	4.183	4.214
Deferred tax assets	30.640	31.928
Total Non-Current Assets	129.737	139.246
Inventories and net outstanding	4.285.718	4.556.833
Net account receivables	835.528	895.447
Other third parties	3.281.441	2.926.620
Receivables on disposals of short-term assets		
Short term debt		
Cash and cash equivalents	321.464	421.082
Total Current Assets	8.724.151	8.799.983
Non current available-for-sale assets		
Total Assets	8.853.888	8.939.229

in K MAD

Equity and Liabilities	30/06/20	31/12/19
Capital	1.310.443	1.310.443
Issue and merger premiums	1.107.212	1.107.212
Reserves	1.971.482	1.666.941
Reserves related to the change in fair value of financial instruments		
Reserves related to employee benefits		
Net Income of the year	(36.102)	304.208
Currency translation		
EQUITY GROUP SHARE	4.353.035	4.388.803
Minority reserves	114	132
Minority income	(9)	(13)
MINORITY SHAREHOLDERS' EQUITY	105	118
EQUITY	4.353.140	4.388.921
Long term perpetual subordinated notes		
Convertible bonds		
Other long-term debt	2.194.267	2.033.148
Indebtedness linked to long-term financing leases	55.182	63.477
Deferred tax liabilities	9.446	8.729
Provisions for non-current liabilities and charges	5	8
TOTAL NON-CURRENT LIABILITIES	2.258.901	2.105.362
Suppliers	566.658	590.923
Third parties and corporate tax	656.724	536.692
Provisions for current liabilities and charges	531	440
Short-term financial debts (incl. finance lease)	483.593	678.435
Banks	534.342	638.455
TOTAL CURRENT LIABILITIES	2.241.847	2.444.945
Liabilities linked to non-current assets available for sale		
TOTAL LIABILITIES	8.853.888	8.939.229

COMPREHENSIVE INCOME STATEMENT

in K MAD

Comptes	30/06/20	30/06/19
Turnover	472.647	616.443
Other income from operations	(324.394)	(260.842)
REVENUES FROM ORDINARY ACTIVITIES	148.253	355.602
Purchases used and external charges	(111.535)	(168.126)
Staff costs	(35.265)	(37.125)
Taxes and duties	(2.700)	(5.610)
Other operating income and expenses	3.201	4.709
Net depreciation, amortisation and provisions	(5.282)	(5.522)
EXPENSES FROM ORDINARY ACTIVITIES	(151.582)	(211.674)
CURRENT OPERATING INCOME	(3.329)	143.928
Disposals of assets		
Restructuring costs		
Disposals of subsidiaries and equity investments		
Negative Goodwill		
Other non-current operating income & expenses	(4.009)	(4.032)
OPERATING INCOME	(7.338)	139.895
Financial result	(23.683)	(26.478)
Share in net income of investments accounted for using the equity method		
PRE-TAX INCOME FROM CONSOLIDATED COMPANIES	(31.021)	113.417
Corporate tax	(3.175)	(30.835)
Deferred tax	(1.915)	1.130
NET INCOME FROM CONSOLIDATED COMPANIES	(36.110)	83.712
Share in net income/loss of equity affiliates		
NET INCOME FROM CONTINUED OPERATIONS	(36.110)	83.712
Net result from discontinued operations		
THE CONSOLIDATED GROUP'S EARNINGS	(36.110)	83.712
Minority interests	(9)	(8)
NET INCOME GROUP SHARE	(36.102)	83.720
INCOME OF THE CONSOLIDATED GROUP	(36.110)	83.712
Other comprehensive income		
Foreign Currency Translation		
Reassessment of hedging derivatives		
Available-for-sale financial assets' reassessment		
Reassessment of fixed assets		
Actuarial gap on defined benefit plans		
After-Tax comprehensive income share of equity affiliates		
Tax effect		
Total other comprehensive income (after tax)		
Net Income	(36.110)	83.712
attributable to the Group	(36.102)	83.720
attributable to minority interests	(9)	(8)