

Financial Communication

A PRESS RELEASE ON THE HALF-YEAR RESULTS ON JUNE 30, 2020

COLORADO's Board of Directors, chaired by Mr. Soleiman Berrada, met on September 22, 2020, to examine the activity and approve the financial statements for the six months ended June 30, 2020.

Covid-19 health crisis: a negative effect on economic activity and a proactive and responsible management by the company

The health crisis linked to Covid-19 and the resulting state of emergency negatively impacted COLORADO's activity at the end of the first six months of 2020, particularly given that this crisis occurred during a period of the year when activity is usually at its highest (March to June).

As a result, the revenue recorded on June 30, 2020 declined by 28.7 percent compared with the same period of the previous year (2019).

To deal with this unprecedented situation caused by the spread of Covid-19 pandemic, COLORADO has been fully mobilized to ensure the continuity of its activities in optimal sanitary conditions. Thus, several preventive measures have been adopted in order to protect the health and safety of employees, customers and partners in general.

COLORADO's half-year results are as follows:

The turnover achieved on June 30, 2020 is **175.5 million dirhams**, compared to **246 million dirhams** in the same period last year.

The decline in turnover had a direct impact on the margin on purchases consumed, which was declined by 37.2% from **MAD 107 million** at the end of June 2019 to **MAD 67 million** at the end of June 2020.

The optimization of operating expenses has helped to partially limit the negative impact of the decline in the margin on purchases consumed. The operating result recorded at the end of June 2020 is a deficit of **MAD 5 million** against a positive result of **MAD 37.7 million** a year earlier.

The net income on June 30, 2020 was **-10.2 million dirhams** against **22.9 million dirhams** for the same period of last year.

Strong financial fundamentals despite the Covid-19 health crisis:

- In spite of this challenging economic context, COLORADO's fundamentals remain solid, which is a sign of good financial health
- The net debt decreased by 20% from 62.4 million dirhams at the end of 2019 to 50.2 million dirhams on June 30, 2020 following the repayment of medium-term credits and the decrease in import refinancing loans.
- The level of debt remains very low. Thus, as of June 30, 2020, the debt burden is 8.7% of permanent capital (compared to 9.8% as of December 31, 2019) and the debt capacity is 9.5% of shareholders' equity (compared to 10.9% as of December 31 2019).
- Shareholders' equity was MAD 306.8 million as of June 30, 2020 and thus represents 60.7% of the total balance sheet against 55.3% as of December 31, 2019.
- At June 30, 2020, the working capital was 197 million dirhams compared to 206.5 million dirhams on December 31, 2019. This slight decrease of 4.3% is due to the result of the first half of 2020.

The working capital requirement stabilized on June 30, 2020 at MAD 154 million (unchanged from December 31, 2019).

- The cash flow remains in surplus and amounted to MAD 43 million as of June 30, 2020, thus improving the general and immediate liquidity ratios from 192.9% on December 31, 2019 to 216.4% and from 26.9% to 29.2% respectively.

Position/ratio	31 December 2019	Fin June 2020
Net debt (in MMAD)	62,4	50,2
<i>Debt burden (%)</i>	9,8%	8,7%
<i>Debt capacity (%)</i>	10,9%	9,5%
Equity (in MMAD)	317,1	306,8
<i>Financial autonomy (%)</i>	55,3%	60,7%
Working capital (in MMAD)	206,5	197,0
Working capital requirements (in MMAD)	154,2	153,6
Cash flow (in MMAD)	52,2	43,4
<i>General liquidity (%)</i>	192,9%	216,4%
<i>Immediate liquidity (%)</i>	26,9%	29,2%

Outlook for the year 2020:

The sound fundamentals of the company and its exemplary financial health allow it to start the second half of the year with much serenity.

COLORADO's management will make every effort to get through this tough economic time by relying on innovation and diversification as two main levers of the company's strategy.

Operating expenses should continue to be optimized in the second half of 2020 with the aim of reducing the effects of the decline in activity on expected results.

Link to the half-year financial report:
<https://www.colorado.ma/corporate/fr/etats-financiers>

PUBLICATION OF COLORADO S.A. CORPORATE FINANCIAL STATEMENTS TILL 30/06/2020

	ASSETS	YEAR			PREVIOUS YEAR	Period from 01/01/2020 to 30/06/2020
		GROSS	Depreciation and Provisions	NET		
F	Deferred costs	562 928,00	210 870,43	352 057,57	407 887,69	
I	Start-up costs	562 928,00	210 870,43	352 057,57	407 887,69	
X	Deferred expenses over several years					
E	Bond redemption premiums					
D	Intangible fixed assets	6 362 917,00	1 900 991,26	4 461 925,74	4 541 483,03	
A	Research and development costs					
S	Patents, trademarks, rights and similar assets	2 440 417,00	1 900 991,26	539 425,74	618 983,03	
S	Commercial funds					
E	Other Intangible fixed assets	3 922 500,00		3 922 500,00	3 922 500,00	
T	Tangible fixed assets	297 683 744,95	165 258 330,91	132 425 414,04	138 224 994,21	
A	Land	27 445 760,00		27 445 760,00	27 445 760,00	
S	Constructions	159 183 585,26	71 877 371,99	87 306 213,27	90 926 220,60	
S	Technical installations, plant and machinery, equipment and fixtures	91 049 527,14	77 486 072,49	13 563 454,65	15 420 420,71	
E	Transport equipment	9 486 810,88	8 523 136,01	963 674,87	983 536,94	
N	Office and computing equipment	9 197 097,55	6 846 029,70	2 351 067,85	2 601 907,58	
T	Other tangible fixed assets	555 291,83	525 720,72	29 571,11	33 382,76	
S	Tangible fixed assets in progress	765 672,29		765 672,29	813 765,62	
E	Financial fixed assets	1 825 880,18		1 995 151,07		
N	Asset loans	1 391 754,79		1 391 754,79	1 561 025,68	
T	Other financial receivables	161 524,92		161 524,92	161 524,92	
S	Equity securities	272 600,47		272 600,47	272 600,47	
S	Currency translation adjustments					
	Receivables decrease adjustments					
	Liabilities increase adjustments					
C	TOTAL (A+B+C+D+E)	306 435 470,13	167 370 192,60	139 065 277,53	145 169 516,00	
U	Stocks	123 278 067,58	4 257 902,30	119 020 165,28	134 785 590,43	
R	Goods	5 863 078,37	262 219,74	5 600 858,63	7 515 287,80	
R	Consumables and Supplies	83 791 766,57	1 364 313,46	82 427 453,11	79 508 657,80	
E	Products in progress	2 429 041,26		2 429 041,26	2 419 553,33	
N	Intermediate products and residual products					
T	Finished products	31 194 181,38	2 631 369,10	28 562 812,28	45 342 091,50	
A	Receivables in current assets	232 535 120,12	49 311 559,38	183 223 560,74	213 630 037,87	
S	Suppliers debtors, advances and deposits	296 327,58		296 327,58	2 855 762,64	
S	Customer and accounts receivable	210 858 847,70	48 708 396,21	162 150 451,49	193 050 452,34	
E	Personnel	191 757,58		191 757,58	296 299,99	
N	State	19 162 585,30		19 162 585,30	17 024 600,33	
T	Intercompany accounts					
S	Other receivables	723 795,80	603 163,17	120 632,63	120 632,63	
N	Prepaid expenses	1 301 806,16		1 301 806,16	282 289,94	
T	Securities and investment securities	17 860 679,90		17 860 679,90	40 098 964,24	
S	Foreign exchange	64 169,37		64 169,37	135 482,96	
T	TOTAL II (F+G+H+I)	373 738 036,97	53 569 461,68	320 168 575,29	388 650 075,50	
C	Cash - Assets	46 488 086,89		46 488 086,89	39 977 568,35	
A	Checks and cash values	34 038 449,35		34 038 449,35	36 755 705,52	
S	Banks, Treasury and public agency accounts	9 851 789,29		9 851 789,29	2 885 257,90	
H	Cash	2 597 848,25		2 597 848,25	336 604,93	
T	TOTAL III	46 488 086,89		46 488 086,89	39 977 568,35	
S	TOTAL ASSETS I+II+III	726 661 593,99	220 939 654,28	505 721 939,71	573 797 159,85	

	LIABILITIES	YEAR	Period from 01/01/2020 to 30/06/2020
			PREVIOUS YEAR
L	Stockholders equity		306 653 415,20
O	Capital (1)		120 882 080,00
N	Minus : shareholders, uncalled committed capital		120 882 080,00
G	Called capital		120 882 080,00
	Which paid		120 882 080,00
	Premium paid for stock issues, mergers, and capital contributions		
T	Revaluation reserve		
E	Legal reserve		12 088 208,00
R	Other reserves		40 000 000,00
M	Retained earnings (2)		143 903 508,55
L	Allocation pending Result		-10 220 381,35
I	Net income for the year (2)		37 498 254,56
A	Total stockholders equity (A)		306 653 415,20
	Stockholders equity and equivalent		168 529,56
	Investment subsidies		168 529,56
	regulated provisions		
B	Financing debt (C)		29 231 024,60
I	Bonds		
L	Other financing debt		29 231 024,60
I	Term provisions for risks and charges (D)		34 543 835,84
T	Provisions for risks		
I	Provisions for charges		
E	Long term currency translation adjustments		
S	Receivables increase adjustments		
	Debt decrease adjustments		
	TOTAL I (A+B+C+D+E)		336 052 969,36
	Current liabilities debt (F)		148 554 526,83
	Accounts payable		90 611 836,31
	Advance payments from customers, deposits and advances		4 422 954,24
	Personnel		4 115 664,06
	Social security agencies		3 410 436,69
	State		45 178 176,18
	Intercompany accounts		
	Other creditors		754 597,82
	Prepaid income		60 861,53
	Other provisions for risks and charges (G)		64 169,37
	Current currency translation adjustments		108 337,26
	TOTAL II (F+G+H)		148 727 033,46
	Cash liabilities		20 941 936,89
	Discount Credits		
	Cash Loans		20 514 017,10
	Bank adjustment accounts		427 919,79
	TOTAL III		20 941 936,89
	TOTAL GENERAL I+II+III		505 721 939,71
			573 797 159,85

(1)Capital personnel débiteur.

(2)Bénéficiaire(+) ,déficitaire(-).

	DESCRIPTION	OPERATIONS		TOTALS OF YEAR	TOTALS OF THE PREVIOUS YEAR	Period from 01/01/2020 to 30/06/2020
		Specific to the exercise	For earlier years			
		1	2	3 = 2 + 1	4	
O	OPERATING REVENUS	173 690 219,69		173 690 219,69	263 496 463,89	
P	Sales of goods (in condition)	2 760 751,53		2 760 751,53	4 888 634,20	
E	Sales of goods and services	172 722 263,32		172 722 263,32	241 149 615,10	
R	Sales	175 483 014,85		175 483 014,85	246 038 249,30	
A	Change in product inventories (1)	-15 222 385,35		-15 222 385,35	-4 144 927,00	
T	Assets produced by the company itself					
I	Operating subsidies					
N	Other operating income					
G	Operating expense transfers Reversals	13 429 590,19		13 429 590,19	21 603 141,59	
V	Total I	173 690 219,69		173 690 219,69	263 496 463,89	
I	OPERATING EXPENSES	178 822 808,55	2 450,00	178 825 258,55	225 732 199,07	
N	Purchases of resold goods (2)	2 134 709,55		2 134 709,55	3 018 486,14	
A	Purchases of materials and supplies (2)	90 764 392,05		90 764 392,05	131 484 658,34	
V	Other external expenses	41 668 486,72	2 450,00	41 670 936,72	49 794 143,92	
A	Tax & duties	1 075 573,01		1 075 573,01	1 398 955,99	
C	Staff costs	25 240 454,47		25 240 454,47	27 880 564,25	
I	Other operating expenses	900 000,00		900 000,00	400 000,00	
V	Operating Depreciations and Impairments	17 039 192,75		17 039 192,75	11 755 390,43	
V	Total II	178 822 808,55	2 450,00	178 825 258,55	225 732 199,07	
F	OPERATING RESULT (I-II)	-5 132 588,86	-2 450,00	-5 135 038,86	37 764 264,82	
I	FINANCIAL INCOME	471 387,87		471 387,87	283 255,44	
N	Income from equity securities and other investments					
A	Exchange gains	262 097,35		262 097,35	15 174,39	
N						