



DOUJA PROMOTION GROUPE ADDOHA

PROSPECTUS SUMMARY

ISSUE OF ORDINARY SHARES THROUGH A CAPITAL INCREASE BY CASH CONTRIBUTION AND BY OFFSETTING LIQUID AND PAYABLE DEBTS

SUBSCRIPTION RESERVED FOR CURRENT SHAREHOLDERS AND HOLDERS OF THE SUBSCRIPTION RIGHTS OF DOUJA PROMOTION GROUPE ADDOHA

The AMMC-approved prospectus comprises:

- ✓ The Securities Note;
- ✓ Addoha Group's Reference Document registered by the AMMC on December 5th, 2019 under reference No EN/EM/013/2019.

Maximum number of shares to issue: 79,994,136 shares
Nominal value of the security: MAD 10
Subscription price: MAD 10
Subscription parity: 31 new shares for 125 PSR
Maximum amount of the Offer: MAD 799,941,360
Maximum nominal amount of the Offer: MAD 799,941,360
Subscription period: from December 19, 2019 to January 8, 2020 included

Advisory Bodies and Global Coordinators

Attijari Finances Corp.



BMCE Capital Conseil



Centralization Body

BMCE Bank of Africa



Registration Body

BMCE Capital Bourse



Approval of the Moroccan Capital Market Authority (AMMC)

In accordance with the provisions of the AMMC circular, issued pursuant to Article 5 of the Dahir Law No. 1-12-55 dated December 28, 2012, promulgating Law No. 44-12 on public offerings and information required of legal entities and savings organizations, this prospectus was approved by the AMMC on December 5th, 2019 under reference No. VI/EM/030/2019.

This Securities Note is only part of the prospectus approved by the AMMC. The latter consists of Groupe Addoha's Reference Document registered by the AMMC on December 5th, 2019 under reference No. EN/EM/013/2019.

Disclaimer

The Moroccan Capital Market Authority (AMMC) approved on December 5th, 2019 under reference no. VI/EM/030/2019 a prospectus relating to the issue of ordinary shares through a capital increase by cash contribution and by offsetting liquid and payable debts by Douja Promotion Groupe Addoha.

The AMMC-approved prospectus is available at any time at the headquarters of Douja Promotion Groupe Addoha, on its website <http://www.groupeaddoha.com/fr/investisseurs-communication-financiere> and at its financial advisors. It is also available within 48 hours at order collecting establishments.

The prospectus is available to the public at the headquarters of the Casablanca Stock Exchange and on its website www.casablanca-bourse.com. It is also available on the AMMC website www.ammc.ma.

This summary has been translated by Lissaniat under the joint responsibility of the said translator and Douja Promotion Groupe Addoha. In the event of any discrepancy between the contents of this summary and the AMMC-approved prospectus, only the approved prospectus will prevail.

LISSANIAT
Hqj Nassim Ltd. Nassim Ltd. 130, N° 11
Lissaniat - Casablanca
Tel: 0532 89 78 89
CCH: 0532 89 78 89

Part I: Presentation of the operation

I. Structure of the Offer

I.1. Overall amount of the Operation

The maximum amount of the capital increase is MAD 799,941,360, corresponding to a maximum number of 79,994,136 shares.

The completion of the operation is not affected by any level of demand.

II. Offered financial instruments

II.1. Characteristics of offered capital securities

Nature of securities	ADDOHA shares all of the same category fully paid up
Legal form	Bearer securities
Maximum amount of the Operation	MAD 799,941,360
Maximum number of securities to be issued	79,994,136 shares
Unit nominal value	MAD 10
Unit subscription price	MAD 10
Issue premium	MAD 0
Subscription period	From December 19, 2019 to January 8, 2020 included
Dividend entitlement date	January 1, 2020
Payment of new shares	The new shares are fully paid up and free from any commitment
Listing of new shares	The shares issued within the framework of this capital increase won't be assimilated to the existing shares, at first, and they will be listed on the 2 nd line on the Casablanca Stock Exchange ¹
Tradability of securities	The shares subject of this operation are freely tradable.
Payment method of shares	In cash and by offsetting liquid and payable debts
Listing date of new shares	January 23, 2020
Rights attached to securities	All shares have the same rights both in the distribution of profits and in the distribution of the liquidation bonus. Each share entitles the holder to one vote during the meetings.

¹Shares issued from this operation will not be eligible for dividends relating to the 2019 financial year distributable in 2020

Activity sector	Real estate holding and promotion
Label	2L ADH J01JAN2020
Ticker	2ADHA
Compartment	B
Trading cycle	Fixing
Minimum Size of Blocks	138,000

II.2. Characteristics of offered preferential subscription rights (PSR)

Procedures for exercising PSR

For the subscription of the new shares issued as part of the capital increase, the preferential subscription rights reserved for shareholders pursuant to the provisions of Article 189 of Law 17-95 on public limited companies, as amended and supplemented, will be maintained on the basis of one preferential subscription right for one existing share.

The holders of preferential subscription rights will be able to subscribe irreducibly for 31 new shares for 125 preferential subscription rights. The reference shareholder has waived 118 PSR.

Each shareholder may, if they so wish, individually waive their preferential subscription right.

Upon completion of the capital increase, subscription to the new shares is reserved for the company's shareholders and holders of preferential subscription rights. Consequently, they will have an irreducible subscription right on the new shares to be issued.

Shareholders will also have a right to subscribe on a reducible basis, with a view to the allocation of shares not absorbed by the exercise of the right to subscribe on an irreducible basis. This distribution will be made in proportion to their shares in the capital, within the limit of their demands and without allocation of a fraction.

The preferential subscription rights may only be exercised up to a number of preferential subscription rights allowing the subscription of a whole number of new shares. Holders of preferential subscription rights who do not hold, in respect of their irreducible subscription, a sufficient number of preferential subscription rights to obtain a whole number of new shares may purchase or sell preferential subscription rights at market conditions during the subscription period.

The preferential subscription rights forming fractional shares may be transferred or completed on the market during the subscription period.

The theoretical price of preferential subscription rights (PSR) is calculated as follows: $PSR = (\text{Closing price of the ADH share on the day before the date of detachment of the PSR} - \text{subscription price}) * ([\text{number of new shares}] / [\text{number of existing shares} + \text{number of new shares}])$

Trading of PSR	The preferential subscription rights relating to this capital increase will be freely tradable on the Casablanca Stock Exchange under the same conditions as the ADH share itself, throughout the subscription period from December 19, 2019 to January 8, 2020 included.
Treatment of unexercised PSR	Shareholders' preferential subscription rights to the new shares issued must be exercised during the subscription period under penalty of forfeiture.
Scheduled listing date	December 19, 2019
Trading cycle	Fixing
Label	DS ADH 31/125 2019
Ticker	SADHA

LISSANIAT
Hay Nassim Lot Nassim Immi 100 N° 11
Lissania - Casablanca
Tel : 0522 89 78 89
CSM : 0664 78 93 43

II.3. Elements for assessing the offer price

II.3.1 Valuation of the securities offered

a. Valuation methods not used

▪ The market comparables method

- ✓ The market comparables method is an analogous approach based on the company's profitability parameters.
- ✓ This method consists in applying to the target's financial aggregates, the multiples observed on a sample of publicly traded companies in the real estate sector.
- ✓ This method was not adopted given the current valuation levels and volumes traded on the stock market over the last 12 months in the real estate sector.

▪ The comparable transactions method

- ✓ The transactional comparables method is based on the valuation of the company by reference to implicit valuation multiples of a sample of transactions in the same sector or relating to the company.
- ✓ In the case of Addoha, this method cannot be applied for the following reasons:
 - Different transaction objectives (sale of a control block, consideration of other elements in the transaction, etc.);
 - Different market context.

▪ The discounted future cash flow method

- ✓ The method provides a dynamic view of enterprise value, since it is based on flow projections and takes into account the main factors that influence the activity, such as profitability trends, cyclicity, financial structure and intrinsic risk.
- ✓ Valuation using this method involves the steps of modelling future cash flows (based on the business plan), estimating normative cash flows, determining the weighted average cost of capital (WACC), determining the value of the business, and determining the value of equity.
- ✓ This method was not adopted due to the unavailability of the business plan. Especially since this method is more commonly applied in the case where a majority shareholder decides to sell a share of the company.

b. Valuation method used

The valuation method used is the average stock price method.

This method consists in retaining as the value of shareholders' equity the average market capitalization of the company over a given period.

The average price used is the weighted average price per share (WAP) over a period corresponding to the ratio of the volume traded (amount in dirhams) during this period and the quantity (number) of shares traded.

The WAP over a given period is multiplied by the number of shares of the company to obtain the value of its equity.

An analysis of the weighted average share price over several horizons ranging from 1 month to 12 months was carried out and the average price over 6 months was used.

The evolution of the WAP and the multiples induced over the last 12 months can be summarized as follows:

Period	Start date	End date	WAP (MAD)	Volume (inn MMAD)	Volume (quantity in thousands)
1 month	09/23/2019	10/22/2019	9.4	17.8	1 895
3 months	07/23/2019	10/22/2019	9.5	34.6	3 632
6 months	04/23/2019	10/22/2019	10.0	89.8	9 006
12 months	10/23/2018	10/22/2019	13.3	529.9	39 973

Source: Casablanca Stock Exchange as of 10/22/2019

The closing price on December 4, 2019 was MAD 7.85

II.3.2 Price of securities offered

In accordance with the powers granted to it by the Extraordinary General Meeting of September 12, 2019, the Board of Directors, at its meeting of November 15, 2019, set the subscription price of the new shares at MAD10 per share, corresponding to the nominal value of the shares.

II.3.3 Elements for assessing the price of the offer

Over the past 12 months, the value of the ADH security has changed as follow:



Source: Casablanca Stock Exchange as of 10/22/2019

The evolution of the WAP and the multiples induced over the last 12 months can be summarized as follows:

Period	Start date	End date	WAP (MAD)	Induced market capitalization (MMAD)
1 month	09/23/2019	10/22/2019	9.4	3 025.3
3 months	07/23//2019	10/22/2019	9.5	3 074.0
6 months	04/23/2019	10/22/2019	10.0	3 217.0
12 months	10/23/2018	10/22/2019	13.3	4 276.3

Source: Casablanca Stock Exchange as of 10/22/2019

The price of the securities offered corresponds to the WAP of Addoha security over the last 6 months. It represents a 5% premium over the 3 months WAP and a premium of 27% compared to the closing price on December 4, 2019.

The multiples induced by the price of the securities offered are as follows:

Price of securities offered (in MAD)	Induced market capitalization (MMAD)	Induced EV/EBITDA*	Induced PE**
10.0	3 225.6	13.5	8.6

Sources: Casablanca Stock Exchange as of 10/22/2019, Addoha Group Reference Document

(*) Based on consolidated EBITDA and net debt as of December 31, 2018 (MMAD660.7 and MMMAD5.7 respectively)

(**) Based on consolidated net income as of December 31, 2018 (MMAD376.6)

II.4. Risk factors related to the financial instruments offered

II.4.1 Risk of investment value loss

The investor - shareholder in the Addoha security, like any shareholder in a company (listed or unlisted) incurs a risk of loss of a part (or even all) of their investment. This is a risk inherent to their position as a shareholder, if the price trend is not favorable.

II.4.2 Market price volatility

As Addoha shares are listed on the Casablanca Stock Exchange, they comply with the rules of supply and demand to determine the share value. Share prices are largely determined by investors' expectations of future earnings prospects for listed companies. Thus, depending on the appreciation of the share by investors, it may undergo significant fluctuations depending on various parameters (announcements, income releases, prospects, development strategy, etc.). As a result, the investor may see their security depreciate or appreciate on the Moroccan stock market.

II.4.3 Liquidity of the security

Subscribers to Addoha Group shares may be subject to stock market liquidity risk. Indeed, depending on market conditions and the selling price, the liquidity of the security may be temporarily affected. A shareholder wishing to sell their stake in the Douja Promotion Groupe Addoha quickly could, under certain conditions, not be able to carry out the transfer under optimal conditions.

However, the ADH value shows a certain dynamism in the liquidity of the share with an average daily trading volume of 74,427 shares over the last 6 months (from 04/23/2019 to 10/22/2019).

II.4.4 Risks related to PSR

In the event of non-participation in the operation, holders of PSR who have not exercised their PSR run the risk of dilution.

In addition, holders of PSR also incur a risk of loss of value of the PSR at the end of the subscription period.

Finally, holders of PSR incur a risk relating to the subscription parity. Indeed, they may not be able to acquire a sufficient number of PSR to obtain the required parity.

III. Framework of the Operation

III.1. General framework

The Board of Directors, meeting on August 7, 2019, decided to seek the authorization of the Extraordinary General Meeting to deliberate on:

- An increase in the share capital of a maximum amount of MAD 800,000,000 by way of a contribution in cash and/or by offsetting liquid payable debts, certain and due against the company;
- The terms and conditions of the capital increase;
- The delegation of authority to the Board of Directors to carry out the share capital increase.

The Extraordinary General Assembly held on September 12, 2019 adopted the following resolutions:

- **First resolution:** The General Meeting, after having heard the report of the Board of Directors, noting that the share capital is fully paid up, has decided to increase the share capital by a maximum amount of MAD 800,000,000, including the issue premium, by issuing new shares, to be paid up by contributions in cash and/or by offsetting liquid payable debts, certain and due against the company.
- **Second resolution:**
 - ✓ The General Meeting decided, pursuant to the provisions of Article 189 of Law 17-95 relating to Limited Companies as amended and supplemented, that the subscription to the new shares to be issued in respect of the capital increase decided by the first resolution, is reserved in preference to the company's shareholders at the time of the completion of this increase. They will therefore have an irreducible subscription right on the new shares to be issued.
 - ✓ They will also have a reducible subscription right, in order to allocate the shares not absorbed by the exercise of the irreducible subscription right, which allocation will be made in proportion to the number of old shares or related rights held by the subscribers, within the limit of their requests and without allocation of fractions.
 - ✓ If the subscriptions on an irreducible and reducible basis have not absorbed the entire capital increase, the amount of the increase may be limited to the amount of subscriptions received.
- **Third resolution:**
 - ✓ The General Meeting delegates to the Board of Directors the necessary powers to carry out this capital increase on one or more occasions, to set the terms and conditions, to record its completion and to amend the Articles of Association accordingly.
 - ✓ The Board will therefore have full powers to decide and carry out the acts and formalities necessary for this capital increase, in particular to set the issue price of the new shares, to take all measures to ensure the subscription of all available shares on an irreducible and, where applicable, reducible basis, to collect subscriptions, to make and sign the subscription and payment declaration provided for by law and to amend the Articles of Association strictly in respect of this capital increase.

The Board of Directors' meeting held on November 15, 2019 set the terms and conditions of the capital increase for an amount of MAD 799,941,360, corresponding to 79,994,136 shares, at a subscription price of MAD 10 per share, equivalent to the nominal value of the shares, offering an

issue premium of MAD 0. The subscription parity is 31 new shares for 125 PSR. The Board of Directors' meeting held on December 4 set the dividend entitlement date as of January 1, 2020.

The closing of the partners' current account debts belonging to Mr. Anas Sefrioui has been certified by the auditors. It amounts MAD 1,168,644,160.73 as of November 15, 2019.

III.2. Objectives of the Operation

The current capital increase meets the following requirements:

- Provision of immediate liquidity;
- Strengthening of the capital structure;
- Investment in growth drivers, particularly in West Africa

The funds raised during the current capital increase through cash subscriptions will make it possible to finance the development of the company's growth drivers in Africa and accelerate the pace of production in Côte d'Ivoire, where demand and dynamics in the real estate sector are interesting.

III.3. Intentions to participate in the Operation

Mr. Anas Sefrioui, the majority shareholder holding 56.6% of Addoha Group's capital, is fully committed to participating in the operation in such a way as to maintain at least his current position in the company's capital by subscribing irreducibly, partly in cash and by offsetting receivables. In addition, Mr. Anas Sefrioui plans to subscribe also on a reducible basis. It should be noted that Mr. Anas Sefrioui holds a receivable in shareholders' current accounts of MAD 1,168,644,160.73 against the company.

In addition, certain executives may also participate in this operation as individual subscribers.

III.4. Investors involved in the Operation

The capital increase, subject of this prospectus, is reserved for Addoha Group shareholders and holders of preferential subscription rights.

Pursuant to the provisions of Article 189 of Law 17-95, the shareholders of the Addoha Group have a preferential right to subscribe for the new shares, in proportion to the number of shares they own. Thus, the latter will have an irreducible subscription right on the new shares to be issued.

Shareholders will also have a right to subscribe on a reducible basis, in the event that certain shareholders do not subscribe to the shares to which they were irreducibly entitled. The allocation will be made in proportion to the shareholders' share in the share capital, within the limit of their requests and without allocation of fractions.

Shareholders wishing to participate in this operation must submit to the subscription order collectors from December 19, 2019 to January 8, 2020 included, a subscription form in accordance with the model made available to them and attached to this Securities Note.

Subscription forms may be revoked at any time until the end of the subscription period.

III.5. Impacts of the Operation

III.5.1 Impact on Addoha Group's shareholders' equity

In the event that the subscriptions absorb all of the capital increase covered by this Securities Note, the cash capital increase will impact Addoha Group shareholders' equity as follows:

	Pre-operation situation (as of 12/31/2018)	Impact of the operation	Post-operation situation
Number of shares	322,557,118	79,994,136	402,551,254
Share capital (MAD)	3,225,571,180	799,941,360	4,025,512,540
Shareholders' equity - Group share	10,081,119,359	799,941,360	10,881,060,719
Consolidated shareholders' equity	11,146,854,611	799,941,360	11,946,795,971

Source: Douja Promotion Groupe Addoha

The impact of the operation on Addoha Group shareholders' equity is based on the assumption that subscriptions absorbed the entire capital increase.

III.5.2 Shareholding structure before and after the Operation

The table below shows the shareholding structure of Addoha Group before and after the capital increase operation, subject of this Securities Note, assuming that the Company's consolidated current shareholders participate in the operation on an irreducible basis.

Shareholders	Pre-operation shareholding structure (as of 12/31/2018)		Post-operation shareholding structure	
	Number of securities	% of Capital and voting rights	Number of securities	% of Capital and voting rights
Sefrioui family	182,441,793	56.6%	228,072,556	56.66%
Mr. Anas Sefrioui	182,420,353	56.6%	228,045,752	56.65%
Mrs. Mounia Benzekri	5,360	0.0%	6,701	0.00%
Miss Alia Sefrioui	5,360	0.0%	6,701	0.00%
Miss Kenza Sefrioui	5,360	0.0%	6,701	0.00%
Mr. Malik Sefrioui	5,360	0.0%	6,701	0.00%
Shares held by the Company	2,723,024	0.8%	2,723,024	0.68%
Floating	137,392,301	42.6%	171,755,674	42.67%
Total	322,557,118	100%	402,551,254	100%

Source: Douja Promotion Groupe Addoha

PSR attached to the shares owned by Addoha Group will not be exercised by the company in accordance with the provisions of Article 279 of the Limited Liability Companies Act. The company undertakes to offer for sale these rights on the market, with no obligation of result.

The Board of Directors' meeting of December 4, 2019 decided to propose to the next General Meeting the approval of a new share repurchase program.

III.5.3 Impact of the Operation on governance

This operation has no impact on Addoha Group's governance.

III.5.4 Impact of the Operation on indebtedness

For the part of the operation by cash contribution, the capital increase allows a reduction of the Addoha Group's Gearing.

On the other hand, for the possible part of the operation by offsetting against liquid and due receivables, it will lead to a reduction in the Group's debt.

III.5.5 Impact of the Operation on the Addoha Group's strategic orientations and prospects

The capital increase will enable Addoha Group to support its current strategy of (1) restoring its balance sheet, (ii) consolidating its equity capital and (iii) investing in its growth drivers, particularly in West Africa.

III.6. Expenses related to the Operation

The operation costs to be borne by the issuer are estimated at approximately [0.6%] excluding tax of the operation amount. The nature of these costs is detailed below:

- Legal fees;
- Legal advisor;
- Commission to be paid to the Moroccan Capital Market Authority;
- Central Custodian, Maroclear;
- The Casablanca Stock Exchange;
- Brokerage fees;
- Etc.

LISSANIAT
Hay Nassim Lot Nassim imm 120 N° 11
Lissasfa - Casablanca
Tel.: 0522 89 78 89
GSM : 9954 78 99 40

IV. Flow of the operation

IV.1. Schedule

Order	Steps	Dates
1	Receipt by the Casablanca Stock Exchange of the complete operation file	Dec 4, 19
2	Issue by the Casablanca Stock Exchange of the approval notice and the operation schedule	Dec 5, 19
3	Approval by the AMMC of the Prospectus	Dec 5, 19
4	Receipt by the Casablanca Stock Exchange of the AMMC-approved prospectus	Dec 5, 19
5	Publication of the extract from the approved prospectus on the Douja Promotion Groupe Addoha website	Dec 5, 19
6	Publication of the capital increase notice in the market bulletin	Dec 6, 19
7	Publication of a press release by the Douja Promotion Groupe Addoha in a Legal Gazette and referring to the extract published on the DPGA website	Dec 7, 19
8	Detachment of preferential subscription rights:	Dec 16, 19
	-Publication of the theoretical value of the subscription right	
	-Adjustment of the value price	
	-Purge of the order book	
12	Opening of the subscription period and listing of subscription rights	Dec 19, 19
13	Closing of the subscription period	Jan 8, 20
14	Write-off of subscription rights	Jan 9, 20
15	Receipt of the amount and forms of subscriptions by the centralizing body	Jan 14, 20
16	Final centralization and allocation of subscription orders	Jan 15, 20
17	Return of the remainders to subscribers	Jan 16, 20
18	Holding of the meeting of the board of directors to ratify the capital increase by cash contribution and by offsetting liquid and payable debts	Jan 16, 20
19	Receipt by the Casablanca Stock Exchange of (i) the minutes of the Board of Directors having ratified the capital increase in cash and (ii) the results of the capital increase	Jan 17, 20
	Admission of new securities in the 2 nd line	
20	Registration of the capital increase in cash on the stock market	Jan 23, 20
	Delivery of new shares to account holders	
	Announcement by the Casablanca Stock Exchange of the operation results in the official list	
21	Publication of the operation results by the issuer	Jan 24, 20

IV.2. Financial intermediaries

Dealers	Identities	Addresses
Financial advisors and global coordinators	Attijari Finances Corp.	163 avenue Hassan II, Casablanca, Maroc
	BMCE Capital Conseil	63 Boulevard Moulay Youssef, Casablanca, Maroc
Central Body	BMCE Bank of Africa	140 avenue Hassan II, Casablanca, Maroc
Body in charge of registering the operation on the Casablanca Stock Exchange	BMCE Capital Bourse	63 Boulevard Moulay Youssef, Casablanca, Maroc
Subscription order collectors	All account holders of securities/PSR	

IV.3. Subscription terms and conditions

IV.3.1 Subscription period

Subscription to the capital increase, subject of this Securities Note, will be open to the centralizing body and order collector BMCE Bank of Africa, the central body, as well as to all account holders during the subscription period which will run from December 19, 2019 to January 8, 2020 included.

The operation will be carried out by the subscribers by submitting a subscription form in accordance with the model made available to them and attached to the Securities Note, duly signed by the subscriber or their agent and time-stamped by the subscription order collector.

The current shareholders of Addoha Group and the holders of PSR will have to contact their account keepers (account keeper banks and brokerage firms) directly to subscribe to the operation.

IV.3.2 Identification of subscribers

Subscription order collectors, in the context of this capital increase operation, must ensure, before accepting the subscription, that the subscriber is the holder of Addoha PSR, and that the latter are sufficient to cover their subscription.

To this end, they must obtain a copy of the document attesting to this identification and attach it to the subscription form.

Subscription order collectors must also obtain the documents justifying the subscriber's belonging to one of the categories described below.

Category of investors	Document to be attached
Resident Moroccan natural persons	Photocopy of the national identity card
Moroccan natural persons residing abroad	Photocopy of the national identity card

Resident and non-Moroccan natural persons	Photocopy of the residency card
Non-resident and non-Moroccan natural persons	Photocopy of the pages of the passport containing the identity of the person as well as the issue and expiry dates of the document
Legal entities under Moroccan law (excluding UCITS)	Photocopy of the commercial register
Legal persons under foreign law	Any document authentic in the country of origin attesting to the belonging to the category or any other means deemed acceptable by the order collector
UCITS under Moroccan law	Photocopy of the approval decision attesting that it belongs to this category. - For Mutual Funds, the number of the certificate of deposit at the court registry; - For Investment companies with variable capital (SICAVs), the number of the commercial register.
Qualified investors under Moroccan law (excluding UCITS)	Photocopy of the authorization decision and photocopy of the commercial register including the corporate purpose showing the subscriber's belonging to this category
Authorized investment institutions under foreign law	Photocopy of the articles of association or any authentic document in the country of origin and photocopy of the approval decision issued by the competent authority
Banks under Moroccan law	Model of the entry in the commercial register including the corporate purpose showing the subscriber's belonging to this category
Moroccan associations	Photocopy of the Articles of Association and photocopy of the receipt of the file deposit
Minor child	Photocopy of the page of the family record book attesting to the child's date of birth

All subscriptions that do not comply with the above-mentioned identification conditions will be null and void. Subscription orders are irrevocable after the end of the subscription period.

IV.3.3 Account opening

Subscription operations are recorded in a securities and cash account in the name of the subscriber.

In addition to the conditions relating to the identification and creation of a file per client, subscribers will have to sign an agreement to open "securities/cash" accounts with an account holder.

Account openings can only be made by the subscriber themselves. It is strictly forbidden to open an account by proxy.

A power of attorney for a subscription may under no circumstances allow the opening of an account for the principal.

Account openings for minor children can only be made by the minor's legal representative (father or mother or guardian).

For minor children, subscriptions can be registered either on their account or on that of the legal representative (father or mother or guardian).

Account openings for persons over the age of majority can only be made by the legal representative (father or mother or guardian).

In this sense, account keepers require any document justifying the incapacity of the incapable adult whose subscription has been made by their legal representative.

IV.3.4 Subscription on behalf of third parties

Subscriptions on behalf of third parties are authorized but within the following limits:

- Subscriptions on behalf of third parties are accepted on condition that the subscriber submits a power of attorney duly signed and authenticated by their principal delimiting exactly the scope of the power of attorney (power of attorney on all types of securities and cash movements on the account, or specific power of attorney for subscription to the Addoha Group's capital increase operation). The subscription order collector is required, if they do not already have this copy, to obtain one and attach it to the subscription form.
- The agent must specify the references of the principal's securities and cash accounts, in which the movements in securities or cash related to the ADH shares, subject of the operation, will be recorded respectively;
- Subscriptions on behalf of minor children whose age is below or equal to 18 years old are authorized on condition that they are made by the father, mother, guardian or legal representative of the minor child. The subscription order collector is required, if they do not already have one, to obtain a copy of the page of the family record book showing the date of birth of the minor child. In this case, the movements are recorded either on an account opened in the name of the minor child, or on the securities or cash account opened in the name of the father, mother, tutor or legal representative;
- In the case of a portfolio management mandate, the manager may only subscribe on behalf of the client whose portfolio they manage by presenting a power of attorney duly signed and authenticated by their principal. Management companies are exempt from presenting these documents for the UCITS they manage.

IV.3.5 Subscription and order processing procedures

The subscription must be made with the custodian of the securities or PSR to be exercised.

The said account holders will immediately block the PSR corresponding to the subscription. All subscriptions will be made in cash and/or by conversion of receivables, the new shares will be reserved on a preferential and irreducible basis for holders of PSR at the rate of 31 new shares for 125 PSR.

The new shares will be reserved on a preferential and irreducible basis for holders of ADH shares and PSR holders. The subscription forms will be signed by the subscriber or his representative and time-stamped by the subscription collecting body.

Pursuant to the provisions of the last paragraph of Article 189 of Act No. 17-95 of August 30, 1996 on limited companies, as amended and supplemented, subscription to the new shares is reserved for the company's shareholders and holders of preferential subscription rights at the time the capital increase is completed. They will therefore have an irreducible subscription right on the new shares to be issued.

The company's shareholders will also have a subscription right on a reducible basis, with a view to allocating the shares not absorbed by the exercise of the subscription right on an irreducible basis. This

distribution will be made pro rata to their share in the capital, within the limit of their requests and without allocation of fractions.

Subscription, like shareholders, is possible by purchasing subscription rights on the market. These subscription rights will be offered for sale by shareholders who do not wish to subscribe or wish to subscribe partially to the capital increase. They will be listed throughout the subscription period. Purchases and sales of PSR may be made through an approved intermediary (brokerage firm).

Subscription order collectors must ensure, prior to the acceptance of a subscription, that the subscriber has the financial capacity to honor his commitments. They are required to accept subscription orders from any person authorized to participate in the operation on condition that the said person provides the necessary financial guarantees.

In the event that the subscriptions received, both irreducible and reducible, do not absorb the entire capital increase, the Board of Directors may limit the amount of the capital increase to the amount of subscriptions received. In the case of a subscription by set-off of a receivable, the account holder of the securities/PSR must ensure, before accepting the subscription, the existence of the liquid and due receivable held by the subscriber by submitting the report of the auditors on the receivable to be converted.

IV.3.6 Procedure for exercising preferential subscription rights

For the exercise of their PSR, PSR holders must make a request exclusively to their account holders during the subscription period and pay the corresponding subscription price (plus stock exchange, brokerage and settlement fees including all taxes). The PSR must be exercised by their holder, under penalty of forfeiture, before the end of the subscription period. The account holder will immediately block the PSR corresponding to the subscription.

Pursuant to the provisions of Article I.2.25 of the AMMC circular², account holders are required, in the event of a proven risk of the PSR declining, to act in the best interests of shareholders, in the absence of instructions from them. On the other hand, account keepers will take into consideration the impact of the levying of commissions and taxes on sales transactions considering the price of the PSR.

On the eve of the closing of the subscription period, brokerage firms are required to communicate the list of outstanding sale orders for Addoha PSR to the account holders of the clients who have formulated these orders.

In addition, and in accordance with article I.2.27 of the AMMC circular³, orders for the transfer of rights must be transmitted to the brokerage firm through the account keepers. However, if the brokerage firm receives a transfer order directly from its client, it immediately informs the account holder of the said rights. Brokerage companies must not take, on the last day of validity of the subscription rights, transfer orders on the said rights which they do not ensure the conservation.

IV.3.7 Allocation procedures

Shares subscribed for on an irreducible basis will be allocated in proportion to the number of PSR held by each subscriber.

² Consolidated circular published in October 2014

³ Consolidated circular published in October 2014

Thus, in addition to subscriptions on an irreducible basis, shareholders may subscribe on a reducible basis. In this sense, shares issued and not subscribed for on an irreducible basis will be allocated to subscribers on a reducible basis within the limit of their request and in proportion to the shares held.

If the number of shares to be allocated on a reducible basis according to the above pro rata rule is not a whole number, this number of shares will be rounded down to the nearest unit. Fractional shares will be allocated in steps of one share per subscriber with priority given to the highest applications.

IV.3.8 Treatment of fractional shares

The PSR may only be exercised up to a number of PSR allowing the subscription of a whole number of new shares. The holders of preferential subscription rights will be able to subscribe irreducibly for 31 new shares for 125 preferential subscription rights. The reference shareholder has waived 118 PSR.

Holders of PSR who do not hold, in respect of their irreducible subscription, a sufficient number of PSR to obtain a whole number of new shares, must purchase or sell the necessary subscription rights during the subscription period at market conditions, during the subscription period.

IV.4. Procedures for Centralization, subscription coverage and registration of the operation

IV.4.1 Methods of centralizing subscription orders

BMCE Bank of Africa, as a centralizing body, will collect from authorized account holders all subscription forms completed and related to this operation.

Subscription forms and a detailed list of subscribers must be submitted to the centralizing agent no later than January 14, 2020.

Subscription forms and a detailed list of subscribers must be submitted in two phases:

- The next day, concerning shareholders holding preferential subscription rights
- 3 days later for subscribers who have purchased preferential subscription rights not yet settled.

The account holders will have to transfer the subscription rights exercised on the centralization account of the operation in the name of BMCE Bank of Africa, opened with the Maroclear Central Depository.

Account holders must transfer to BMCE Bank of Africa via SRBM, (i) the amounts of irreducible and reducible cash subscriptions, plus stock exchange and brokerage fees all taxes included and (ii) stock exchange and brokerage fees including all taxes relating to subscriptions by offsetting receivables.

No later than the fourth business day after the end of the subscription period, and as soon as the PSR purchased by the subscriber on the stock exchange during the last three days of the same period have been settled, the account holders collecting subscription orders must send BMCE Bank of Africa the corresponding subscription form, transfer the additional subscription rights to the centralization account at the level of Maroclear and transfer the corresponding subscription amount via SRBM, plus the stock exchange and brokerage fees including all taxes.

No later than two business days after the allocation, BMCE Bank of Africa will communicate (i) to the issuer the list of subscribers and the amounts subscribed, (ii) to the AMMC, (iii) to the Casablanca

Stock Exchange, (iv) to BMCE Capital Bourse and (v) to account holders the overall results of the operation.

IV.4.2 Methods of payment for subscriptions and book entries

All subscriptions will be made in cash and/or by conversion of receivables.

Cash subscriptions:

The payment of the amounts corresponding to the cash subscriptions to this operation must be made in cash (by remittance of a cheque or by debiting the subscriber's bank account opened on the books of his account holder) and paid to the centralizing agent on the fourth day after the closing date of the subscription period, i.e. January 14, 2020.

It should be noted that cheques must be presented for cashing before the validation of the subscription and before the end of the subscription period.

For PSR settled on the third day after the closing of subscriptions, the payment of the amounts corresponding to said subscriptions will be made on the same day, i.e. the fourth business day after the closing date of the subscription period, i.e. on 14 January 2020.

The amount of subscriptions must be equal to the subscribed amount plus the stock exchange commission (0.1% excluding tax of the subscribed amount), the brokerage commission (0.6% excluding tax of the subscribed amount) and the settlement / delivery commission (0.2% excluding tax of the subscribed amount). Commissions are invoiced by the account keepers. A VAT of 10% is applied in addition to the various commissions.

Stock exchange, brokerage and settlement fees will be invoiced by the account holders and must be paid by the subscribers (including 10% VAT). The amount of subscriptions plus stock exchange and brokerage fees must be paid by the account holders to the centralizing agent on the fourth business day after the end of the subscription period, i.e. January 14, 2020.

BMCE Bank of Africa, the centralizing and order-collecting body, will pay these amounts, after deduction of commissions, into a special account reserved for the operation, the subject of this Securities Note: "Addoha Group capital increase".

Subscriptions by offsetting receivables:

The receivable relating to the shareholder's current account held by Mr. Anas Sefrioui on the Company was settled at an amount of MAD 1,168,644,160.73 at 11/15/2019. The Company's Statutory Auditors have also issued a report certifying the accuracy of the said closing.

Subscription by offsetting liquid and due receivables will be collected by the account holders.

The centralizing agent must record the offsetting of the receivable by means of the subscription form and the auditors' report on the account closing on the receivables subject to conversion.

Stock exchange, brokerage and settlement fees are invoiced by the account holders and must be paid by the subscriber (including the corresponding 10% VAT). These fees must be paid by the account keepers to the centralizer on the fourth business day after the end of the subscription period, i.e. January 14, 2020.

The date of registration of the new shares in the account will correspond to the delivery date, i.e. January 23, 2020.

IV.4.3 Terms of delivery of securities

The delivery of shares, subject of this operation, will be made on January 23, 2020.

IV.4.4 Brokerage firm in charge of registering the operation

BMCE Capital Bourse is responsible for the registration of the operation on the Casablanca Stock Exchange. The registration of the operation on the stock exchange will take place on 23 January 2020.

The registration price corresponds to the subscription price as set within the framework of this operation, i.e. MAD 10 per share.

IV.4.5 Methods of publishing the results of the operation

The publication of the results will be carried out by the Casablanca Stock Exchange at the level of the listing bulletin on January 23, 2020.

Addoha Group will also publish the results of the operation in a Legal gazette and on its website on January 24, 2020

IV.4.6 Methods of returning the remainder

The cash remainders will be returned to subscribers on January 16, 2020.

Part II: Information on Douja Promotion Groupe Addoha

I. General information

Corporate name	The Company has the corporate name: "Douja Promotion Groupe Addoha S.A.". It also uses the trade name "Groupe Addoha".
Registered office	Km 7, Route de Rabat, Ain Sebâa, Casablanca
Phone	+212 5 22 67 99 00
Fax	+212 5 22 35 17 63
Website	www.groupeaddoha.com
Email	douja.promotion@addoha.ma
Legal form	Limited company (Ltd.) with a Board of Directors
Date of establishment	April 18, 1988
Lifetime	99 years, unless early dissolution or extension provided for by the Articles of Association or by law
Share capital (as of November 30, 2019)	MAD 3,225,571,180 divided into 322,557,118 shares of MAD 10 each, all fully paid and of the same class.
Financial year	From January 1 to December 31.
Registration number in the Commercial Register	52 045 – Casablanca
Competent court in case of litigation	Commercial Court of Casablanca.
Location of legal documents	The corporate, accounting and legal documents whose communication is provided for by law and the Articles of Association in favor of shareholders and third parties may be consulted at the registered office of Douja Promotion Groupe Addoha, at Km 7, Route de Rabat, Ain Sebâa, Casablanca.
Corporate purpose	<p>According to Article 5 of the Articles of Association, the Company's direct purpose is to carry out, either for itself, or in partnership, or for a third party in Morocco or any other country:</p> <ul style="list-style-type: none"> • All real estate development operations as defined by Dahir No. 1.85.100 of August 17, 1985 promulgating Law No. 15/85 establishing measures to encourage real estate investment and, more particularly, • The acquisition of any land, built or not, as well as any property located in Morocco; • The exploitation and development of the said lands by means, in particular, of subdivision, servicing, development, equipment and construction of residential, commercial, professional, industrial or other construction; • The transformation of real estate, their sale in co-ownership batch-wise or per unit; • The drafting of deeds recording the transfer of any real estate property; • The constitution and management of syndicates of any building in accordance with the regulations governing condominiums and any related operations, including the exercise of the role of the managing agent. • And more generally, any property or real estate-related operations that may be directly or indirectly related to the company's purpose.

Applicable laws and regulations

Douja Promotion Groupe Addoha is governed by Moroccan law, law 17-95 relating to limited liability companies as amended and supplemented as well as its articles of association.

By virtue of its activity, it is governed by the following Dahirs:

- Law No. 25-90 promulgated by Dahir No. 1-92-7 of June 17, 1992 on subdivisions, housing groups and parcels;
- Law No. 17-95 promulgated by Dahir No. 1-96-124 of August 30, 1996 relating to limited companies as amended and completed by law 20-05 and by law 78-12;
- Dahir of August 12, 1913 forming the Code of Obligations and Contracts, supplemented by Law No. 44-00 of October 3, 2002 on the sale before completion;
- Law No. 18-00 of October 3, 2002 relating to the status of co-ownership of buildings;
- Article 19 of the 1999-2000 Finance Act establishing tax exemptions for real estate developers, as amended and supplemented by Article 16a of the 2001 Finance Act;
- Article 92 of the 2010 Finance Act introducing new tax exemptions for real estate developers;
- Article 247 of the 2012 Finance Act, introducing new tax exemptions for real estate developers;
- Article 247 of the 2013 Finance Act, introducing new tax exemptions for real estate developers.

As a public company and an issuer of commercial paper, the Company is subject to the provisions of the following texts:

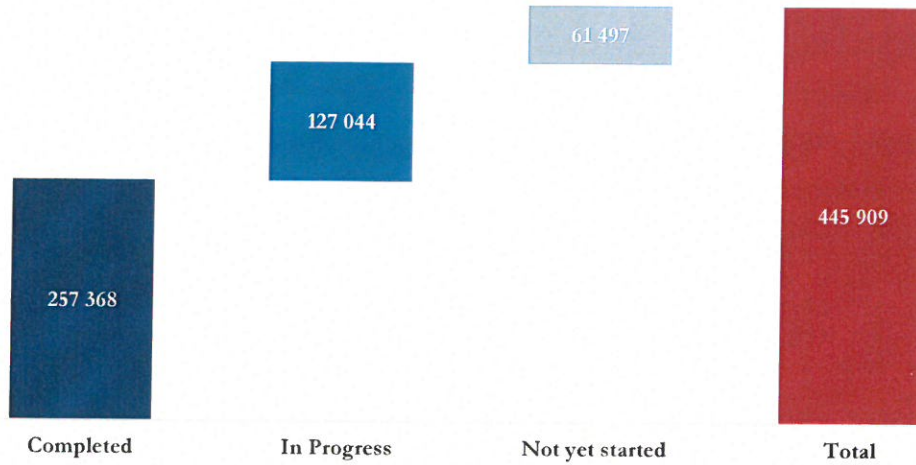
- Dahir No. 1-16-151 of Dhu al-Qaada 21, 1437 (August 25, 2016) promulgating law no. 19-14 relating to the stock exchange, stockbrokers and financial investment advisers;
- General Regulations of the Stock Exchange approved by Order No. 2208-19 of the Minister of the Economy and Finance of July 3, 2019;
- Dahir no. 1-12-55 of Safar 14, 1434 (December 28, 2012) promulgating law no. 44-12 relating to the public offering and information required from legal entities and organizations making public offerings;
- Dahir no. 1-96-246 of January 9, 1997 promulgating law no. 35-96 relating to the creation of a central custodian and the establishment of a general regime for the book entry of certain securities, amended and supplemented by law no. 43-02;
- General regulations of the central custodian approved by Order No. 932-98 of the Minister of Economy and Finance of April 16, 1998 and amended by Order No. 1961-01 of the Minister of Economy, Finance, Privatization and Tourism of October 30, 2001 and by Order No. 77-05 of March 17, 2005;
- General regulations of the AMMC as approved by Order No. 2169-16 of the Minister of Economy and Finance of July 14, 2016;
- Dahir no. 1-04-21 of April 21, 2004 promulgating law no. 26-03 relating to public offers on the Moroccan stock market as amended and supplemented by law 46-06;
- Dahir No. 1-13-21 of Jumada I 1, 1434 (March 13, 2013) promulgating Law No. 43-12 on the AMMC;
- AMMC circular No. 03/19 on Financial Operations and Information;
- Dahir 1-95-03 of January 26, 1995 promulgating law No. 35-94 on certain tradable debt securities.

II. Brief description of the Activity

Douja Promotion Groupe Addoha's activity consists of the implementation of economic and luxury housing programs, the core business of which is the economic housing segment.

As of end-2018, Douja Promotion Groupe Addoha's cumulative projects, including the activity of its subsidiaries in the economic, intermediate and high standing segments in Morocco, were as follows:

Figure 1 Cumulative achievements for all segments combined (in units / Morocco)



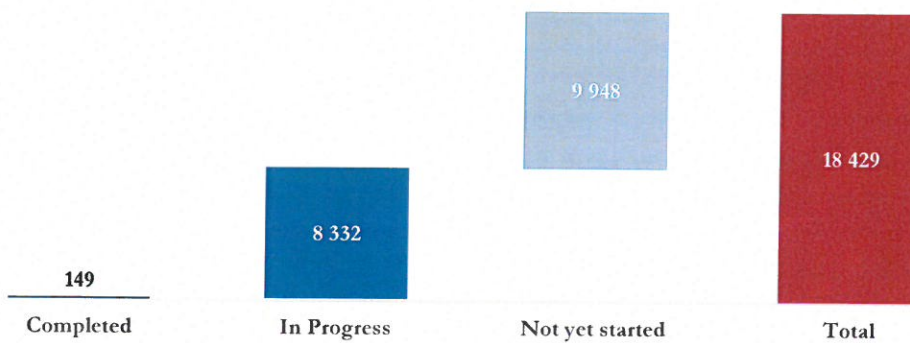
Source: Douja Promotion Groupe Addoha

As of December 31, 2018, the programs completed, in progress and not yet started by Groupe Addoha, all segments combined in Morocco, total 445,909 units, distributed as follows:

- Fully completed dwellings: 257,368 units;
- Dwellings under construction: 127,044 units;
- Dwellings not yet started: 61,497 units

In addition, Douja Promotion Groupe Addoha's cumulative projects, including the activity of its subsidiaries in the economic, intermediate and high standing segments in Sub-Saharan Africa, are as follows:

Figure 2 Cumulative achievements for all segments combined (in units / Sub-Saharan Africa)



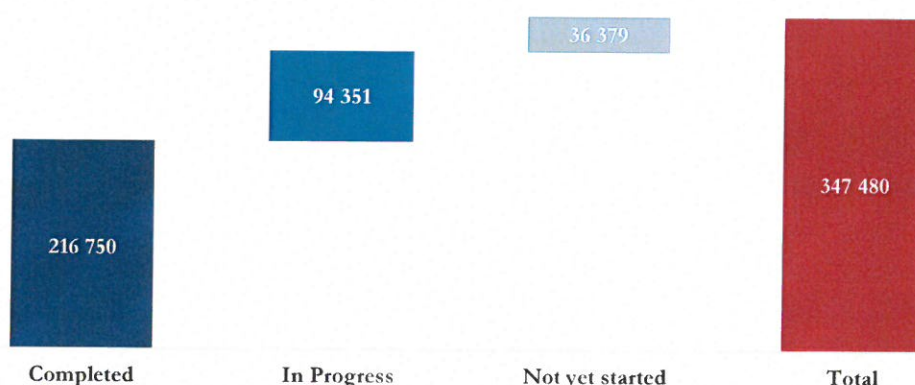
Source: Douja Promotion Groupe Addoha

As of December 31, 2018, the programs completed⁴, in progress and not yet started by Groupe Addoha, all segments combined in Sub-Saharan Africa, total 18,429 units, broken down as follows:

- Fully completed dwellings: 149 units;
- Dwellings under construction: 8,332 units;
- Dwellings not yet started: 9,948 units.

The graph below shows the achievements of Douja Promotion Groupe Addoha and its subsidiaries in the economic segment as well as the programs not yet started and in progress as of December 31, 2018 (excluding units in sub-Saharan Africa):

Figure 3 Cumulative achievements for the economic segment in Morocco as of 12/31/2018 (in units)

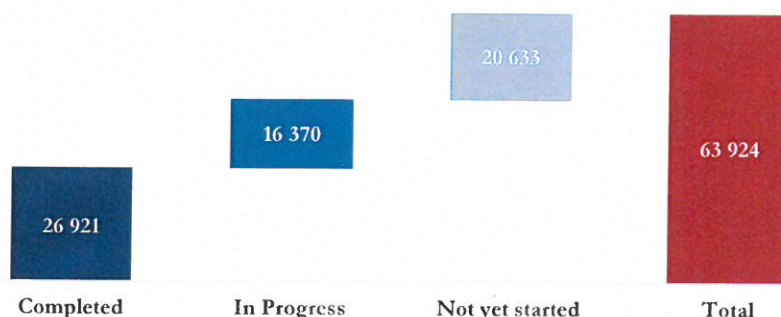


Source: Douja Promotion Groupe Addoha

In the economic segment in Morocco, Addoha group has completed 216,750 units and is in the process of completion of a series of real estate projects totaling 94,351 units. Other projects not yet started are expected to include 36,379 units in the future.

The achievements of Douja Promotion Groupe Addoha and its subsidiaries (excluding units in sub-Saharan Africa) in the intermediate segment as well as the programs not yet started and in progress are shown in the following graph:

Figure 4 Cumulative achievements for the intermediate segment in Morocco as at 12/31/2018 (in units)



Source: Douja Promotion Groupe Addoha

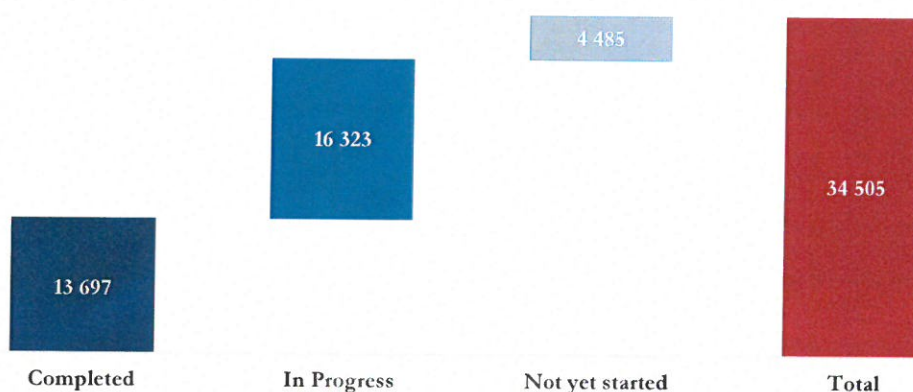
⁴ Only countries where construction is in progress, namely Côte d'Ivoire, Senegal and Guinea, are taken into account

As illustrated in the graph above, as of December 31, 2018, the intermediate segment units completed in Morocco totaled 26,921 housing units. Other programs are in progress and cover 16,370 units.

In addition, intermediate real estate projects will have to be launched and would cover approximately 20,633 units.

The graph below shows the achievements, programs not yet started and in progress of Douja Promotion Groupe Addoha and its subsidiaries in the high standing segment:

Figure 1 Cumulative achievements for the high standing segment in Morocco as at 12/31/2018 (in units)



Source : Douja Promotion Groupe Addoha

As of December 31, 2018, Groupe Addoha fully completed and marketed 13,697 units in the high standing segment in Morocco. In addition, the high standing programs currently in progress include 16,323 units. The programs not yet started by the group include 4,485 units.

III. Shareholding structure

As of the end of September 2019, DPGA's shareholding structure is as follows:

Shareholding structure as of end-September 2019

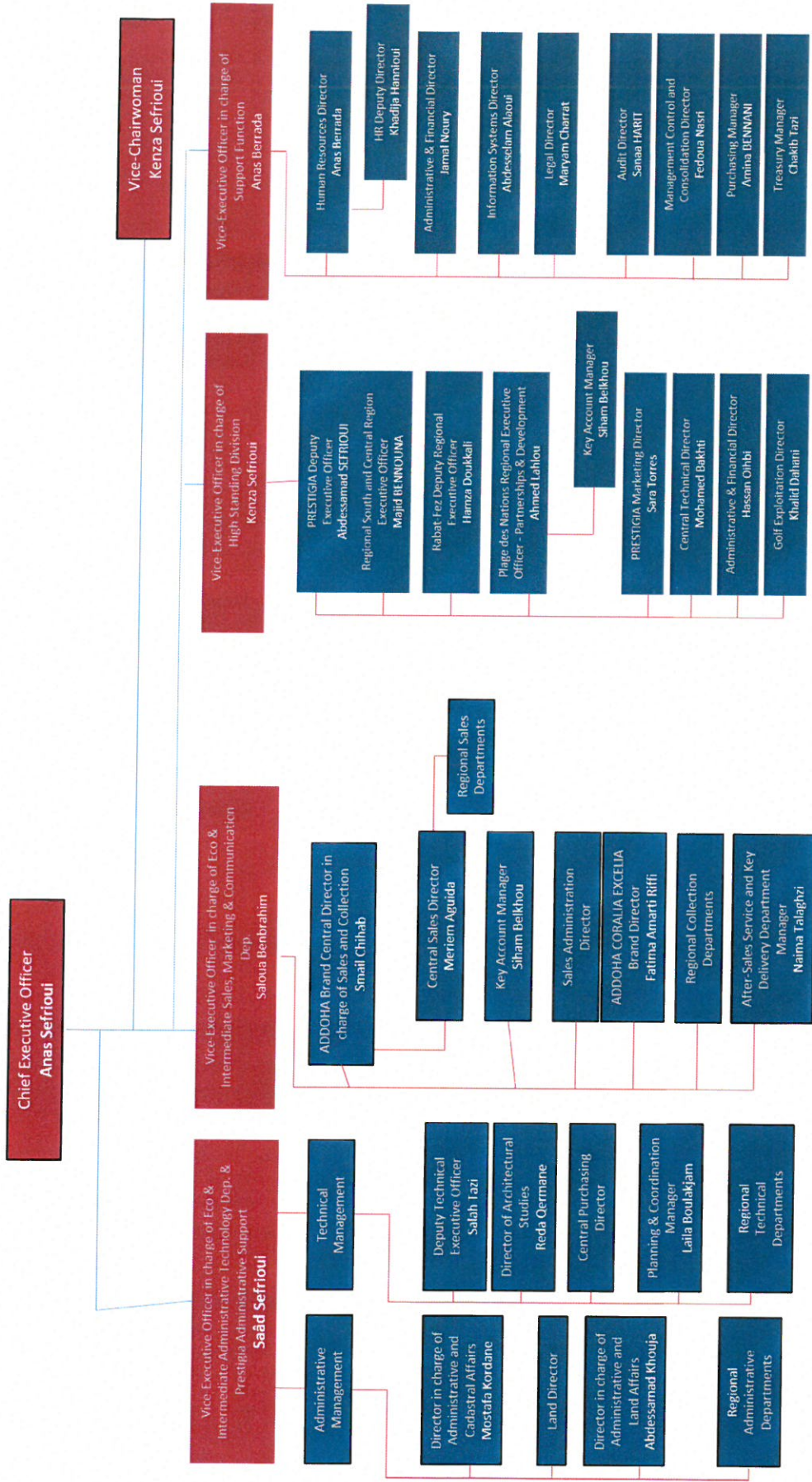
Shareholders	09/30/2019	
	Number of securities	% in capital and voting rights
Sefrioui family	182 441 793	56.6%
<i>Mr. Anas Sefrioui</i>	182 420 353	56.6%
<i>Mrs. Mounia Benzekri</i>	5 360	0.0%
<i>Miss Alia Sefrioui</i>	5 360	0.0%
<i>Miss Kenza Sefrioui</i>	5 360	0.0%
<i>Mr. Malik Sefrioui</i>	5 360	0.0%
<i>O.I.P.</i>	-	0.0%
Shares held by the Company	2 723 024	0.8%
RCAR	20 417 866	6.3%
Mr. Anas Berrada Sounni	1	0.0%
Mr. Philippe Faure	1	0.0%
Mr. Jean-René Fourtou	1	0.0%

Mr. Azzedine Kettani	1	0.0%
Mr. Mohamed El Mernissi	1	0.0%
Other shareholders	116 974 430	36.3%
Total	322 557 118	100.0%

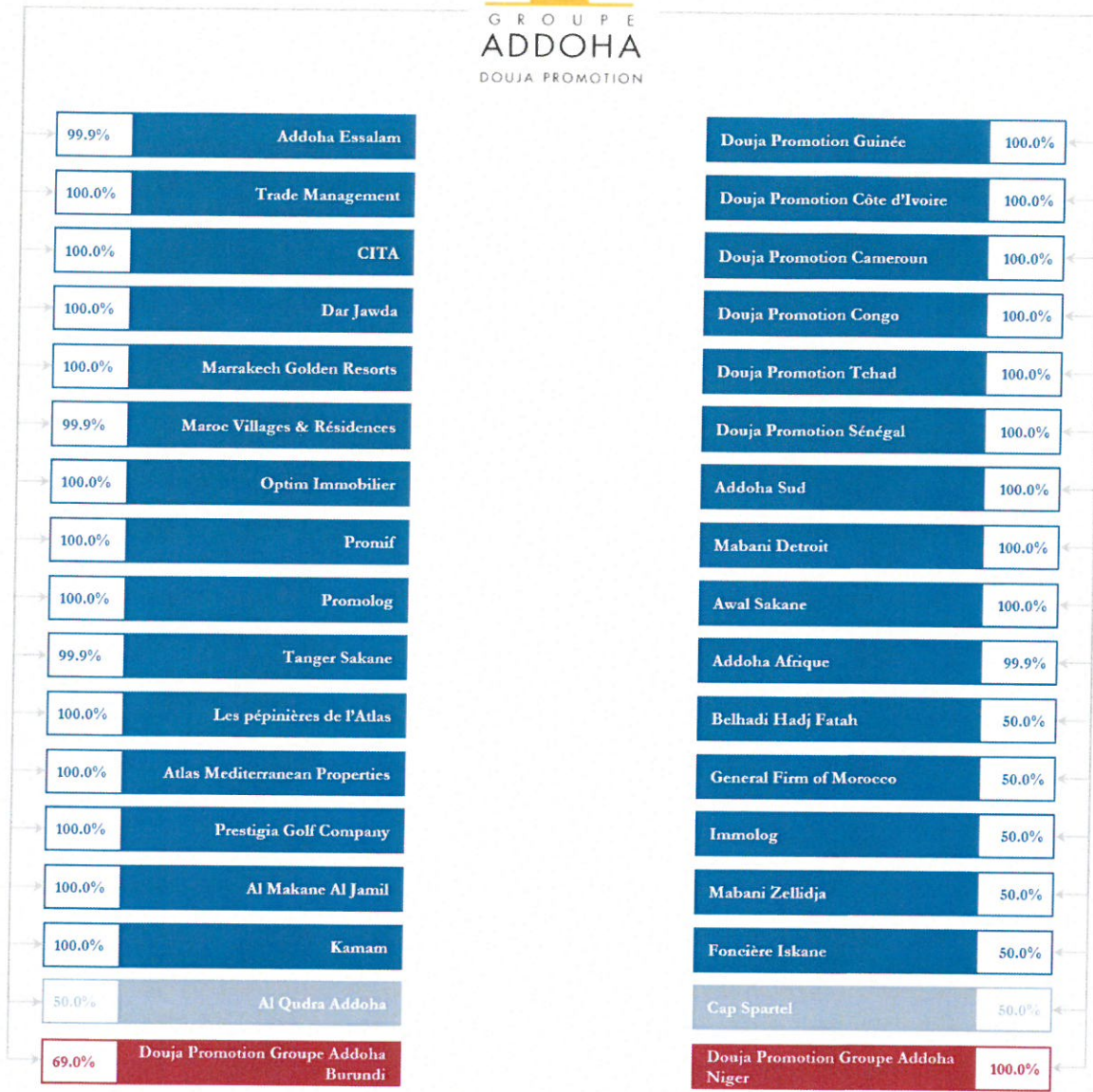
Source: Douja Promotion Groupe Addoha

IV. Organizational Chart of Douja Promotion Groupe Addoha

The organization chart of Douja Promotion Groupe Addoha, as of November 30, 2019, is as follows:



As of October 31, 2019, the legal organization chart of Groupe Addoha is as follows:



Source: Douja Promotion Groupe Addoha

Full consolidation
 Equity method
 Outside consolidation scope (XX%) % of interest and control

LISSANIAT
 #Bijlissaniat - Nassim.lim1601@11
 LISSANIAT - Casablanca
 T/M : 0522 86 78 89
 GSM : 0524 78 59 40

Part III: Financial data

I. Balance sheet

I.1. DPGA consolidated balance sheet for the period 2016-2018

Assets - In KMAD	2016	2016 pro-forma	2017	Var. 16 pro	1/1/2018	2018	Var. 17/18
Goodwill	-	542	542	0.0%	542	542	0.0%
Intangible assets	3 400	3 467	2 493	-28.1%	2 493	1 730	-30.6%
Property, plant and equipment	705 278	709 315	722 750	1.9%	722 750	689 045	-4.7%
Investment properties	173 514	173 514	522 453	201.1%	522 453	479 821	-8.2%
Equity-accounted securities	479 852	180 129	166 479	-7.6%	166 479	153 114	-8.0%
Other financial assets	6 206	25 994	25 517	-1.8%	25 517	20 817	-18.4%
Deferred tax assets	246 818	310 414	388 668	25.2%	1 180 318	1 098 368	182.6%
Other non-current assets	0	0.088	6	6718.2%	6	166	2674.2%
Total non-current assets	1 615 067	1 403 374	1 828 909	n.a	2 620 559	2 443 602	33.6%
Inventories and net outstanding	15 277 213	16 702 653	16 008 035	-4.2%	16 008 035	15 680 687	-2.0%
Net customer receivables	7 156 256	7 445 285	7 086 832	-4.8%	4 533 122	3 957 173	-44.2%
Other net current receivables	2 575 415	3 602 123	4 430 328	23.0%	4 430 328	4 530 456	2.3%
Other financial assets	-	-	-	n.a	-	-	n.a
Cash and cash equivalents	836 866	896 208	862 692	-3.7%	862 692	636 536	-26.2%
Total Current Assets	25 845 750	28 646 270	28 387 886	-0.9%	25 834 176	24 804 852	-12.6%
Total Assets	27 460 817	30 049 643	30 216 795	0.6%	28 454 735	27 248 454	-9.8%

Liabilities - In KMAD	2016	2016 pro-forma	2017	Var. 16 pro	1/1/2018	2018	Var. 17/18
Share capital	3 225 571	3 225 571	3 225 571	0.0%	3 225 571	3 225 571	0.0%
Share issue and merger premiums	3 034 812	3 034 812	3 034 812	0.0%	3 034 812	3 034 812	0.0%
Reserves	4 266 082	4 266 082	4 485 238	5.1%	3 136 422	3 441 324	-23.3%
Results	1 009 164	1 009 164	763 909	-24.3%	763 909	376 583	-50.7%
Currency translation differences	1 896	1 896	1 954	3.1%	1 954	2 829	44.8%
Shareholders' equity - group share	11 537 525	11 537 525	11 511 484	-0.2%	10 162 668	10 081 119	-12.4%
Minority reserves	625 043	1 093 936	1 113 537	1.8%	932 965	1 032 862	-7.2%
Minority result	112 560	91 996	102 352	11.3%	102 352	32 873	-67.9%
Shareholders' equity - minority share	737 603	1 185 932	1 215 888	2.5%	1 035 317	1 065 735	-12.3%
Consolidated shareholders' equity	12 275 128	12 723 457	12 727 372	0.0%	11 197 985	11 146 855	-12.4%
Non-current financial debts	4 828 680	4 868 566	4 392 602	-9.8%	4 392 603	4 467 133	1.7%
Non-current provisions	93	93	213	128.0%	213	601	181.9%
Other non-current liabilities	12	233	26 511	>100%	26 511	26 511	0.0%
Deferred tax liabilities	181 177	182 711	369 568	102.3%	369 568	354 335	-4.1%
Total non-current liabilities	5 009 963	5 051 604	4 788 895	-5.2%	4 788 895	4 848 581	1.2%
Current provisions	172 550	377 446	191 735	-49.2%	-40 937	193 321	0.8%
Current financial debts	2 181 882	2 185 697	2 636 700	20.6%	2 636 700	1 879 704	-28.7%
Trade payables	3 220 862	3 771 267	4 208 789	11.6%	4 208 789	3 494 131	-17.0%
Other current liabilities	4 600 432	5 940 172	5 663 304	-4.7%	5 663 304	5 685 864	0.4%
Total current liabilities	10 175 726	12 274 582	12 700 528	3.5%	12 467 856	11 253 019	-11.4%
Total Liabilities	27 460 817	30 049 643	30 216 795	0.6%	28 454 735	27 248 454	-9.8%

Source: Douja Promotion Groupe Addoha

LISSANIA
 Hajj Nassim Lot. Nassim (mm) 130 14 11
 Lissasfa - Casablanca
 Tel : 0522 89 78 89
 GSM : 0664 78 59 40

I.2. DPGA balance sheet as of S1, 2019

Assets - In KMAD	2018	06/30/2019	Var. 2018 / S1 2019
Goodwill	542	542	0.0%
Intangible assets	1 730	1 363	-21.2%
Property, plant and equipment	689 045	692 796	0.5%
Investment properties	479 821	485 157	1.1%
Equity-accounted securities	153 114	147 209	-3.9%
Other financial assets	20 817	21 913	5.3%
Deferred tax assets	1 098 368	963 920	-12.2%
Other non-current assets	166	147	-11.9%
Total non-current assets	2 443 602	2 313 046	-5.3%
Inventories and net outstanding	15 680 687	15 126 407	-3.5%
Net customer receivables	3 957 173	3 969 207	0.3%
Other net current receivables	4 530 456	4 351 753	-3.9%
Other financial assets	0	0	n.a
Cash and cash equivalents	636 536	569 441	-10.5%
Total Current Assets	24 804 852	24 016 807	-3.2%
Total Assets	27 248 454	26 329 853	-3.4%

Liabilities - In KMAD	2018	06/30/2019	Var. 2018 / S1 2019
Share capital	3 225 571	3 225 571	0.0%
Share issue and merger premiums	3 034 812	3 034 812	0.0%
Reserves	3 441 324	3 736 029	8.6%
Results	376 583	340 465	-9.6%
Currency translation differences	2 829	-237	n.a
Shareholders' equity - group share	10 081 119	10 336 640	2.5%
Minority reserves	1 032 862	1 073 719	4.0%
Minority result	32 873	81 673	148.5%
Shareholders' equity - minority share	1 065 735	1 155 392	8.4%
Consolidated shareholders' equity	11 146 855	11 492 031	3.1%
Non-current financial debts	4 467 133	4 380 403	-1.9%
Non-current provisions	601	60 315	9943.8%
Employees' benefits	0	221	n.a
Other non-current liabilities	26 511	54 090	104.0%
Deferred tax liabilities	354 335	323 165	-8.8%
Total non-current liabilities	4 848 581	4 818 195	-0.6%
Current provisions	193 321	195 439	1.1%
Current financial debts	1 879 704	1 682 001	-10.5%
Trade payables	3 494 131	3 155 475	-9.7%
Other current liabilities	5 685 864	4 986 713	-12.3%
Total current liabilities	11 253 019	10 019 627	-11.0%
Total Liabilities	27 248 454	26 329 854	-3.4%

Source: Douja Promotion Groupe Addoha

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II. Income statement

II.1. Income statement for the 2016-2018 financial years

In KMAD	2016	2016 pro-forma	2017	Var. 16 pro	2018	Var. 17/ 18
Turnover	7 116 230	7 431 748	5 916 504	-20.4%	4 062 318	-31.3%
Other operating income	-1 647 063	-1 749 923	-816 453	53.3%	-884 960	-8.4%
Income from ordinary activities	5 469 168	5 681 825	5 100 051	-10.2%	3 177 358	-37.7%
Consumed purchases of materials and goods	-3 395 928	-3 645 659	-3 555 245	-2.5%	-2 250 643	-36.7%
Personnel expenses	-264 980	-273 265	-241 221	-11.7%	-226 804	-6.0%
Taxes and duties	-11 965	-17 626	-29 562	67.7%	-39 223	32.7%
Depreciation, amortization and operating provisions	-46 038	-47 690	-44 556	-6.6%	151 814	n.a
Other operating income and expenses	-281 805	-289 363	-220 636	23.8%	-180 176	18.3%
Current operating expenses	-4 000 716	-4 273 602	-4 091 220	4.3%	-2 545 031	37.8%
Current operating income	1 468 452	1 408 223	1 008 831	-28.4%	632 327	-37.3%
Sale of assets	0	0	864	n.a	11 662	1249.8%
Other non-recurring operating income and expenses	121 056	178 800	122 523	-31.5%	-46 343	n.a
Other operating income and expenses	121 056	178 800	123 387	-31.0%	-34 681	n.a
Income from operating activities	1 589 508	1 587 022	1 132 217	-28.7%	597 646	-47.2%
Cost of net financial debt	-453 850	-460 566	-415 913	-9.7%	-412 651	-0.8%
Other financial income	372 721	373 918	337 633	-9.7%	332 219	-1.6%
Other financial expenses	-5 082	-4 805	145 720	n.a	131 845	-9.5%
Financial income	-86 211	-91 453	67 440	n.a	51 413	-23.8%
Pre-tax income of consolidated companies	1 503 296	1 495 570	1 199 657	-19.8%	649 059	-45.9%
Corporate income tax	-341 002	-360 866	-227 651	-36.9%	-134 213	-41.0%
Deferred tax	-19 086	-9 038	-92 096	919.0%	-94 025	2.1%
Net income of consolidated companies	1 143 208	1 125 666	879 911	-21.8%	420 821	-52.2%
Share in the income of equity-accounted companies	-21 484	-24 775	-13 650	44.9%	-11 365	16.7%
Net income from ongoing operations	1 121 724	1 100 891	866 261	-21.3%	409 456	-52.7%
Net income of discontinued operations	-	-	-	n.a	-	n.a
Consolidated net income	1 121 724	1 100 891	866 261	-21.3%	409 456	-52.7%
Minority interests	-112 560	-91 726	-102 352	11.6%	-32 873	-67.9%
Net income - Group share	1 009 164	1 009 164	763 909	-24.3%	376 583	-50.7%
NIGS/TO	14.2%	13.6%	12.9%	-0.7 pts	9.3%	-3.6 pts
Basic income per share (in MAD)	3.16	3.16	2.39	-24.4%	1.18	-50.6%
Diluted income per share (in MAD)	3.16	3.16	2.39	-24.4%	1.18	-50.6%

Source: Douja Promotion Groupe Addoha

II.2. Income statement as of S1, 2019

In KMAD	06/30/2018 published	06/30/2018 pro forma	06/30/2019	Var. S1 2018 pro forma/S1
Turnover	2 562 465	2 562 465	2 016 831	-21.3%
Other operating income	-620 857	-620 857	-751 368	-21.0%
Income from ordinary activities	1 941 609	1 941 609	1 265 463	-34.8%
Consumed purchases of materials and goods	-1 254 210	-1 254 210	-841 768	-32.9%
Personnel expenses	-118 772	-118 772	-100 206	-15.6%
Taxes and duties	-14 976	-14 976	-13 397	-10.5%
Depreciation, amortization and operating provisions	15 636	63 638	179 720	182.4%
Other operating income and expenses	-103 673	-103 673	-62 322	-39.9%
Current operating expenses	-1 475 995	-1 427 993	-837 973	-41.3%
Current operating income	465 614	513 616	427 490	-16.8%
Sale of assets	0	0	0	n.a
Other non-recurring operating income and expenses	28 263	28 263	26 176	-7.4%
Other operating income and expenses	28 263	28 263	26 176	-7.4%
Income from operating activities	493 877	541 879	453 667	-16.3%
Cost of net financial debt	-219 215	-219 215	-189 313	13.6%
Other financial income	216 143	216 143	174 585	-19.2%
Other financial expenses	58 513	122 367	147 558	20.6%
Financial income	55 441	119 295	132 830	11.3%
Pre-tax income of consolidated companies	549 317	661 174	586 497	-11.3%
Corporate income tax	-87 438	-87 438	-50 106	42.7%
Deferred tax	-41 919	-76 595	-108 348	-41.5%
Net income of consolidated companies	419 960	497 141	428 043	-13.9%
Share in the income of equity-accounted companies	-4 651	-4 651	-5 905	-26.9%
Net income from ongoing operations	415 309	492 490	422 138	-14.3%
Net income of discontinued operations	0	0	0	n.a
Consolidated net income	415 309	492 490	422 138	-14.3%
Minority interests	-41 404	-37 954	-81 673	-115.2%
Net income - Group share	373 905	454 536	340 465	-25.1%
NIGS/TO	14.6%	17.7%	16.9%	-4.8 pts
Basic income per share (in MAD)	1.17	1.42	1.06	
Diluted income per share (in MAD)	1.17	1.42	1.06	

Source: Douja Promotion Groupe Addoha

Part IV: Risks

I. Issuer-related risks

Land risk

The soaring price of land is a risk noted in recent years because of population growth and the facilitation of access to credit. However, this risk is mitigated by the government's desire to create 15 new cities by 2020 that will provide additional land in urban areas, which will tend to dampen the surge in prices

The increase in land prices is likely to have a negative impact on the profit margin.

In response to this risk, Douja Promotion Groupe Addoha has adopted the following measures:

- Establishment of partnerships with public bodies under which the latter undertake to mobilize land and transfer it to the Company;
- Decision to extend its field of intervention through the implementation of several programs in Casablanca, but also in Tangier, Agadir, Marrakech, Rabat-Salé, Fez, Tamesna and several countries in Sub-Saharan Africa (Guinea, Côte d'Ivoire, Cameroon, Senegal and Chad);
- Diversification of its programs by also engaging in medium-standing housing projects not subject to a price cap by the Administration

It should also be noted that the public authorities are continuing their desire to extend the urban perimeter of several cities in the Kingdom, particularly in Casablanca.

Competitive risk

The absence of barriers to entry and the favorable profit prospects offered by the sector have had, and continue to have, the effect of attracting many operators to the real estate market. The multiplication of both national and international operators could have a double effect:

- An erosion of margins, as a result of increasingly intense competition;
- An increase in the cost of land in certain areas where there is strong demand from property developers.

Demand reduction risk

A decrease in domestic or foreign demand (due to poor international conditions) would have a negative impact on the health of the sector in general, and on business volume.

In terms of the social housing deficit, the Ministry of Housing, in 2018, has set itself the objective of further reducing the imbalance to 200,000 units by 2021.

In addition, prior to the start of major real estate projects, Douja Promotion Groupe Addoha conducts a relevant market study upstream in order to ensure the commercial success of the project on the one hand and to choose an appropriate positioning on the other hand.

Finally, one of the key elements of the strategy adopted by Douja Promotion Groupe Addoha consists in favoring so-called liquid products in its portfolio, such as intermediate housing products, as part of a risk diversification strategy.

Risk related to the change in tax regimes

Notwithstanding the fact that the measures established by the 2010 Finance Law relating to the construction of social housing are guaranteed until 2020, the evolution of tax regulations could have a

negative influence on the real estate market and consequently influence the financial situation of operators in the sector.

Risk related to prime contractors and suppliers

In order to provide its customers with a quality product, Douja Promotion Groupe Addoha solicits its historical partners to support it in the realization of all its projects. These partners are selected on the basis of their technical qualifications and references in the construction market in order to best meet the project specifications of the various DPGA subsidiaries in terms of both quality and turnaround times.

The trust relationship established between DPGA and its partners allows it to face the risk of unavailability of subcontractors due to competition.

Risk related to the increase in interest rates

A significant increase in lending rates applied to loans taken out by buyers would be a limiting factor for household housing demand.

This would therefore have a relatively significant potential impact on Douja Promotion Groupe Addoha's turnover and more particularly on the turnover generated by the economic housing segment.

To mitigate this risk, it should be noted that Douja Promotion Groupe Addoha systematically signs agreements with its banking partners so that future buyers of its products can benefit from loans at attractive rates.

This risk also impacts the Company's ability to borrow and pay interest. To meet these challenges, the Group has set up a rigorous monitoring of its outstanding financial debts, making it possible to anticipate payment of its future installments in an appropriate manner and to take appropriate measures accordingly.

Risk related to over-indebtedness

It should be noted that Douja Promotion Groupe Addoha launched the Cash Generation Plan in 2015, which aims to reduce the Group's overall debt and transform assets into cash, thereby reducing its exposure to this risk. The PAC 2020 (cash priority) takes over from the CGP with a strategy that remains in line with the previous plan.

Risk related to access to finance

The development of the Douja Promotion Groupe Addoha necessarily involves external financing needs. The Group is financed through its equity, credit lines and customer advances.

The difficulties experienced by the real estate sector and its impact on DPGA's business and financial position could have a negative impact on the Company's ability to continue to obtain financing on favorable terms, if these difficulties are not overcome.

II. Risks related to the proposed securities

Risk of investment value loss

The investor - shareholder in the Addoha security, like any shareholder in a company (listed or unlisted) incurs a risk of loss of a part (or even all) of their investment. This is a risk inherent to their position as a shareholder, if the price trend is not favorable.

Market price volatility

As Addoha shares are listed on the Casablanca Stock Exchange, they comply with the rules of supply and demand to determine the value of the listing. Share prices are largely determined by investors' expectations of future earnings prospects for listed companies. Thus, depending on the appreciation of the share by investors, it may undergo significant fluctuations depending on various parameters (announcements, income releases, prospects, development strategy, etc.). As a result, the investor may see their security depreciate or appreciate on the Moroccan stock market.

Liquidity of the security

Subscribers to Addoha Group shares may be subject to stock market liquidity risk. Indeed, depending on market conditions and the selling price, the liquidity of the security may be temporarily affected. A shareholder wishing to sell their stake in the Douja Promotion Groupe Addoha quickly could, under certain conditions, not be able to carry out the transfer under optimal conditions.

However, the ADH value shows a certain dynamism in the liquidity of the share with an average daily trading volume of 74,427 shares over the last 6 months (from 04/23/2019 to 10/22/2019).

Risks related to PSR

In the event of non-participation in the operation, holders of PSR who have not exercised their PSR run the risk of dilution.

In addition, holders of PSR also incur a risk of loss of value of the PSR at the end of the subscription period.

Finally, holders of PSR incur a risk relating to the subscription parity. Indeed, they may not be able to acquire a sufficient number of PSR to obtain the required parity.

DISCLAIMER

The aforementioned information is only a part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) on December 5th, 2019 under reference No. VI/EM/030/2019

AMMC recommends reading the complete Prospectus made available to the public in French.