

Press Release

Like the national real estate sector, the activity of Résidences Dar Saada was negatively impacted by the consequences of the lockdown applied during the 2nd quarter of 2020. The delay in production and projects' achievement, accordingly, impacted the deliveries and the expected annual turnover. However, the recovery of the sector after the period of lockdown was particularly reflected on the level of presales. Indeed, during the 4th quarter of the year, the pre-sold units recorded an increase of 45% compared to the same period of 2019. Debt remains constant and under control over the year and stands at MAD 2.73 billion despite the delay recorded in the schedule of deliveries.

Key indicators at the end of December 2020

Presales
 3 001 Units

Consolidated Turnover
 MAD 608 Million

Global Debt*
 MAD 2.73 Billion

*Including leases (IFRS 16) and excluding cash

Presales

After a first half marked by households' panic and the general lockdown, the activity of real estate recovered during the 2nd half of the year. Thanks to our commercial policy focused on the destocking of achieved units, this recovery particularly appeared in the pre-sales of the 4th quarter, which reached 1,010 units, an increase of 45% compared to the same period of 2019.

The total number of presold units in 2020 is 3,001 units, a decrease of 31% compared to 2019, due to an almost total shutdown of real estate activity for six months.

Presales (units)



Turnover

The effects of the lockdown and the sanitary measures mainly affected the construction in our sites and the production's rate, thus causing a lag in the level of projects' achievement and deliveries. Consequently, the whole turnover reached comes from the stock of achieved units before 2020.

However, it should be noted that the pre-sold units during the 4th quarter, and which are mainly the achieved products, are in the delivery process, therefore they have not been included in the turnover yet.

Hence, the turnover fell from MAD 1,381 million in 2019 to MAD 608 million in 2020, a decrease of 56%.

Note that almost all the turnover comes from units developed by Résidences Dar Saada Ltd.

The turnover's trend by period is as follows:

Turnover (MAD Million)



Debt *

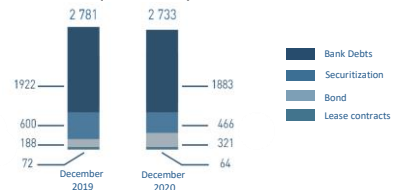
At the end of December 2020, the overall debt remained stable and under control despite incomes freeze for six months, the maintenance of fixed expenses and the payment of suppliers.

Pursuing the debt control policy, the Group reimbursed more than MAD 430 million of bank debt in 2020, excluding interest. Thus, debt, including leases (IFRS 16) and excluding cash, stands at MAD 2.73 billion against MAD 2.78 billion at the end of 2019, a decrease of 2%.

In addition, the Group successfully restructured its bond loan and paid back the first installment of the securitization by issuing a new bond loan of MAD 133 million, which demonstrates the confidence it enjoys toward investors.

Debt breaks down as follows:

Debt* (MAD Million)



*Including leases (IFRS 16) and excluding cash

Consolidation Scope

No change in the scope of consolidation has occurred compared to the end of 2019.

Investment – Land reserve

Résidences Dar Saada group did not make any land plot acquisition during the 4th quarter of 2020.

Adaptation of the development plan to face the current crisis

Despite the gradual recovery in real estate activity, the delay in completion impacted the schedule for deliveries. Thus, we have focused on the destocking of finished products for a faster generation of cash. However, the level of activity achieved did not cover the costs incurred by the Group. The financial year thus ended with the realization of a net loss, the value of which, currently being audited, will be disclosed in our financial publication at the end of March.

However, we are very confident about the recovery of the sector and the catching-up effect during 2021. Actually, the delay in achievement has impacted the planned deliveries, and these are recoverable from this year.

In order to deal with the current situation, we have adopted new priorities :

- Maintaining the sales policy of finished products;
- Focus on completion of projects under construction, regardless of the segment, and development of projects with a high presale rate.