

Annual Financial Communication Consolidated and Social Accounts as of December 31st, 2022

The Board of Directors met on March 29th, 2023, under the chairmanship of Mr. Hicham BERRADA SOUNNI, to review the activity and approve the consolidated and social accounts as of December 31, 2022.

The activity of the Résidences Dar Saada group was marked by :

- A commercial strategy focused on destocking finished products due to the delay in the implementation of the new social real estate program;
- The slowdown in production in anticipation of a reduction in input costs;
- And finally, a mastery of debt.

CONSOLIDATED ACCOUNTS ON DECEMBER 31st, 2022

Pre-sales
2 504 Units

Secured turnover
1,2 Mrd MAD

Consolidated turnover
543 M MAD

Net income
- 61 M MAD

Gearing *
32%

* Net debt / (equity + net debt)

Commercial strategy focused on destocking finished products

The number of pre-sold units during the 2022 fiscal year stands at 2,504 properties, representing a decrease of approximately 18% compared to the same period last year. This volume is the result of our commercial strategy focused on destocking finished products and postponing the launch of new social housing projects due to the delay in implementing the new regulations related to social real estate.

However, the level of secured turnover remains almost stable compared to last year and amounts to MAD 1.2 billion at the end of 2022.

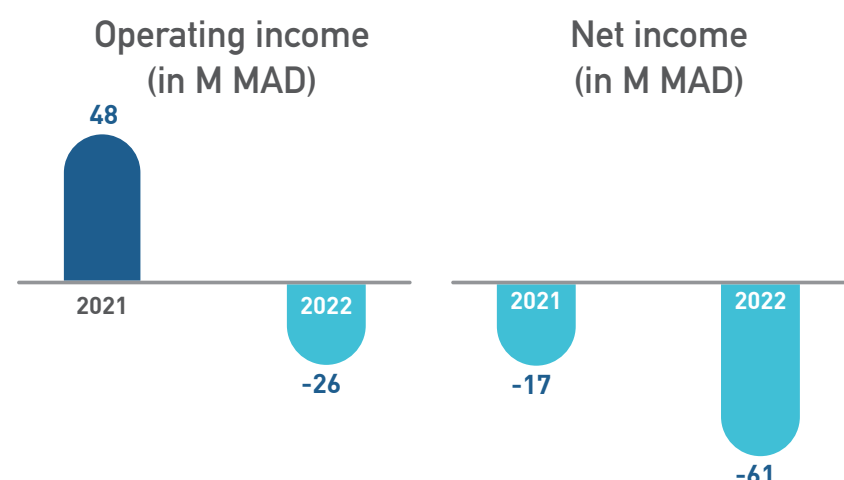
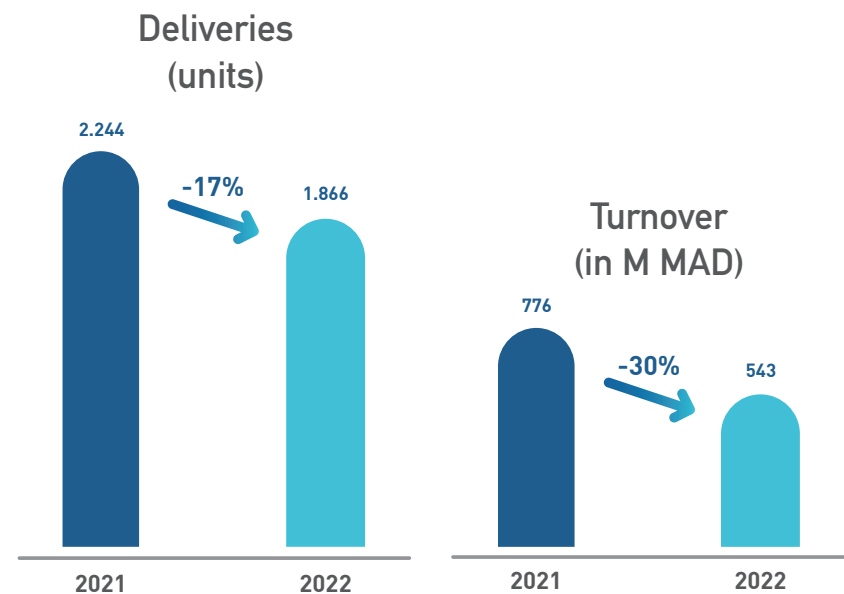
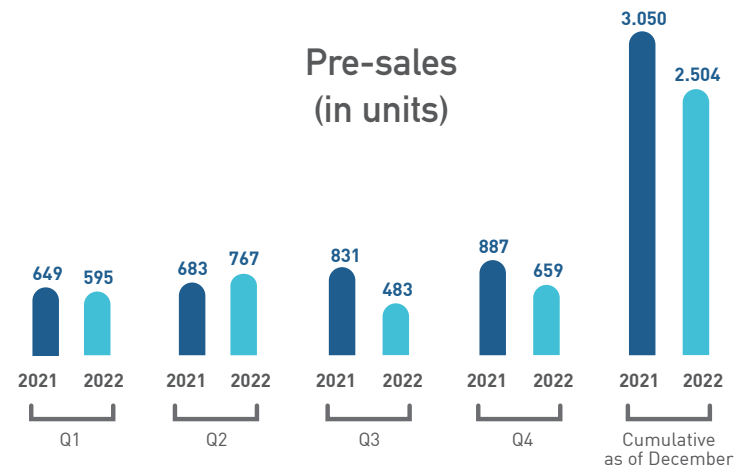
Activity adapted to slowdown production in an inflationary context

The Résidences Dar Saada Group achieved annual turnover of MAD 543 million, compared to MAD 776 million during the same period in 2021, representing a decrease of 30% which can be explained mainly by :

- the management's decision to slow down production due to the difficulties facing the construction sector linked to an inflationary economic climate;
- and the delay in obtaining land titles for the first phase of a high-end project in the center of Casablanca, which is completed.

However, the total number of units currently in production amounts to nearly 3,300 units at the end of 2022, which confirms our future deliveries.

Due to the decision to slow down production and the policy of destocking finished products, the level of activity achieved did not generate sufficient operating margin to cover the various charges incurred by the Group. The year 2022 ended with a negative net result of MAD 61 million compared to a net loss of MAD 17 million during the same period in 2021.



Consolidation scope

In accordance with the terms of the management regulation of the FT Olympe securitization fund approved by the Moroccan Capital Market Authority (AMMC) on October 10, 2017, under reference AG/TI/002/2017, the life of the fund and the lease agreement expired on November 3, 2022.

This date marks the start of the liquidation operations of the Fund, hence the withdrawal of the FT Olympe from the consolidation scope.

Maintaining balance sheet equilibria and good control of debt and finished products stock

The Résidences Dar Saada Group still maintains its balance sheet equilibria, through the control of debt and the management of the level of finished products stock.

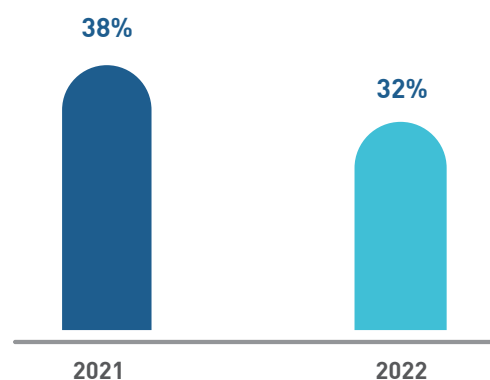
Debt: In line with our policy of controlling debt, the Group has repaid MAD 533 million in bank debts, excluding interests, for this year. Thus, the net overall debt at the end of December 2022, including lease contracts (IFRS 16), amounts to MAD 1.9 billion. This decrease is due to repayments during the period as well as the withdrawal of the FT Olympe fund from the consolidation scope during its ongoing liquidation.

Therefore, the net gearing ratio decreased from 38% in 2021 to 32% at the end of 2022, a decrease of 6 points in a year.

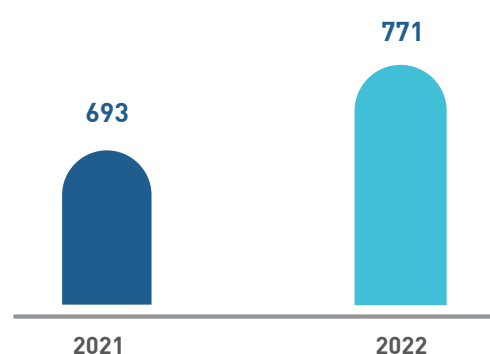
Accounts receivable : The accounts receivable remain under control despite difficulties related to buyer financing and amounted to MAD 771 million.

Finished products : Thanks to our commercial destocking policy implemented since 2018, the level of finished products stock decreased from 3,710 units at the end of 2021 to 1,843 at the end of 2022.

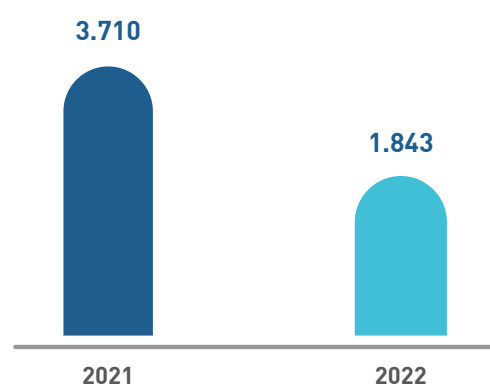
Gearing net



Accounts receivable (in M MAD)



Finished goods inventory (in units)



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