FINANCIAL REPORT
2023

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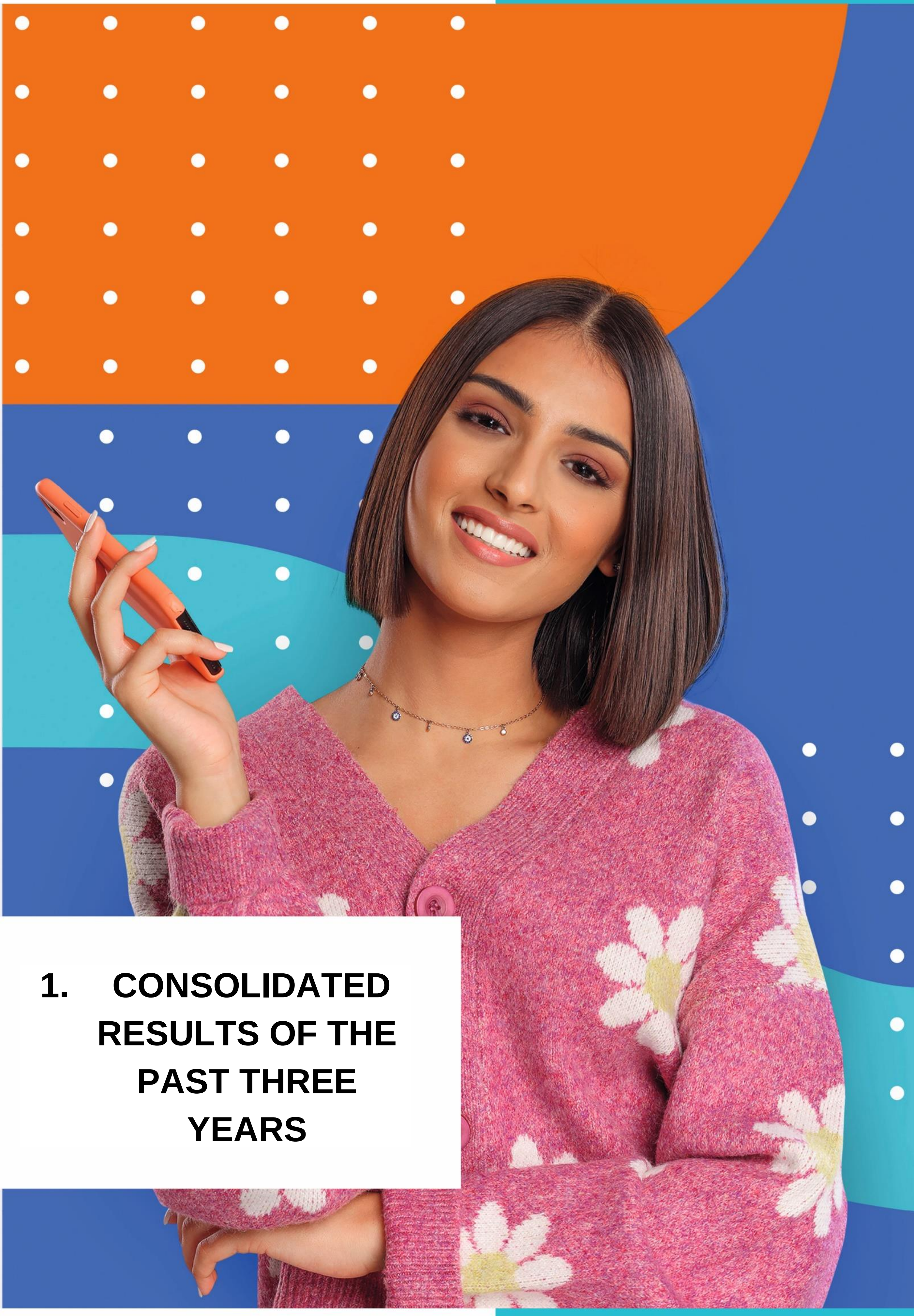


1. CONSOLIDATED RESULTS OF THE PAST THREE YEARS

1. CONSOLIDATED RESULTS OF THE PAST THREE YEARS

The following table presents a selection of Maroc Telecom Group's consolidated financial data for the three fiscal years ended December 31, 2021, 2022 and 2023, which comes from the Group's consolidated financial statements prepared in accordance with international IFRS (International Financial Reporting Standards) such as adopted by the European Union and audited by the auditors.

1.1 Consolidated results in moroccan dirhams

Statement of comprehensive income

(In MAD million)	2021	2022	2023
Revenues	**35,790**	**35,731**	**36,786**
Operating expenses	24,217	26,744	25,181
Earnings from operations	**11,573**	**8,987**	**11,605**
Earnings from continuing operations	11,485	8,987	10,859
Net earnings	**6,928**	**3,639**	**6,161**
Attributable to equity holders of the parent	6,008	2,750	5,283
Earnings per share (in MAD)	**6.83**	**3.13**	**6.01**
Diluted earnings per share (in MAD)	6.83	3.13	6.01

Statement of financial position

ASSETS (in MAD million)	2021	2022	2023
Non-current assets	46,560	49,857	51,672
Current assets	15,222	15,673	13,871
Total assets	**61,782**	**65,530**	**65,543**

SHAREHOLDERS' EQUITY AND LIABILITIES (in MAD million)	2021	2022	2023
Share capital	5,275	5,275	5,275
Shareholders'equity, attributable to equity holders of the parent	14,914	13,895	17,126
Non-controlling interests	3,887	4,107	3,878
Shareholders'equity	18,800	18,002	21,004
Non-current liabilities	4,321	4,992	4,868
Current liabilities	38,661	42,535	39,671
Total Shareholders' equity and liabilities	**61,782**	**65,530**	**65,543**

1.2 Consolidated results in euros

The Group reports its financial data in Moroccan dirhams. This section is intended to provide investors with comparable data in Euros.

For 1 euro	2021	2022	2023
The closing rate at the balance sheet	10.5238	11.1568	10.9145
Average rate used for the income statement	10.6761	10.6406	10.9824

The table above shows the average Moroccan dirham/euro conversion rates used in the consolidation of the Group's financial statements for the years 2021, 2022 and 2023.

The exchange rates are shown for indicative purposes only, to help the reader. The Group does not guarantee that the amounts expressed in dirhams were, could have been or could be converted to euros at those exchange rates or at any other rate.

The following table shows selected financial data for Maroc Telecom Group, presented in euros at the exchange rate used in preparing the Group's consolidated statement of financial position and income statement for fiscal years 2021, 2022 and 2023.

Statement of comprehensive income

(In € millions)	2021	2022	2023
Revenues	**3,352**	**3,358**	**3,350**
Cost of purchases	2,268	2,513	2,293
Earnings from operations	**1,084**	**845**	**1,057**
Earnings from continuing operations	1,076	845	989
Net earnings	**649**	**342**	**561**
Attributable to equity holders of parent	563	258	481
Earnings per share (in Euro)	**0.64**	**0.29**	**0.55**
Diluted earnings per share (in Euro)	0.64	0.29	0.55

Statement of financial position

ASSETS (In € millions)	2021	2022	2023
Non-current assets	4,424	4,469	4,734
Current assets	1,446	1,405	1,271
TOTAL ASSETS	**5,871**	**5,874**	**6,005**
SHAREHOLDERS' EQUITY AND LIABILITIES (In € millions)	**2021**	**2022**	**2023**
Share capital	501	473	483
Shareholders'equity, attributable to equity holders of the parent	1,417	1,245	1,569
Non-controlling interests	369	368	355
Shareholders'equity	1,786	1,614	1,924
Non-current liabilities	411	447	446
Current liabilities	3,674	3,813	3,635
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**5,871**	**5,874**	**6,005**

2. OVERVIEW

2. OVERVIEW

The following comments and analysis should be read in conjunction with this document as a whole and in particular with the audited consolidated financial statements including the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the notes thereto for the years ended December 31, 2021, 2022 and 2023.

2.1 Scope of consolidation

As at December 31, 2023, Maroc Telecom consolidated the following companies in its financial statements:

Mauritel

Maroc Telecom acquired on April 12, 2001, 51.5% of the voting rights of Mauritel, the incumbent operator in Mauritania and operator of a Fixed-line and Mobile telecommunications network, subsequent to the merger of Mauritel SA (Fixed line) and Mauritel Mobile. Mauritel S.A. is owned by the holding company Compagnie Mauritanienne de Communications (CMC), in which Maroc Telecom holds an 80% equity stake and consequently a 41.2% interest in Mauritel. Mauritel has been fully consolidated by Maroc Telecom since July 1, 2004.

Onatel

On December 29, 2006, Maroc Telecom acquired a 51% stake in the Burkinabe operator Onatel. The Group increases its stake in Onatel, its stake is 61% as of April 17, 2018. The subsidiary has been fully consolidated in Maroc Telecom's financial statements since January 1, 2007.

Gabon Telecom

On February 9, 2007, Maroc Telecom acquired 51% of the capital of Gabon Telecom. Gabon Telecom has been fully consolidated by Maroc Telecom since March 1, 2007.

Gabon Telecom bought out Maroc Telecom to acquire 100% of the subsidiary Atlantique Telecom Gabon, which was absorbed by Gabon Telecom on June 29, 2016.

Sotelma

On July 31, 2009, Maroc Telecom acquired a 51% stake in Mali’s incumbent operator, Sotelma. Sotelma has been fully consolidated by Maroc Telecom since August 1, 2009.

Casanet

Casanet is a Moroccan provider of Internet access created in 1995. In 2008, the company became a 100% subsidiary of Maroc Telecom and expands its activities by specializing in information engineering. Casanet has been fully consolidated by Maroc Telecom since January 1, 2011.

Moov Africa Côte d'Ivoire

On January 26, 2015, Maroc Telecom acquired an 85% stake in the capital of the Côte d’ivoire Mobile operator. Moov Africa Côte d’Ivoire has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

Moov Africa Benin

On January 26, 2015, Maroc Telecom acquired 100% of the capital of the Benin Mobile operator. Moov Africa Benin has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

Moov Africa Togo

On January 26, 2015, Maroc Telecom acquired a 95% stake in the capital of the Togo Mobile operator. Moov Africa Togo has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

Moov Africa Niger

On January 26, 2015, Maroc Telecom acquired 100% of the capital of the Niger Mobile operator. Moov Africa Niger has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

Moov Africa Centrafrique

On January 26, 2015, Maroc Telecom acquired 100% of the capital of the Central African Republic Mobile operator. Moov Africa Centrafrique has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

Moov Africa Chad

On June 26, 2019, Maroc Telecom acquired 100% of the capital of the Chadian operator Millicom Tchad. Moov Africa Chad has been fully consolidated by Maroc Telecom since July 1, 2019.

Moov Africa brand

The new visual identity "Moov Africa" is launched on January 1, 2021. The ten subsidiaries of Maroc Telecom Group (present in Mauritania, Burkina Faso, Gabon, Mali, Ivory Coast, Benin, Togo, Niger, Central African Republic and Chad) are now united around a common identity.

Other non-consolidated investments

Investments which are not material to the consolidated financial statements or over which Maroc Telecom does not directly or indirectly exercise exclusive control, joint control or significant influence are not consolidated and are recorded under "Non-current financial assets".

This is the case for MT Cash, MT Fly, Moov Money and the minority interests held in RASCOM, Autoroutes du Maroc, Arabsat and other investments.

2.2 Comparison of results by geographical area

GROUP CONSOLIDATED ADJUSTED RESULTS*

(IFRS in MAD millions)	Q4 2022	Q4 2023	Change	Change at constant exchange rates(1)	2022	2023	Change	Change at constant exchange rates(1)
Revenues	8,923	**9,107**	**2.1%**	**2.2%**	35,731	**36,786**	**3.0%**	**1.4%**
Adjusted EBITDA	4,420	**4,841**	**9.5%**	**9.7%**	18,492	**19,369**	**4.7%**	**3.5%**
Margin (%)	*49.5%*	*53.2%*	*3.6 pt*	*3.6 pt*	51.8%	52.7%	*0.9 pt*	*1.0 pt*
Adjusted EBITA	2,596	**2,996**	**15.4%**	**15.7%**	11,468	**12,226**	**6.6%**	**5.5%**
Margin (%)	*29.1%*	*32.9%*	*3.8 pt*	*3.8 pt*	32.1%	33.2%	*1.1 pt*	*1.3 pt*
Adjusted net income - Group share	1,300	**1,566**	**20.5%**	**20.4%**	5,820	**6,195**	**6.4%**	**5.7%**
Margin (%)	*14.6%*	*17.2%*	*2.6 pt*	*2.6 pt*	16.3%	16.8%	*0.6 pt*	*0.7 pt*
CAPEX(2)	2,075	**2,116**	**2.0%**	**2.0%**	7,572	**7,838**	**3.5%**	**1.8%**
Of which frequencies and licenses	*0*	*0*			*0*	*0*		
CAPEX/Revenues (excluding frequencies and licenses)	*23.3%*	*23.2%*	*0.0 pt*	*0.0 pt*	21.2%	21.3%	*0.1 pt*	*0.1 pt*
Adjusted CFFO	3,134	**3,037**	**-3.1%**	**-3.2%**	11,294	**10,213**	**-9.6%**	**-10.6%**
Net debt	16,355	**16,367**	**0.1%**	**-1.5%**	16,355	**16,367**	**0.1%**	**-1.5%**
Net debt/EBITDA(3)	0.9x	**0.8x**			0.8x	**0.8x**		

** The adjustments to the financial indicators are detailed in Appendix 1.*

2.2.1 Comparison of financial data for fiscal years 2023 and 2022

2.2.1.1 Group consolidated results

Customer base

The Group customer base swelled to nearly 76 million customers in 2023, up 0.7% year-on-year, driven by the expansion of the customer base in Morocco (+1.0%) and among the subsidiaries (+0.6%).

Revenues

The Maroc Telecom Group generated revenues(4) of MAD 36.8 billion in 2023, up 3.0% (+1.4% at constant exchange rates(1)). Growth in the Moov Africa subsidiaries' revenues and in the Fixed Internet business in Morocco continued to drive Group revenues, offsetting the decline in the Mobile business in Morocco.

Earnings from operations before depreciation and amortization

For the 2023 financial year, the Maroc Telecom Group posted adjusted earnings from operations before depreciation and amortization (EBITDA) of MAD 19,369 million, up by 4.7% (+3.5% at constant exchange rates(1)). The adjusted EBITDA margin improved by 0.9 pt (+1.0 pt at constant exchange rates(1)), thanks to revenue growth and tight cost control.

Earnings from operations

Adjusted earnings from operations (EBITA)(5) for 2023 amounted to MAD 12,226 million, up 6.6% (+5.5% at constant exchange rates(1)) driven mainly by EBITDA growth.
The adjusted EBITA margin came to 33.2%, up 1.1 pt (+1.3 pt at constant exchange rates(1)).

Net income Group share

Adjusted net income Group share was up 6.4% (+5.7% at constant exchange rates[1] and totaled MAD 6,195 million for the year ended December 31, 2023.

Investments

CAPEX[2] excluding frequencies and licenses represented 21.3% of 2023 revenues, in line with Group targets.

Cash-Flow

Adjusted net cash flows from operations (CFFO)[6] fell by 10.6% at constant exchange rates[1] to MAD 10,213 million.
At December 31, 2023, consolidated net debt[7] represented 0.8 times[3] Group full-year EBITDA.

Dividend

At the next General Meeting of Shareholders, the Maroc Telecom Supervisory Board will propose payment of a dividend of MAD 4.20 per share, representing a total payout of MAD 3.7 billion.

Maroc Telecom Group's outlook for 2024

Based on recent market developments and provided no new major exceptional event disrupts the Group's activity, Maroc Telecom forecasts the following outlook for 2024 at constant scope and exchange rates:

- **Stable Revenues;**
- **Stable EBITDA;**
- **CAPEX of approximately 20% of revenues, excluding frequencies and licenses**.

2.2.1.2 Activities in Morocco

The adjustments to the "Morocco" and "International" financial indicators are detailed in Appendix 1.

(IFRS in MAD millions)	Q4 2022	Q4 2023	Change	2022	2023	Change
Revenues	4,738	**4,794**	**1.2%**	19,546	**19,543**	**0.0%**
Mobile	2,859	**2,760**	**-3.5%**	11,789	**11,630**	**-1.3%**
Services	*2,777*	*2,647*	*-4.7%*	*11,296*	*11,006*	*-2.6%*
Equipment and other revenues	*82*	*113*	*38.1%*	*493*	*624*	*26.4%*
Fixed-line	2,326	**2,480**	**6.7%**	9,564	**9,688**	**1.3%**
*Of which Fixed Data**	1,007	1,129	12.1%	4,007	4,296	7.2%
Elimination and other income	-447	-446		-1,807	-1,775	
Adjusted EBITDA	2,579	**2,832**	**9.8%**	10,974	**11,266**	**2.7%**
Margin (%)	*54.4%*	*59.1%*	*4.6 pt*	*56.1%*	*57.7%*	*1.5 pt*
Adjusted EBITA	1,682	**1,969**	**17.1%**	7,446	**7,819**	**5.0%**
Margin (%)	*35.5%*	*41.1%*	*5.6 pt*	*38.1%*	*40.0%*	*1.9 pt*
CAPEX(2)	802	**916**	**14.2%**	3,183	**3,301**	**3.7%**
Of which frequencies and licenses	*0*	*0*		*0*	*0*	
CAPEX/Revenues (excluding frequencies and licenses)	*16.9%*	*19.1%*	*2.2 pt*	*16.3%*	*16.9%*	*0.6 pt*
Adjusted CFFO	2,343	**1,878**	**-19.9%**	7,798	**6,404**	**-17.9%**
Net debt	9,405	**7,954**	**-15.4%**	9,405	**7,954**	**-15.4%**
Net debt/EBITDA(3)	0.9x	**0.6x**		0.8x	**0.6x**	

** Fixed Data includes the Internet, TV on ADSL and Data services to companies.*

Morocco posted flat revenues of MAD 19,543 million for the 2023 financial year. Fixed Data performance (+7.2%) offset the decline in Mobile revenues (-1.3%).

Adjusted earnings from operations before depreciation and amortization (EBITDA) in 2023 amounted to MAD 11,266 million, up 2.7% versus 2022. The adjusted EBITDA margin rose 1.5 pt to a high 57.7%.

Adjusted earnings from operations (EBITA)(5) amounted to MAD 7,819 million, up 5.0%, thanks mainly to higher EBITDA. It represents an adjusted EBITA margin of 40.0%, up 1.9 pt.

Adjusted net cash flows from operations (CFFO)(6) fell 17.9% to MAD 6,404 million.

Mobile

	Unit	12/31/2022	12/31/2023	Change
Customer base[8]	**(000)**	19,252	**19,767**	**2.7%**
Prepaid	(000)	16,836	17,269	2.6%
Postpaid	(000)	2,416	2,499	3.4%
Of which Internet 3G/4G+[9]	**(000)**	11,043	**11,025**	**-0.2%**
ARPU[10]	**(MAD/month)**	46.8	**46.0**	**-1.6%**

At the end of 2023, the Mobile customer base[8] totaled 19.8 million customers, up 2.7% year-on-year, boosted by the combined increase in postpaid (+3.4%) and prepaid (+2.6%) customers.

Mobile revenues decreased by 1.3% versus 2022 to MAD 11,630 million.

2023 blended ARPU[10] was MAD 46.0, down 1.6% year-on-year.

Fixed-line and Internet

	Unit	12/31/2022	12/31/2023	Change
Fixed-line	**(000)**	1,931	**1,781**	**-7.8%**
Broadband access[11]	**(000)**	1,706	**1,563**	**-8.4%**

The Fixed-line customer base stood at nearly 1.8 million lines at the end of 2023, down 7.8%.

The Broadband[11] customer base represents nearly 1.6 million subscribers, with a substantial increase in the FTTH customer base (+41%).

The growth in the Fixed-line & Internet businesses continued, generating revenues of MAD 9,688 million, up 1.3% versus 2022, mainly driven by growth in Fixed Data revenues (+7.2%).

2.2.1.3 International activities

Financial indicators

(IFRS in MAD millions)	Q4 2022	Q4 2023	Change	Change at constant exchange rates(1)	2022	2023	Change	Change at constant exchange rates(1)
Revenues	4,442	**4,617**	**3.9%**	**4.3%**	17,242	**18,381**	**6.6%**	**3.4%**
Of which Mobile services	*4,094*	*4,269*	*4.3%*	*4.6%*	*15,938*	*16,971*	*6.5%*	*3.3%*
Adjusted EBITDA	1,840	**2,009**	**9.2%**	**9.7%**	7,518	**8,102**	**7.8%**	**4.6%**
Margin (%)	*41.4%*	*43.5%*	*2.1 pt*	*2.1 pt*	*43.6%*	*44.1%*	*0.5 pt*	*0.5 pt*
Adjusted EBITA	914	**1,027**	**12.3%**	**13.3%**	4,022	**4,408**	**9.6%**	**6.4%**
Margin (%)	*20.6%*	*22.2%*	*1.7 pt*	*1.8 pt*	*23.3%*	*24.0%*	*0.7 pt*	*0.7 pt*
CAPEX(2)	1,272	**1,200**	**-5.7%**	**-5.6%**	4,388	**4,537**	**3.4%**	**0.3%**
Of which frequencies and licenses	*0*	*0*			*0*	*0*		
CAPEX/Revenues (excluding frequencies and licenses)	*28.6%*	*26.0%*	*-2.6 pt*	*-2.7 pt*	*25.4%*	*24.7%*	*-0.8 pt*	*-0.8 pt*
Adjusted CFFO	791	**1,159**	**46.4%**	**46.2%**	3,495	**3,808**	**9.0%**	**5.8%**
Net debt	7,206	**8,479**	**17.7%**	**14.0%**	7,206	**8,479**	**17.7%**	**14.0%**
Net debt/EBITDA(3)	0.9x	**1.0x**			0.9x	**1.0x**		

The Group's international activities generated revenues of MAD 18,381 million for 2023, up 6.6% (+3.4% at constant exchange rates(1)), driven by the combined effect of growth in Mobile Data (+22.6% at constant exchange rates(1)), Fixed-line Internet (+11.3% at constant exchange rates(1)) and Mobile Money (+5.0% at constant exchange rates(1)). Excluding the reduction in call termination rates, subsidiaries' revenues rose by 3.8% at constant exchange rates(1).

In 2023, adjusted earnings before depreciation and amortization (EBITDA) totaled MAD 8,102 million, up 7.8% (+4.6% at constant exchange rates(1)). EBITDA growth was driven by revenue growth, the improvement in the gross margin (+1.1 pt) and contained operating costs despite inflationary pressures. The adjusted EBITDA margin was 44.1%, up 0.5 pt.

Adjusted earnings from operations (EBITA) amounted to MAD 4,408 million, up 9.6% (+6.4% at constant exchange rates(1)), driven by the increase in EBITDA.

Adjusted net cash flows from operations (CFFO)(6) increased 9.0% (+5.8% at constant exchange rates(1)) to MAD 3,808 million.

Operational indicators

	Unit	12/31/2022	12/31/2023	Change
Mobile				
Customer base[8]	**(000)**	52,017	**52,233**	
Mauritania		2,638	**2,242**	**-15.0%**
Burkina Faso		11,048	**11,563**	**4.7%**
Gabon		1,512	**1,516**	**0.3%**
Mali		8,988	**8,351**	**-7.1%**
Côte d'Ivoire		10,844	**10,260**	**-5.4%**
Benin		5,480	**5,747**	**4.9%**
Togo		2,763	**2,862**	**3.6%**
Niger		2,848	**3,238**	**13.7%**
Central African Republic		218	**253**	**16.2%**
Chad		5,680	**6,201**	**9.2%**
Fixed-line				
Customer base	**(000)**	357	**391**	
Mauritania		46	**29**	**-37.5%**
Burkina Faso		76	**75**	**-1.3%**
Gabon		43	**55**	**25.7%**
Mali		192	**233**	**21.3%**
Fixed Broadband				
Customer base[11]	**(000)**	157	**203**	
Mauritania		18	**22**	**24.3%**
Burkina Faso		16	**25**	**57.7%**
Gabon		40	**51**	**28.9%**
Mali		84	**105**	**24.7%**

Notes :

(1) Constant MAD/ouguiya/CFA franc exchange rate.

(2) Capital expenditure corresponds to acquisitions of property, plant and equipment and intangible assets recognized during the period.

(3) The net debt/EBITDA ratio excludes the impact of IFRS 16 and takes into account the annualization of EBITDA.

(4) Maroc Telecom consolidates in its financial statements Casanet and the Moov Africa subsidiaries in Mauritania, Burkina Faso, Gabon, Mali, Côte d'Ivoire, Benin, Togo, Niger, Central African Republic and Chad.

(5) EBITA corresponds to operating profit before amortization of intangible assets related to business combinations, impairment of goodwill and other intangible assets related to business combinations and other income and expenses related to financial investment transactions and transactions with shareholders (except when they are recognized directly in equity).

(6) CFFO comprises the net cash flows from operating activities before taxes as presented in the cash flow statement, as well as dividends received from associates and non-consolidated equity interests. It also includes net capital expenditure, which corresponds to net cash outflows on acquisitions and disposals of property, plant and equipment and intangible assets.

(7) Borrowings and other current and non-current liabilities less cash (and cash equivalents) including cash blocked for bank loans.

(8) The active customer base consists of prepaid customers who have made or received a voice call (excluding calls from the public telecommunication network operator concerned or its Customer Relations Centers) or sent an SMS/MMS or who have used the Data services (excluding exchanges of technical data with the public telecommunication network operator concerned) in the past three months, and non-terminated postpaid customers.

(9) The active customer base of the 3G and 4G+ Mobile Internet includes holders of a postpaid subscription contract (whether or not coupled with a voice offer) and holders of a prepaid subscription to the Internet service who have carried out at least one recharge during the past three months or whose credit is valid and who have used the service during this period.

(10) ARPU (average revenues per user) is defined as revenues generated by incoming and outgoing calls and Data services net of promotions, excluding roaming and equipment sales, divided by the average number of users in the period. This is the blended ARPU of the prepaid and postpaid segments.

(11) The broadband customer base includes ADSL, FTTH, leased connections and CDMA in Mali.

Appendix 1: Relationship between adjusted financial indicators and published financial indicators

Adjusted EBITDA, adjusted EBITA, Group share of adjusted net income and adjusted CFFO are not strictly accounting measures, and should be considered as additional information. They are a better indicator of the Group's performance as they exclude non-recurring items.

	2022			2023		
(in MAD millions)	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	10,974	7,518	18,492	**11,266**	**8,102**	**19,369**
Tax audit	-28		-28			
Published EBITDA	10,946	7,518	18,464	**11,266**	**8,102**	**19,369**
Adjusted EBITA	7,446	4,022	11,468	**7,819**	**4,408**	**12,226**
Restructuring costs		-2	-2			
Tax audit	-28		-28			
ANRT decision	-2,451		-2,451			
Provision for dispute				-500		-500
Published EBITA	4,967	4,020	8,987	**7,319**	**4,408**	**11,726**
Adjusted net income - Group share			5,820			**6,195**
Restructuring costs			-1			
Tax audit			-618			
ANRT decision			-2,451			
Corporate tax rate increase						-87
Earthquake fund donation						-481
Provision for dispute						-345
Published net income - Group share			2,750			**5,283**
Adjusted CFFO	7,798	3,495	11,294	**6,404**	**3,808**	**10,213**
Payment of license		-54	-54			
Restructuring costs		-2	-2			
Tax audit	-28		-28			
ANRT decision	-2,451		-2,451			
Earthquake fund donation						
Published CFFO	5,320	3,439	8,758	**6,404**	**3,808**	**10,213**

Appendix 2: Impact of IFRS 16 norm

At the end of December 2023, the impacts of the application of IFRS 16 on the main indicators of the Maroc Telecom Group were as follows:

	2022			2023		
(in MAD millions)	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	259	279	537	273	314	**587**
Adjusted EBITA	14	45	59	19	49	**69**
Adjusted net income - Group share			-8			**-13**
Adjusted CFFO	259	279	537	273	314	**587**
Net debt	765	697	1,462	808	818	**1,626**

2.2.2 Comparaison of financial data for fiscal years 2021 and 2022

2.2.2.1 Group Consolidated results

Customer base

The Group customer base reached 75,4 million customers in 2022, up 1.6% driven mainly by the expansion of subsidiaries' customer bases.

Revenues

The Maroc Telecom Group generated revenues of MAD 35.7 billion in 2022, down slightly by 0.2% (-0.5% at constant exchange rates). Growth in the Moov Africa subsidiaries revenues and in the Fixed Internet business in Morocco partly offset the decrease in the Mobile business in Morocco, impacted by the economic, competitive and regulatory environment.

Earnings from operations before depreciation and amortization

For the 2022 financial year, the Maroc Telecom Group posted adjusted earnings from operations before depreciation and amortization (EBITDA) of MAD 18,492 million, down 0.5% (-0.8% at constant exchange rates). The adjusted EBITDA margin remained high at 51.8%, virtually stable year on year.

Earnings from operations

Adjusted earnings from operations (EBITA) for the year amounted to MAD 11,468 million, down 1.0% (-1.4% at constant exchange rates). The adjusted EBITA margin was 32.1%.

Group share of net income

Adjusted Group share of net income was down 3.3% at constant exchange rates[(1)] and totaled MAD 5,820 million for the year ended December 31, 2022.

Investments

Investments excluding frequencies and licenses represented 21.2% of 2022 revenues, in line with the objectives.

Cash-Flow

Adjusted net cash flows from operations (CFFO) fell by 7.1% at constant exchange rates to MAD 11,294 million, mainly due to the increase in CAPEX.

At December 31, 2022, consolidated net debt represented 0.8 times Group full-year EBITDA.

2.2.2.2 Activities in Morocco

(IFRS in MAD millions)	2021	2022
Revenues	19,906	19,546
Mobile	12,270	11,789
Services	11,684	*11,296*
Equipment	586	*493*
Fixed-line	9,474	9,564
Of which Fixed Data	3,754	4,007
Elimination and other income	-1,837	-1,807
Adjusted EBITDA	11,234	10,974
Margin (%)	56.4%	*56.1%*
Adjusted EBITA	7,599	7,446
Margin (%)	38.2%	*38.1%*
CAPEX	2,630	3,183
Of which frequencies and licences	0	*0*
CAPEX/revenues (excluding frequencies and licences)	13.2%	*16.3%*
Adjusted CFFO	7,179	7,798
Net debt	9,350	9,405
Net debt/EBITDA	0.8x	0.8x

Revenues from the Group's activities in Morocco totaled MAD 19,546 million, down 1.8% versus 2021. A strong performance from Fixed Data (+6.7%) partly offset the decline in Mobile revenues (-3.9%), which continued to suffer from the economic, competitive and regulatory environment.

Adjusted earnings from operations before depreciation and amortization (EBITDA) in 2022 amounted to MAD 10,974 million, down 2.3% versus 2021. The adjusted EBITDA margin remained high at 56.1%.

Adjusted earnings from operations (EBITA) totaled MAD 7,446 million, down 2.0%, giving an adjusted margin of 38.1%.

Adjusted net cash flows from operations (CFFO) increased by 8.6% to MAD 7,798 million.

Mobile

	Unit	2021	2022
Mobile			
Customer base	**(000)**	19,900	19,252
Prepaid	(000)	17,538	16,836
Postpaid	(000)	2,362	2,416
Of which Internet 3G/4G+	**(000)**	10,633	11,043
ARPU	**(MAD/month)**	48.7	46.8

At the end of 2022, the Mobile customer base totaled 19.3 million customers, down 3.3% year on year.

Mobile revenues were down 3.9% year on year at MAD 11,789 million related to the competitive and regulatory environment.

2022 blended ARPU was MAD 46.8, down 4.0% year on year.

Fixed-Line & Internet

	Unit	2021	2022
Fixed-lines	**(000)**	1,974	1,931
Broadband access	**(000)**	1,735	1,706

The Fixed customer base fell by 2.2% to just over 1.9 million lines at the end of 2022. The Broadband customer base totaled 1.7 million customers, driven by the expansion of the FTTH customer base, up 44% versus 2021.

Fixed and Internet activities generated revenues of MAD 9,564 million, up 1.0% versus 2021. Growth in Fixed-Line Data (+6.7%), mainly driven by FTTH activity (+37%), offset the decline in Voice.

2.2.2.3 International activities

Financial indicators

(IFRS in MAD millions)	2021	2022
Revenues	16,912	17,242
Of which Mobile services	15,626	*15,938*
Adjusted EBITDA	7,355	7,518
Margin (%)	*43.5%*	*43.6%*
Adjusted EBITA	3,988	4,022
Margin (%)	*23.6%*	*23.3%*
CAPEX	2,984	4,388
Of which frequencies and licences	*123*	*0*
CAPEX/revenues (excluding frequencies and licences)	*16.9%*	*25.4%*
Adjusted CFFO	4,932	3,495
Net debt	5,983	7,206
Net debt/EBITDA	0.7x	0.9x

In 2022, the Group's international activities posted revenues of MAD 17,242 million, up 2.0% (+1.3% at constant exchange rates) driven by the strong growth in Mobile Data (+28% at constant exchange rates). Excluding the decrease in termination rates, subsidiaries' revenues rose by 2.3% at constant exchange rates.

In 2022, adjusted earnings before depreciation and amortization (EBITDA) totaled MAD 7,518 million, up 2.2% (+1.4% at constant exchange rates). The adjusted EBITDA margin was 43.6%, up 0.1 pt thanks to the improvement in the gross margin.

During the same period, adjusted earnings from operations (EBITA) were up 0.9% (-0.2% at constant exchange rates) at MAD 4,022 million.

Adjusted cash flows from operations (CFFO) fell by 29.9% at constant exchange rates to MAD 3,495 million, due to the increase in CAPEX.

Operating indicators

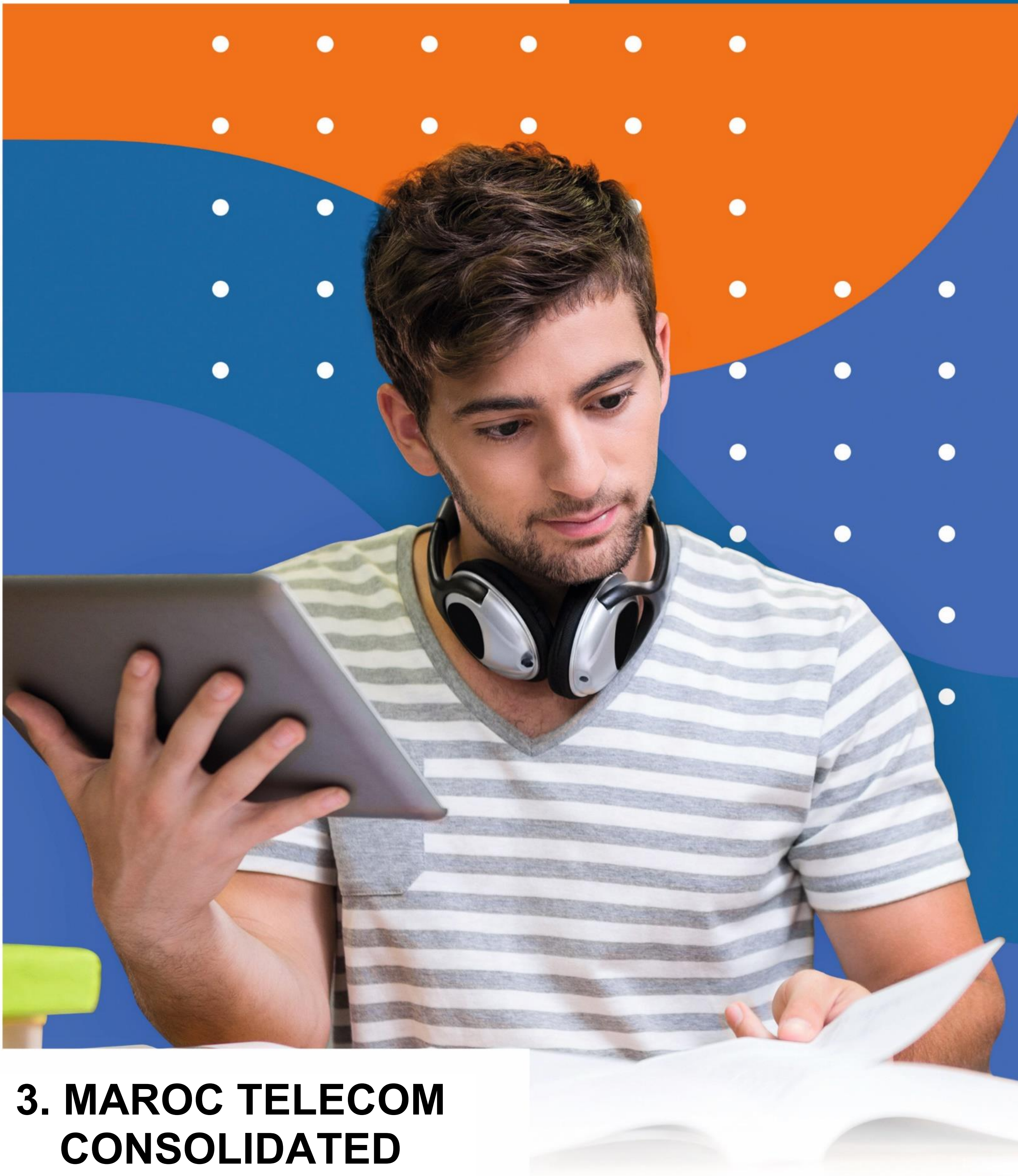
	Unit	2021	2022
Mobile			
Customer base	**(000)**	**50,130**	**52,017**
Mauritania		2,985	2,638
Burkina Faso		10,457	11,048
Gabon		1,656	1,512
Mali		8,163	8,988
Côte d'Ivoire		10,489	10,844
Benin		5,132	5,480
Togo		2,687	2,763
Niger		3,212	2,848
Central African Republic		210	218
Chad		5,138	5,680
Fixed-line			
Parc	**(000)**	**350**	**357**
Mauritania		57	46
Burkina Faso		76	76
Gabon		32	43
Mali		186	192
Fixed Broadband			
Customer base	**(000)**	**141**	**157**
Mauritania		19	18
Burkina Faso		15	16
Gabon		28	40
Mali		79	84

2.3 Transition from separate financial statements to consolidated financial statements

The consolidated financial statements are derived from the separate financial statements of Maroc Telecom and its subsidiaries, as prepared under the generally accepted accounting principles of each country. Various adjustments have been made to these separate financial statements, in compliance with IFRS consolidation and presentation requirements.

The main adjustments to the presentation of the statement of financial statements are the:

- Recognition of revenues related to the point loyalty program (fidelio) at the time of exchange or expiration of points;
- Recognition of sales commissions as consolidated operating expenses. These costs were initially netted against revenues in the separate financial statements;
- Activation of payroll costs relating to the deployment of fixed assets;
- Recognition of SIM cards in intangible assets;
- Inventory values of handsets sold but not activated are adjusted to account for the recognition of revenues upon activation;
- Elimination of capitalized costs from the balance sheet and recognition in the income statement of the change in the period;
- The recognition in the income statement of the exchange adjustements;
- Recognition of the impact of unwinding the retirement benefits provision discounting in financial income;
- Capitalization of deferred taxes on temporary differences arising from the separate financial statements, IFRS adjustments and tax loss carryforwards;
- Reclassification under net operating income of noncurrent operating items, and under net financial income of noncurrent financial items;
- The identification of leases for the right of use and the capitalization of rental expenses that meet the duration and value criteria required by IFRS 16 in fixed assets. This restatement gives rise to the creation of a new financial liability and the corresponding interest charges and the recognition of depreciation of rental expenses converted into fixed assets;
- Reclassification under current assets of assets held for sale;
- Reclassification of the corporate income tax liability component of tax debts;
- Reclassification under current items, of loan, financial debt and provision components maturing in less than a year.
- The other consolidation adjustments basically concern all consolidation transactions (elimination of consolidated securities, intra-group transactions and internal capital gains or losses, etc.).



3. MAROC TELECOM CONSOLIDATED FINANCIAL STATEMENTS

3. CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31 2021, 2022, 2023

Pursuant to regulation (EC) no. 1606/2002 of the European Parliament of July 19, 2002, Maroc Telecom Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IAS/IFRS), as endorsed by the European Union.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (In MAD million)	Note	2021	2022	2023
Goodwill	3	8,976	9,389	9,230
Other intangible assets	4	7,521	7,696	7,300
Property, plant, and equipment	5	27,400	29,283	30,492
Right to use the asset	34	1,371	1,387	1,535
Equity affiliates	6	0	0	0
Noncurrent financial assets	7	784	1,656	2,587
Deferred tax assets	8	508	445	527
Noncurrent assets		**46,560**	**49,857**	**51,672**
Inventories	9	318	484	445
Trade accounts receivable and other	10	12,699	13,160	12,296
Short term financial assets	11	126	103	117
Cash and cash equivalents	12	2,024	1,872	1,013
Assets available for sale		54	54	0
Current assets		**15,222**	**15,673**	**13,871**
TOTAL ASSETS		**61,782**	**65,530**	**65,543**

SHAREHOLDERS' EQUITY AND LIABILITIES (In MAD million)	Note	2021	2022	2023
Share capital		5,275	5,275	5,275
Retained earnings		3,631	5,870	6,568
Net earnings		6,008	2,750	5,283
Shareholders'equity attributable to equity holders of the parent	13	14,914	13,895	17,126
Noncontrolling interests		3,887	4,107	3,878
Shareholders'equity		**18,800**	**18,002**	**21,004**
Noncurrent provisions	14	503	585	612
Borrowings and other long-term financial liabilities	15	3,767	4,325	4,180
Deferred tax liabilities	8	50	83	77
Other noncurrent liabilities		0	0	0
Noncurrent liabilities		**4,321**	**4,992**	**4,868**
Trade accounts payable	16	23,865	26,228	24,210
Current tax liabilities		787	1,179	781
Current provisions	14	1,332	1,209	1,452
Borrowings and other short term financial liabilities	15	12,677	13,920	13,228
Current liabilities		**38,661**	**42,535**	**39,671**
TOTAL SHAREHOLDERS'EQUITY AND LIABILITIES		**61,782**	**65,530**	**65,543**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In MAD million)	Note	2021	2022	2023
Revenues	17	**35,790**	**35,731**	**36,786**
Cost of purchases	18	-5,123	-4,940	-5,106
Payroll costs	19	-2,868	-3,093	-3,124
Taxes and duties	20	-3,447	-3,535	-3,620
Other operating income (expenses)*	21	-5,303	-8,031	-5,639
Net depreciation, amortization, and provisions	22	-7,477	-7,145	-7,691
Earnings from operations		**11,573**	**8,987**	**11,605**
Other income and charges from ordinary activities**		-88	0	-747
Income from equity affiliates	23	0	0	0
Earnings from continuing operations		**11,485**	**8,987**	**10,859**
Income from cash and cash equivalents		27	18	42
Gross borrowing costs		-826	-706	-892
Net borrowing costs		**-800**	**-688**	**-850**
Other financial income and expenses		-77	-55	-9
Net financial income (expense)	24	**-876**	**-743**	**-859**
Income tax	25	-3,680	-4,604	-3,838
Net income		**6,928**	**3,639**	**6,161**
Exchange gain or loss from foreign activities		-378	732	-331
Other income and expenses		34	-14	-28
Total comprehensive income for the period		**6,584**	**4,358**	**5,802**
Net income		**6,928**	**3,639**	**6,161**
Attributable to equity holders of the parent		6,008	2,750	5,283
Noncontrolling interests	26	920	889	878
Total comprehensive income for the period		**6,584**	**4,358**	**5,802**
Attributable to equity holders of the parent		5,787	3,204	5,076
Noncontrolling interests	26	797	1,153	726

EARNINGS PER SHARE	Note	2021	2022	2023
Net earnings attributable to equity holders of the parent (in MAD millions)		**6,008**	**2,750**	**5,283**
Number of shares at December 31		879,095,340	879,095,340	879,095,340
Net earnings per share (in MAD)	27	**6.83**	**3.13**	**6.01**
Diluted net earnings per share (in MAD)	27	**6.83**	**3.13**	**6.01**

* The amount shown under Other income and expenses from ordinary activities for 2023 includes the donation made as part of the contribution to the special earthquake fund in Morocco.

CONSOLIDATED STATEMENT OF CASH FLOW

(In MAD million)	Note	2021	2022	2023
Earnings from operations		11,573	8,987	11,605
Depreciation, amortization and other non-cash movements		7,487	7,142	6,940
Gross cash from operating activities		**19,060**	**16,129**	**18,545**
Other changes in net working capital		-1,847	-300	-1,237
Net cash from operating activities before tax		**17,213**	**15,829**	**17,308**
Income tax paid		-3,659	-3,827	-4,262
Net cash from operating activities (a)	12	**13,554**	**12,002**	**13,045**
Purchase of PP&E and intangible assets		-5,289	-7,073	-7,969
Purchases of consolidated investments after acquired cash		5	0	0
Investments in equity affiliates		0	0	0
Increase in financial assets		-41	-388	-333
Disposals of PP&E and intangible assets		14	2	5
Decrease in financial assets		3	7	8
Dividends received from nonconsolidated investments		6	1	2
Net cash used in investing activities (b)		**-5,303**	**-7,452**	**-8,287**
Capital increase		0	0	0
Dividends paid by Maroc Telecom	13	-3,525	-4,202	-1,924
Dividends paid by subsidiaries to their noncontrolling interests		-687	-1,089	-883
Changes in equity		**-4,212**	**-5,291**	**-2,807**
Proceeds from borrowings and increase in other long-term financial liabilities		694	1,621	1,036
Payments on borrowings and decrease in other noncurrent financial liabilities		0	0	0
Proceeds from borrowings and increase in other short-term financial liabilities		1,536	2,570	8,402
Payments on borrowings and decrease in other current financial liabilities		-6,145	-2,743	-10,948
Change in net current accounts		0	0	0
Net interest paid (cash only)		-695	-786	-719
Other cash expenses (income) used in financing activities		-47	-76	13
Change in borrowings and other financial liabilities		**-4,657**	**586**	**-2,217**
Net cash used in financing activities (d)	12	**-8,869**	**-4,705**	**-5,024**
Translation adjustment and other noncash items (g)		**-47**	**1**	**-593**
Total cash flows (a)+(b)+(d)+(g)	12	**-666**	**-153**	**-859**
Cash and cash equivalents at beginning of period		**2,690**	**2,024**	**1,872**
Cash and cash equivalents at end of period	12	**2,024**	**1,872**	**1,013**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In MAD millions)	Note	Share capital	Earnings and retained earnings	Other comprehensive income	**Total Group share**	Non controling interest	Total capital equity
Restated position at January 1, 2021		**5,275**	**7,786**	**-340**	**12,721**	**3,968**	**16,688**
Total comprehensive income for the period			**6,008**	**-221**	**5,787**	**797**	**6,584**
Change in gains and losses recognized directly in equity and recyclable in profit or loss			0	**-263**	**-263**	**-115**	**-378**
Gains and losses on translation				-263	-263	-115	-378
Change in gains and losses recognized directly in equity and recyclable in profit or loss				**42**	**42**	**-8**	**34**
Actuarial difference				-11	-11	-8	-19
Actuarial gains and loses				53	53	0	53
Capital increase				0	0	0	0
Capital decrease				0	0	0	0
Share-based compensation				0	0	0	0
Change in percentage without assumption/loss of control				0	0	0	0
Change in percentage with assumption/loss of control			0		0		0
Dividends			-3,525		-3,525	-878	-4,403
Treasury stock			-4		-4	0	-4
Other adjustements			-65		-65	0	-65
Restated position at December 31, 2021		**5,275**	**10,199**	**-561**	**14,914**	**3,887**	**18,800**
Total comprehensive income for the period			**2,750**	**454**	**3,204**	**1,153**	**4,358**
Change in gains and losses recognized directly in equity and recyclable in profit or loss			0	**464**	**464**	**268**	**732**
Gains and losses on translation				464	464	268	732
Revaluation differences				**0**	**0**	**0**	**0**
Revaluation differences on hedging instruments				0	0	0	0
Revaluation differences on equity instruments				0	0	0	0
Change in gains and losses recognized directly in equity and recyclable in profit or loss				**-10**	**-10**	**-4**	**-14**
Actuarial difference				-10	-10	-4	-14
Revaluation differences on equity instruments				0	0	0	0
Capital increase				0	0	0	0
Capital decrease				0	0	0	0
Share-based compensation				0	0	0	0
Change in percentage without assumption/loss of control				0	0	0	0
Change in percentage with assumption/loss of control			0	0	0	0	0
Dividends			-4,202	0	-4,202	-933	-5,134
Treasury stock			-22	0	-22	0	-22
Other adjustements			0	0	0	-1	-1
Position at December 31, 2022		**5,275**	**8,727**	**-107**	**13,895**	**4,107**	**18,002**
Total comprehensive income for the period			**5,283**	**-206**	**5,076**	**726**	**5,802**
Change in gains and losses recognized directly in equity and recyclable in profit or loss				**-195**	**-195**	**-136**	**-331**
Gains and losses on translation				-195	-195	-136	-331
Revaluation differences					0		0
Revaluation differences on hedging instruments					0		0
Revaluation differences on equity instruments					0		0
Change in gains and losses recognized directly in equity and recyclable in profit or loss				**-12**	**-12**	**-16**	**-28**
Actuarial difference				-13	-13	-17	-30
Revaluation differences on equity instruments				2	2	0	2
Capital increase					0		0
Capital decrease					0		0
Share-based compensation					0		0
Change in percentage without assumption/loss of control					0		0
Change in percentage with assumption/loss of control					0		0
Dividends			-1,925		-1,925	-917	-2,842
Treasury stock			18		18		18
Other adjustements			61		61	-37	24
Position at December 31, 2023		**5,275**	**12,164**	**-313**	**17,126**	**3,878**	**21,004**

At December 31, 2023, Maroc Telecom’s share capital comprised 879,095,340 ordinary shares. Ownership of the shares was divided as follows:

- Etisalat: 53%;
- Kingdom of Morocco: 22%;
- Other: 25%.

Reserves consist mainly of accumulated undistributed earnings from previous years, including MAD 3,073 million in undistributable reserves at December 31, 2023.

NOTE 1. ACCOUNTING PRINCIPLES AND VALUATION METHODS

Group companies are consolidated on the basis of their fiscal year ending December 31,2023 except for CMC, whose fiscal year ends March 31, 2023.

The financial statements and notes were approved by the Management Board on January 29, 2024.

1. CONTEXT FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2023 AND THE FINANCIAL STATEMENTS FOR THE YEARS 2022 AND 2021

Pursuant to regulation (EC) no.1606/2002 of July 19, 2002, concerning the adoption of international accounting standards, the consolidated financial statements of Maroc Telecom Group for the year ended December 31, 2022, were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), applicable as endorsed by the European Union (EU). For purposes of comparison, the 2023 financial statements also include financial information on 2022 and 2021.

2. COMPLIANCE WITH ACCOUNTING STANDARDS

The consolidated financial statements of Maroc Telecom SA have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations endorsed by the European Union and mandatory at December 31, 2023. The accounting standards applied to the consolidated financial statements do not differ from those issued by the International Accounting Standards Board (IASB).

2.1 Standards and interpretations applied by Maroc Telecom for fiscal year 2022

All the new standards, interpretations and amendments published by the IASB and mandatory in the European Union from January 1, 2022 have been applied.

2.1.1 Impact of application of the standards and interpretations adopted in 2023

The Group believes that the improvements adopted in 2023 did not have a material impact on its consolidated financial statements.

2.2 Standards and interpretations applied by Maroc Telecom for fiscal year 2023

On June 25, 2020, the IASB issued amendments to IFRS 17 Insurance Contracts to help companies apply the standard and make it easier for them to explain their financial performance. The effective date of these amendments is January 1, 2023.

The Group considers that the 2023 improvements have no material impact on its consolidated financial statements.

3. PRESENTATION AND PRINCIPLES GOVERNING THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENT

Pursuant to IFRS principles, the consolidated financial statements have been prepared on an historical-cost basis, with the exception of certain asset and liability categories.

The categories concerned are mentioned in the notes below. The consolidated financial statements are presented in Dirham and all values are rounded to the nearest million unless otherwise noted. They include the accounts of Maroc Telecom and its subsidiaries after elimination of intra-group transactions.

3.1 Statement of comprehensive income

Maroc Telecom has chosen to present its statement of comprehensive income in a format that breaks down income and expenses by type.

3.1.1 Earnings from operations and earnings from continuing operations

Earnings from operations, which in documents previously issued by Maroc Telecom was called operating income, includes revenues, cost of purchases, payroll costs, taxes and duties, other operating income and expenses, as well as net depreciation, amortization and provisions.

Earnings from continuing operations includes earnings from operations, other income from continuing operations, other expenses on continuing operations (including impairment of goodwill and other intangible assets), as well as the share of net earnings of equity associates.

3.1.2 Financing costs and other financial income and expenses

Net financing costs comprise:

- Gross financing costs which includes interest payable on loans calculated using the effective-interest rate method;

- Financial income received from cash investments.

Other financial income and expenses mainly include gains and losses on currency translation (other than those relating to operating activities recognized under earnings from operations), dividends received from non-consolidated companies, earnings from consolidated activities or companies not recognized under earnings from discontinued activities or in the process of being discontinued.

3.2 Statement of financial position

Assets and liabilities with maturities shorter than the operating cycle, i.e. generally less than 12 months, are recognized under current assets or liabilities. If their maturities are longer than this, they are recognized under noncurrent assets or liabilities, except for operating expenses.

3.3 Consolidated statement of cash flows

Maroc Telecom group has chosen to present its consolidated cash flow statement using the indirect method. Working capital requirements from operations correspond to changes in the balance sheet items of trade receivables, inventories and trade payables.

3.4 Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires Maroc Telecom to make certain estimates and assumptions that it deems reasonable and realistic. Despite regular reviews of these estimates and assumptions based on past or anticipated achievements, facts and circumstances may lead to changes in these estimates and assumptions that could have an impact on the carrying value of Group assets, liabilities, equity, or earnings.

The main estimates and assumptions concern changes in the following items:

- provisions: risk estimates, performed on an individual basis; the occurrence of events during risk-measurement procedures may lead at any time to a reassessment of the risk in question (see Note 14);
- impairment of trade receivables and inventories: estimates of nonrecovery risk for trade receivables and obsolescence risk for inventories;
- employee benefits: assumptions, updated annually, include the probability of employees remaining with the Group until retirement, expected changes in future compensation, the discount rate, and the inflation rate (see Note 14);
- revenues recognition: estimates of benefits granted as part of customer-loyalty programs, to be deducted from certain revenues items, and of deferred revenues relating to distributors (see Note 17);
- goodwill: valuation methods adopted for the identification of intangible assets acquired through business combinations (see Note 3);
- goodwill, indefinite useful lives of intangible assets, and assets in progress: assumptions are updated annually for impairment tests performed on each of the Group's cash-generating units (CGUs), determined by future cash flows and discount rates;
- deferred taxes: estimates concerning the recognition of deferred tax assets are updated annually; estimates include the Group's future tax results and expected changes in temporary differences between assets and liabilities (see Note 8).
- IFRS 16 : the discount rate is estimated by taking into account risk, economic conditions, country specificities and duration.

3.5 Consolidation methods

The generic name Maroc Telecom refers to the group of companies composed of the parent company Itissalat Al-Maghrib S.A. and its subsidiaries.

A list of the Group’s principal subsidiaries is presented in Note 2, “Scope of consolidation at December 31, 2021, 2022, and 2023.

Maroc Telecom’s scope of consolidation comprises wholly owned companies exclusively; therefore the only consolidation method employed by the Group is that of full consolidation.

The accounting method described below was applied consistently to all the periods presented in the consolidated financial statements.

Full consolidation

All companies in which Maroc Telecom has a controlling interest, namely those in which it has the power to govern financial and operational policies to obtain benefits from their operations, are fully consolidated.

The new standard for consolidation, introduced by IFRS 10 as replacement of IAS 27 (amended) - Consolidated and Separate Financial Statements and by SIC 12 Special Purpose Vehicles, is based on the following three criteria that must be met simultaneously for Maroc Telecom to assume control :

- Maroc Telecom has power over the subsidiary when it has existing rights that give it the ability to direct the relevant activities (i.e., the activities that significantly affect the investee's returns); Power arises from existing and/or potential voting rights and/or contractual arrangements. The voting rights must be substantial (i.e., they may be employed at any time and without limitation, particularly during votes on important activities). Assessment of whether a parent has power over a subsidiary depends on the relevant activities of the subsidiary, it's decision-making procedures, and the breakdown of votes among the other shareholders.
- Maroc Telecom has exposure or rights to variable returns from its involvement with the subsidiary. These returns may vary in accordance with the subsidiary's performance. The notion of return is defined broadly and includes dividends and other forms of distributed economic benefits, the investment's valuation, cost savings, synergies, etc.
- Maroc Telecom has the ability to exercise its power to affect the returns. Any power that cannot affect returns is considered non-controlling.

The Group's consolidated financial statements are presented as those of a single economic entity with two types of owners: 1. the owners of Maroc Telecom Group (shareholders of Maroc Telecom SA), and 2. holders of non-controlling interests (minority shareholders of the subsidiaries). A non-controlling interest is defined as a stake in a subsidiary that cannot be directly or indirectly attributed to a parent company (hereinafter "non-controlling interests"). Consequently any changes in percentage of ownership of a parent company in a subsidiary that do not result in the loss of control affects only equity, because control is not changed within the economic entity.

Transaction eliminated in the consolidated financial statements

Revenues, expenses, and balance-sheet positions resulting from intra-group transactions are eliminated during the preparation of the consolidated financial statements.

3.6 Business combinations

Business combinations from January 1, 2009

The acquisition method is used to account for business combinations. Under this method, upon the initial consolidation of an entity over which the Group has acquired exclusive control:

- the identifiable assets acquired and the liabilities assumed are measured at their fair value on the acquisition date.
- the noncontrolling interests are measured either at fair value or at their proportionate share of the acquiree's identifiable net assets. This option is available on a transaction-by-transaction basis.

On the acquisition date, goodwill is measured as the difference between:

- the fair value of the consideration transferred plus the amount of noncontrolling interest in the acquiree, and, in a business combination achieved in stages, the acquisition-date fair value of the equity interest held previously by the acquirer in the acquiree;

and

- the net amount on the acquisition date for identifiable assets acquired and liabilities assumed.

The fair-value measurement of noncontrolling interests increases goodwill up to the share attributable to the noncontrolling interests, thereby resulting in the recognition of full goodwill. The purchase price and its allocation must be completed within 12 months of the acquisition date. If goodwill is negative, it is recognized as profit directly in profit or loss. After the acquisition date, goodwill is measured at its initial amount, less any recorded impairment losses;

The following principles also apply to business combinations:

- beginning on and after the acquisition date, to the extent possible, goodwill is allocated to each cash-generating unit likely to benefit from the business combination;
- any adjustment to the purchase price is recorded at fair value on the acquisition date, and any subsequent adjustment after the purchase-price allocation period is recognized in profit or loss;
- acquisition-related costs are recognized as expenses when incurred;

- in the event of acquisition of an additional interest in a consolidated subsidiary, Maroc Telecom recognizes the difference between the acquisition cost and the carrying value of noncontrolling interests as a change in equity attributable to shareholders of Maroc Telecom;

Goodwill is not amortized.

Business combinations prior to January 1, 2009

Pursuant to IFRS 1, Maroc Telecom elected not to restate business combinations that occurred before January 1, 2004. IFRS 3, as published by the IASB in March 2004, had already retained the acquisition method. Its provisions, however, differed from those of the revised standard on the following main points:

- noncontrolling interests were measured on the basis of their proportionate share in the acquired net identifiable assets; the option of fair-value measurement did not exist;
- contingent consideration was recognized in the cost of acquisition only if payment was likely to occur and the amounts could be measured reliably;
- costs attributable directly to the acquisition were recognized under the cost of the business combination.
- In the event of acquisition of an additional interest in a consolidated subsidiary, Maroc Telecom recognizes as goodwill the difference between the acquisition cost and the carrying value of acquired noncontrolling interests.

3.7 Foreign-currency translation

Foreign-currency transactions are initially recorded in the functional currency at the exchange rate prevailing on the date of the transaction. At the end of the period, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate prevailing on that date. All translation differences are recognized in profit or loss for the period.

3.8 Translation of financial statements for foreign activities

Assets and liabilities relating to foreign activities, including goodwill and fair-value adjustments arising from consolidation, are translated into Moroccan dirhams at the exchange rate prevailing at the end of the period.

Income and expenses are translated into dirhams at the average exchange rate over the period.

Foreign exchange differences arising from translation are recorded as foreign currency translation differences, as a separate component of shareholders' equity.

3.9 Assets

3.9.1 Other intangible assets

Intangible assets acquired separately are recorded at cost, and intangible assets acquired in connection with a business combination are recorded at their fair value at the acquisition date. Subsequent to initial recognition, the historical cost model is applied to intangible assets that are amortized when they are ready for use. Depreciation is recorded for assets with limited useful life. The useful lives are reviewed at each closing.

The estimated useful lives are between 2 and 5 years.

IAS 38 does not recognize brands, subscriber bases and market segments generated internally as intangible assets.

Licenses for the operation of telecommunications networks are recorded at historical cost and are amortized on a straight-line basis as of the effective date of the service for the period of validity of the license.

The Maroc Telecom group chose not to use the option offered by IFRS 1 to choose to measure certain intangible assets at fair value on January 1, 2004 at this date.

Expenditures posted to intangible enterprises are capitalized only if they enhance the future economic benefits associated with the asset. Other expenses are recognized as expenses when incurred.

3.9.2 Research and development costs

Research costs are expensed when incurred. Development expenses are capitalized when the project can reasonably be considered feasible.

Pursuant to IAS 38 Intangible Assets, development costs are capitalized only after the technical and financial feasibility of the asset for sale or use have been established, where it is likely that the future economic benefits attributable to the asset will flow to the company, and where the cost of the asset can be measured reliably.

3.9.3 Property, plant, and equipment

Property, plant, and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes acquisition or production costs as well as costs directly attributable to transporting the asset to its physical location and to preparing it for use in operations. For the purposes of IAS 23, borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are included in the cost of the asset. Other borrowing costs are recognized as an expense for the period in which they are incurred. When property, plant, and equipment include significant components with various useful lives, the components are recorded and depreciated separately.

Property assets comprising the items “land” and “buildings” are derived in part from the contribution in kind granted in 1998 by the Moroccan government (in connection with the breakup of ONPT) to Maroc Telecom when it was established.

When these assets were transferred, the property titles could not be registered with the property registry.

Fully 98.24% of such assets had been assigned property titles at the end of December 2022. Although uncertainty over the property titles remains, the risk is limited, because the Moroccan government has guaranteed Maroc Telecom use of the transferred property as at this time, and because to date there have been no significant incidents related to this situation.

The assets transferred by the Moroccan government on February 26, 1998, to establish Maroc Telecom as a public operator were recorded as a net amount in the opening statement of financial position, as approved by:

- the Postal Services and Information Technology Act no. 24-96;
- the joint order no. 341-98 of the Ministry of Telecommunications and the Ministry of Finance, Commerce, and Industry, approving the inventory of assets transferred to Maroc Telecom Group.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Useful lives are reviewed at the end of each reporting period and are as follows:

- Construction and buildings — 20 years
- Civil engineering projects — 15 years
- Network equipment:
- Transmission (Mobile) — 10 years
- Switching — 8 years
- Transmission (fixed line) — 10 years
- Fixtures and fittings — 10 years for various facilities; 20 years for the fitting out of buildings
- Computer equipment — 5 years
- Office equipment — 10 years
- Transportation equipment — 5 years

Assets not put into service are maintained in assets under construction.

Depreciation charges for assets acquired under these contracts are included in depreciation charges.

Maroc Telecom Group has elected not to use the option offered by IFRS 1 to measure certain items of property, plant and equipment at their fair value at January 1, 2004.

The Group recognizes, in the carrying amount of an item of property, plant and equipment, the replacement cost of a component of that item of property, plant and equipment at the time this cost is incurred if it is probable that the future economic benefits associated with the asset will flow to the Group and its cost can be reliably measured.

All routine maintenance and servicing costs are expensed as incurred.

3.9.4 Impairment of fixed assets

Goodwill and other intangible assets with indefinite useful lives are subject to an impairment test at the close of each annual period, and are also tested whenever there is an indication that they may be impaired. The carrying value of other fixed assets is also subject to an impairment test whenever events or circumstances indicate that the carrying value of such assets may not be recoverable. The impairment test compares the asset’s carrying amount with its recoverable amount (i.e., the higher of fair value less disposal costs and value in use).

The recoverable amount is determined for an individual asset as long as the asset generates cash inflows that are largely independent of those from other assets or groups of assets. If such is the case, as it is for goodwill, the recoverable amount is determined for the cash-generating unit. Maroc Telecom has selected as its cash generating units its fixed and Mobile business units (BU).

3.9.5 Accounting treatment of lease assets

The MT Group adopted IFRS 16 with effect from January 1, 2019. The application of this standard removes the IAS 17 distinction between operating leases and finance leases, and requires the recognition of almost all leases on the balance sheet with an asset representing the right-of-use of the leased asset for the duration of the lease term, in exchange for a liability in respect of the obligation to pay rent.

3.9.5.1 Definition of right-of-use

Maroc Telecom's right-of-use is derived from its leases. Under IFRS 16, "*a contract is, or contains, a lease if it conveys to the tenant the right to control the use of an identified asset for a period of time in exchange for consideration*". This definition provided by the standard focuses on two main points: the identification of the asset and the control of its use by the lessee.

Following the analysis of the leases of its various subsidiaries and regions, the Group has defined four main categories of right-of-use:

- Land;
- Buildings;
- Technical facilities;
- Transportation equipment.

Acquisition costs are not capitalized in accordance with the transitional provisions provided for in paragraph C10d.

3.9.5.2 Exemptions

Based on the criteria provided, the MT Group has included in the scope of application of the standard all eligible contracts with the exception of:

- Contracts relating to intangible assets (licenses and software);
- Leases for which the Group is the lessor;
- Contracts meeting the low-value exemption (asset replacement value below the equivalent of $5,000) or the short-term exemption (remaining term at the transition date is less than 12 months). These exemptions are provided for by the standard and applied by the Group.

3.9.5.3 Separation of contract components

IFRS 16 includes a clause on the separation of contract components: "Where a contract is or contains a lease, the entity shall recognize each lease component of the contract as a separate lease, independent of the non-lease components of the contract, unless it applies the simplification measure set out in paragraph 15."

The MT Group has opted for the simplification option by recognizing the lease components and related non-lease components as one single lease component. As mentioned in paragraph 15, the choice is made by category of underlying assets and does not apply to embedded derivatives that meet the conditions defined in paragraph 4.3.3 of IFRS 9 "Financial Instruments".

3.9.5.4 Definition of lease term

In order to quantify the IFRS 16 impacts of a contract, the MT Group must define the period for which it is enforceable. The enforceable period, as defined by paragraph 18 of IFRS 16, includes the period during which the contract is non-cancellable, to which is added:

- the portion of the contractual term in which the entity has a termination option that it is reasonably certain not to exercise;
- the period for which the entity has an extension option that it is reasonably certain to exercise.

Reasonable certainty is at the discretion of the Group. The latter exercises its options in accordance with the facts and circumstances and in such a way as to preserve its economic and competitive interests.

As underlined by the IFRS IC in its decision on the economic definition of the enforceable period, as well as the CNCC (French National Institute of Statutory Auditors) and the ANC (French Accounting Standards Authority) through their analysis work, the enforceable period is not limited to the contractual terms. In reality, it is linked to the economic advantage derived by the lessee from the asset and the significant penalties that may apply in the event of termination of the contract prior to the end of the economic term. Ultimately, the enforceable period may be modified independently of the contractual terms when the reality of the economic context is more meaningful.

Documentation work has been carried out to identify and measure the impact of the decisions made on the consolidated financial statements. The results of the analyses carried out reveal no significant differences between the Group's current model for measuring the enforceable periods of contracts and the new provisions introduced by the IFRS IC.

3.9.5.5 Determining the discount rate

The discount rate is also a fundamental parameter used to accurately measure the impacts of IFRS 16. Indeed, this element is a condition imposed by the standard which stipulates: *"At the start date [of a lease], the lessee must measure the lease liability at the present value of the lease payments that have not yet been paid. The present value of lease payments should be calculated using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the lessee must use its incremental borrowing rate."*

The Group has opted for the incremental borrowing rate: the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment. It is determined by reference to currency risk, country risk, entity risk and maturity. As a result, each entity and each maturity has a different discount rate.

To ensure its reliability, the Group recommends an approach of regular direct consultation with its banking partners in order to update the Group’s debt ratios by maturity and by subsidiary annually.

3.9.5.6 Measurements

When adopting IFRS 16, the Group is required to perform two measurements. A first measurement, at the effective date of the contract, called the initial measurement, and a second after the effective date of the contract called the subsequent measurement.

3.9.5.6.1 Initial measurement

The initial measurement of the liability is based on the present value of unpaid lease payments, using the discount rate.

At the effective date, the Group also measures the cost of the asset on the basis of:

- the initial measurement of the lease liability;
- the amount of rent paid on or before the effective date (after deduction of any lease incentives received).

3.9.5.6.2 Subsequent measurement

After the effective date of the contract, the standard provides for three models of subsequent measurement: the cost model, the fair value model and the revaluation model.

The MT Group has chosen to apply the cost model in order to maintain consistency with the preferred models for other standards. Under the terms of this model, the right-of-use asset is measured at cost, less any accumulated depreciation and any accumulative impairment losses, and adjusted for any remeasurement of the lease liability.

The Group must depreciate the right-of-use asset in accordance with the depreciation provisions of IAS 16 "Property, plant and equipment". The depreciation period corresponds to the period between the effective date of the contract and the earlier of the end of the useful life of the underlying asset and the end of the lease term. However, if the depreciation period is longer than that of the contract, the depreciation period shall match the lease term.

Under the cost model, impairment of the right-of-use asset is determined in accordance with IAS 36 "Impairment of Assets”.

3.9.5.7 Lease modifications

In the event of a lease modification, on the effective date of the modification, the MT Group:

a) allocates the consideration provided for in the amended lease in accordance with the terms of the standard (paragraphs 13 to 16);

b) determines the lease term as amended in accordance with the terms of the standard (paragraphs 18 and 19);

c) remeasures the lease liability by discounting the revised lease payments using the incremental borrowing rate on the effective date of the modification.

Paragraph 44 of the standard states that a change in the scope of a lease and the consideration for the lease does not constitute a contract amendment. These two conditions together require the creation of a separate lease.

3.9.5.8 Presentation

The elements of IFRS 16 must be presented in the Group’s primary financial statements. The standard suggests two ways of doing so: the first consists of highlighting the impacted items by asset category and the second requires the creation of a separate section dedicated to the IFRS 16 elements. The MT Group has opted for the second presentation. On the asset side of the balance sheet, the right-of-use asset and its depreciation constitute a separate category of fixed assets. On the liability side, the lease obligation is included in the Group’s financial liabilities, but a separate line is included in the notes.

3.9.5.9 Out-of-scope contracts

Contracts outside the scope of IFRS 16 are recognized as rental expenses and appear in the Group income statement.

3.9.5.10 Application to portfolios

IFRS 16 allows for the grouping of leases with similar characteristics in a portfolio, and the application of the measures by portfolio, provided that it is reasonably expected that the effects on the financial statements of applying a portfolio approach will not differ materially from applying IFRS 16 to the individual leases within that portfolio.

The MT Group has chosen to continue to recognize individual leases and not opted for a portfolio approach.

3.9.5.11 Combining contracts

According to Appendix B paragraph B2 of the standard, two or more contracts are accounted for as a single contract when:

“a) contracts are negotiated as a package and have an overall business objective that would not be understood if the contracts were not considered collectively;

b) the amount of consideration to be paid under one of the contracts depends on the price or performance of the other contract; or

c) the right-of-use of underlying assets conferred by the contracts (or some of the right-of-use of underlying assets conferred by each of the contracts) constitute a single lease component as described in paragraph B32”.

If one of the aforementioned conditions is met, the Group must combine the contracts entered into at the same time or nearly the same time with the same party (or parties related to said party) and recognize them as one single contract.

3.9.5.12 Deferred taxes

As the standard is not clear as to whether or not deferred tax should be recognized on the initial recognition of a right of use and a lease liability when IFRS 16 is implemented, Maroc Telecom Group does not recognize deferred tax on contracts subject to IFRS 16 at the time of recognition.

3.9.6 Financial assets

The Group has applied the provisions of IFRS 9 to financial instruments that were not derecognized on the initial application date of 1 January 2017. All financial assets recognized within the scope of IFRS 9 have been measured at amortized cost or fair value based on the two criteria mentioned above, hereinafter the categories of financial assets identified by Maroc Telecom:

- Financial assets classified as held-to-maturity and loans and receivables are measured at amortised cost in accordance with IFRS 9 because they are held in a business model to collect contractual cash flows. These cash flows consist solely of the payment of principal and interest on the outstanding principal.
- Equity securities classified as available-for-sale have been irrevocably classified as fair value through other comprehensive income.
- Investments in treasury shares held for trading continue to be measured at fair value through net income.
- Held-for-trading financial assets continue to be measured at fair value through net income under IFRS 9 because these investments are managed as a trading portfolio and settlement is based on changes in the fair value of the underlying securities and interest.

Thus, no change in the classification of the Group's active financial instruments has been identified in accordance with the new IFRS 9 standard, which has not generated any material impact on the financial statements.

3.9.7 Inventories

Inventories are composed of :

- goods corresponding to inventory intended for sale to customers when their line is opened and consisting of Fixed-line, Mobile Internet or Multimedia terminals and their accessories, with the exception of SIM cards. These inventories are valued using the CUMP method;
- handsets delivered to distributors and not activated at the balance sheet date are recognized in inventories, while handsets not activated within nine months of delivery are recognized simultaneously in revenues and costs.
- materials and supplies corresponding to items not dedicated to the network. These inventories are valued at their average acquisition cost.

Inventories are valued at the lower of cost or net realizable value. Impairment is recognized on the basis of the prospects for the sale and condition of the inventory (whether for Mobile, Fixed-line, Internet or technical assets).

3.9.8 Trade accounts receivable and other receivables

These include trade and other receivables and are measured at fair value upon initial recognition and subsequently at amortised cost less impairment losses.

Trade receivables correspond to private and public receivables:

- Private receivables: these are receivables from domestic and international individuals, distributors, companies and operators;
- Public receivables: these are receivables from local authorities and the State;

Regarding the impairment of trade receivables, IFRS 9 refers to the procedures detailed in IAS 39. The latter stipulates that: “At the end of each reporting period, the entity must assess whether there is objective evidence of impairment of a financial asset or group of financial assets measured at amortised cost. If such evidence exists, the entity must apply paragraph 63 to determine the amount of any impairment."

The standard lists various events considered as objective indications of impairment. The Group uses some of these indications, such as default or other, to assess the need for and pace of provisioning. Maroc Telecom adopts a statistical method approach to determine impairment losses in a group of financial assets in accordance with paragraph AG92 of IAS39.

3.9.9 Cash and cash equivalents

"Cash and cash equivalents" include cash on hand, sight deposits, current accounts, and short-term, highly liquid investments with maturities of three months or less.

3.10 Assets held for sale and discontinued operations

A noncurrent asset or a group of assets and liabilities qualifies as held for sale when its carrying value may be recovered principally through its disposal and not by its continued utilization. To qualify as held for sale, the asset must be available for immediate sale and the disposal must be highly probable. Such assets and liabilities are reclassified as assets held for sale and as liabilities associated with assets held for sale, without possibility of offset. The reclassified assets are recorded at the lower of fair value (net of disposal fees) and cost less accumulated depreciation and impairment losses, and are no longer depreciated.

An operation is qualified as discontinued when the criteria for classification as an asset held for sale have been met or when Maroc Telecom has sold the operation. Discontinued operations are reported on a single line of the statement of comprehensive income for the periods reported, comprising the earnings after tax of the discontinued operations until the divestiture date and the gain or loss after tax on the sale or fair-value measurement, less costs to sell the assets and liabilities of the discontinued operations. In addition, operating, investing, and financing cash flows generated by discontinued operations are reported on the statement of cash flows.

3.10.1 Financial liabilities

Financial liabilities comprise borrowings, accounts payable, and bank overdrafts.

3.10.2 Borrowings

All borrowings are initially accounted for at fair value of the amount received, net of borrowing costs.
The allocation of borrowings to current and noncurrent liabilities is performed on the basis of contractual maturity.

3.11 Provisions

Provisions are recognized when, at the end of the reporting period, the Group has a legal, regulatory, or contractual obligation as a result of past events, when it is probable that an outflow of resources (without any expected related inflow) will be required to settle the obligation, and when the obligation can be estimated reliably. Where the effect of the time value of money is material, provisions are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money. If no reliable estimate can be made of the amount of the obligation, no provision is recorded and a disclosure is made in the notes to the consolidated financial statements.

Restructuring provisions are recorded when the Group has approved a formal and detailed restructuring program and has either begun to implement the program or has announced the program publicly. Future operating expenses are not provisioned.

Pension commitments are estimated for the subsidiaries, taking into account actuarial assumptions. The Group applies the projected unit credit method to recognize the value of its defined benefit obligation as a liability on the balance sheet.

3.12 Deferred taxes

Deferred taxes are accounted for using the liability method, for differences existing at closing between the tax-base value of assets and liabilities and their carrying value on the balance sheet.

Deferred tax liabilities are recognized for all taxable temporary differences:

- except for temporary differences generated by the initial recognition of goodwill;

and

- for taxable temporary differences arising from investments in subsidiaries, affiliates, and joint ventures, unless the date on which the temporary difference will reverse can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, tax-loss carry forwards, and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists to make use of those deductible temporary differences, tax-loss carryforwards, and unused tax credits:

- except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction that is not a business combination and that at the transaction date does not impact accounting earnings, taxable income, or taxable losses;
- for deductible temporary differences arising from investments in subsidiaries, affiliates, and joint ventures, deferred tax assets are recorded to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference can be utilized.

The carrying value of deferred tax assets is reviewed at each closing date and reduced to the extent that it is no longer probable that a taxable profit will be available to allow the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, on the basis of tax rates (and tax regulations) enacted or substantially enacted by the closing date.

Taxes for items credited or charged directly to equity are recognized in equity, not in profit or loss.

3.13 Trade accounts payable

Trade accounts payable include trade payables and other accounts payable. These are measured initially at historical cost and subsequently at amortized cost.

3.14 Share-based compensation

Pursuant to IFRS 2, share-based compensation is recorded as a payroll cost at the value of the equity instruments granted, which are assessed using a binomial model. However, depending on whether the equity instruments granted are settled through the issuance of Maroc Telecom shares or in cash, the valuation of the expense differs:

- For equity-settled instruments, the value of the instruments granted is initially estimated and fixed at grant date, then allocated over the vesting period on the basis of features of equity-settled instruments. The obligation is recorded in equity.
- For cash-settled instruments, the value of the instruments granted is initially estimated and fixed at grant date and is then re-estimated at each reporting date; the expense is adjusted pro rata for subsequent changes in the value of the vested rights. The obligation is allocated over the vesting period on the basis of features of cash-settled instruments. The corresponding obligation is recorded as a noncurrent provision.

Pursuant to the transitional provisions of IFRS 1 for IFRS 2, Maroc Telecom elected to apply IFRS 2 retroactively, to January 1, 2004.

In 2021, 2022 and 2023 no compensation paid in shares is recognized.

3.15 Revenues

Maroc Telecom revenues arise primarily from the sale of Mobile, Fixed-line and Internet telecommunication services and from the sale of equipment:

- The sale of services of the Mobile, Fixed-line and Internet activities consists of:
  - ✓ Revenues from subscriptions to classic offers as well as the amounts of postpaid plans;
  - ✓ Revenues from outgoing national and international calls (excluding rate plans), as and when they are used;
  - ✓ Income from incoming national and international calls;
  - ✓ Revenues generated by ADSL, Fiber Optic and Mobile Internet offers;
  - ✓ Revenues generated by Mobile customers not resident in Morocco using Maroc Telecom's networks (Roamers);
  - ✓ Revenues generated by data transmission provided to the business market and to Internet service providers and other telecom operators ;
  - ✓ Revenues from the sale of advertising inserts in printed and electronic directories, which are taken into account when they are published;
  - ✓ Revenues generated by Value-Added Services (VAS).
- Equipment sales include all sales of equipment (Mobile terminals, broadband equipment, connected objects and accessories).

Income from contracts with customers is recognized under revenues when the provider's obligations are met immediately or gradually. Revenues from incoming and outgoing call traffic are recognized when the service is provided.

For prepaid services, revenues are recognized as calls are made. Revenues from equipment is recognized when the line is activated.

Revenues from contracts with customers is recognized if the following conditions are met:

- The parties to the contract have approved it (in writing, orally, or according to other normal business practices) and have undertaken to fulfill their respective obligations;
- The company can identify each party's rights to the goods or services to be provided;
- The company can identify the payment terms agreed for the goods or services to be provided;
- The contract has commercial substance (causes an identifiable and measurable change in the economic circumstances of the entity or associated risk);
- It is probable that the entity will receive the consideration to which it is entitled in exchange for the goods or services that it will provide to the customer.

Revenues from telephone subscriptions are recognized on a straight-line basis over the subscription contract period.

Revenues from Value-Added Services (VAS) are recognized as follows:

- Sales of services developed by Maroc Telecom are recorded gross;
- Sales of services to customers managed by Maroc Telecom on behalf of content providers (mainly premium-rate numbers) are recorded net of related expenses.
- When sales are made via a third-party distributor supplied by the Group and involve a discount on the retail price, revenues are recorded as gross revenues and commissions granted are recognized as operating expenses.

The criteria for determining whether Maroc Telecom is acting as a “principal” or “agent” are analyzed in line with the indicators in paragraph B37 of IFRS 15: "Entity acting as principal or agent".

Benefits granted by Maroc Telecom and its subsidiaries to customers under loyalty programs in the form of free services or reductions are recognized in accordance with IFRS 15 and deferred until such time as the acquired points are used or expire.

Where the sale is a combination of equipment and services (package), the allocation of the total price is made by attributing the fair value to the equipment and the remainder to the service in accordance with IFRS 15.

3.16 Cost of purchases

Purchases consumed mainly include purchases of Mobile and Fixed-line equipment and interconnection costs.

3.17 Other operating income and expenses

This item comprises mainly commissions to distributors, network-maintenance expenses, advertising and marketing costs, and restructuring charges.

3.18 Net financing costs

Net financing costs include interest payable on loans (calculated using the effective-interest method) and interest on investments.

Investment income is recognized in the statement of earnings when acquired.

3.19 Tax expenses

Tax expense includes income tax payable and deferred tax expense (or income). Tax is expensed unless it applies to items recorded directly to equity.

4. CONTRACTUAL COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

On an annual basis, Maroc Telecom and its subsidiaries draw up a detailed list of all contractual obligations, financial and commercial commitments and contingent obligations to which they are party or exposed. This list is regularly updated by the relevant departments and reviewed by the Group's management.

Off-balance sheet commitments to suppliers of fixed assets are measured on the basis of actual orders placed. The commitment corresponds to the difference between the orders issued and the completion of these orders.

In addition, commitments relating to real estate lease contracts are estimated on the basis of the notice period provided for in the termination clause of the contract. The Group only includes commitments that do not fall within the scope of the new IFRS16 standard.

A contingent asset or liability is a potential asset or obligation that arises from past events and whose existence will be confirmed only by the occurrence (or non-occurrence) of one or more uncertain future events not wholly within the control of the entity.

A contingent liability may also arise from a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

In accordance with IAS37, contingent assets and liabilities are not recognised but must be disclosed to briefly describe their nature.

5. SEGMENT DATA

A segment is a distinguishable component of the Group that is engaged either in providing products or services within a particular economic environment (geographical segment) or in providing related products or services (business segment) and is subject to risks and returns that are different from those of other segments.

In order to comply with the internal reporting indicators set out in IFRS 8, Maroc Telecom has chosen to present its main financial and operating indicators by geographical area, through the creation, in parallel with Morocco, of a new international segment grouping its current subsidiaries in Mauritania, Burkina Faso, Gabon, Mali, Cote d'Ivoire, Benin, Togo, Niger, Central African and Chad.

6. NET CASH POSITION

It corresponds to cash, cash equivalents and cash blocked for borrowing less borrowings.

7. EARNING PER SHARE

Earnings per share, as presented in the statement of comprehensive income, are calculated by dividing net earnings (Group share) for the period by the average number of shares outstanding over the period.

Diluted earnings per share are calculated by dividing:

- net profit of the fiscal year (Group share); and
- by the average number of shares outstanding over the period plus the average number of ordinary shares that would have been issued upon conversion of all potentially dilutive instruments that are convertible into ordinary shares.

At December 31, 2023, there were no potentially dilutive instruments.

NOTE 2. SCOPE OF CONSOLIDATION

Company	Legal form	% Group interest	% Capital held	Consolidation method
Maroc Telecom	**LC**	**100%**	**100%**	**FC**
Avenue Annakhil Hay Riad Rabat-Maroc				
Compagnie Mauritanienne de Communication (CMC)				
Dec 31, 23	**LC**	**80%**	**80%**	**FC**
Dec 31, 22		80%	80%	FC
Dec 31, 21		80%	80%	FC
563, Avenue Roi Fayçal Nouakchott-Mauritanie				
Onatel	**LC**			
Dec 31, 23		**61%**	**61%**	**FC**
Dec 31, 22		61%	61%	FC
Dec 31, 21		61%	61%	FC
705, AV. de la nation 01 BP10000 Ouagadougou – Burkina Faso				
Gabon Telecom	**LC**			
Dec 31, 23		**51%**	**51%**	**FC**
Dec 31, 22		51%	51%	FC
Dec 31, 21		51%	51%	FC
Immeuble 9 étages, BP 40 000 Libreville-Gabon				
Sotelma	**LC**			
Dec 31, 23		**51%**	**51%**	**FC**
Dec 31, 22		51%	51%	FC
Dec 31, 21		51%	51%	FC
ACI 2000 près du palais de sport BP-740 – Bamako- Mali				
Casanet	**LC**			
Dec 31, 23		**100%**	**100%**	**FC**
Dec 31, 22		100%	100%	FC
Dec 31, 21		100%	100%	FC
Imm Riad 1, RDC, Avenue Annakhil Hay Riad Rabat-Maroc				
Moov Africa Côte d'Ivoire	**LC**			
Dec 31, 23		**85%**	**85%**	**FC**
Dec 31, 22		85%	85%	FC
Dec 31, 21		85%	85%	FC
Plateau, Immeuble KARRAT, Avenue Botreau Roussel,Abidjan-Côte d'Ivoire				
Moov Africa Benin	**LC**			
Dec 31, 23		**100%**	**100%**	**FC**
Dec 31, 22		100%	100%	FC
Dec 31, 21		100%	100%	FC
Ilot 553, quartier Zongo Ehuzu, zone résidentielle, avenue Jean Paul 2, immeuble Etisalat, Cotonou- Benin				
Moov Africa Togo	**LC**			
Dec 31, 23		**95%**	**95%**	**FC**
Dec 31, 22		95%	95%	FC
Dec 31, 21		95%	95%	FC
Boulevard de la Paix, Route de l'Aviation, Immeuble Moov-Etisalat - Lomé-Togo				
Moov Africa Niger	**LC**			
Dec 31, 23		**100%**	**100%**	**FC**
Dec 31, 22		100%	100%	FC
Dec 31, 21		100%	100%	FC
720 Boulevard du 15 avril Zone Industrielle, BP 13 379, Niamey-Niger				
Moov Africa Centrafrique	**LC**			
Dec 31, 23		**100%**	**100%**	**FC**
Dec 31, 22		100%	100%	FC
Dec 31, 21		100%	100%	FC
BP 2439, PK 0, Place de la République, Immeuble SOCIM, rez-de-chaussée, Bangui - Centrafrique				
Moov Africa Chad	**LC**			
Dec 31, 23		**100%**	**100%**	**FC**
Dec 31, 22		100%	100%	FC
Dec 31, 21		100%	100%	FC
BP 6505, Avenue Charles DE GAULLE, N'Djamena-Tchad				

NOTE 3. GOODWILL

(In MAD millions)	2021	2022	2023
Mauritel	136	137	136
Onatel	1,838	1,838	1,838
Gabon Telecom	636	666	654
Sotelma	4,487	4,757	4,654
Moov Alysse* subsidiaries	1,100	1,166	1,141
Casanet	5	5	5
Moov Africa Chad	773	820	802
Total net	**8,976**	**9,389**	**9,230**

* The Moov Alysse subsidiaries are composed of the following CGUs: Moov Africa Côte d'Ivoire, Moov Africa Benin, Moov Africa Togo, Moov Africa Niger, Moov Africa Centrafrique.

As from July 1, 2009, business combinations are accounted for using the full goodwill method. Goodwill is allocated to identifiable cash-generating units (CGUs) in accordance with IAS 36.
The CGUs correspond to the legal entities acquired by the Group: Mauritel, Onatel, Gabon Telecom, Sotelma, Moov Africa Côte d'Ivoire, Moov Africa Benin, Moov Africa Togo, Moov Africa Niger, Moov Africa Centrafrique and Moov Africa Chad.

Goodwill has been calculated in accordance with the revised IFRS 3.

Goodwill is subject to impairment tests at least once a year and whenever there is an indication of impairment.

At the end of 2023, without changing the methods used each year (value in use based on the discounted cash flow method), Maroc Telecom re-examined the value of the goodwill associated with its cash-generating units (CGUs), ensuring that the recoverable amount of the CGUs or group of CGUs tested exceeded their carrying amount.

Following this review, Maroc Telecom concluded that the recoverable amount of each CGU tested exceeded its carrying amount at December 31, 2023.

In accordance with IAS 36, the recoverable amount of Onatel, the Group's only listed subsidiary, corresponds to its value in use, which is higher than its fair value, determined on the basis of the stock market price.

The Casanet test is based on the equity multiple method (enterprise value (EV) / EBITDA).

The key assumptions used in determining recoverable amounts are determined on the basis of the following:

- net cash flow projections are based on past performance and forecast trends. These projections are consistent with the budget and recent forecasts of the CGUs, which take into account changes in the economic and macroeconomic environment, regulations and taxes, and are based on external sources such as studies published by the IMF, Dataxis and the regulatory authorities.
- After five years, cash flows are extrapolated to calculate the terminal value, which is also subject to sensitivity testing.
- the perpetual growth rate reflects the long-term growth rate of the economy while taking into account differences in maturity between markets and operators, without exceeding the average long-term growth rate for the markets in which the group operates
- the discount rate includes an additional premium for country risk.

At December 31, 2023, business plans and key operating assumptions have been affected by the following factors:

- Inflation, in particular rising energy and raw material prices, and the ability to preserve margins and optimize costs and investments;
- Regulatory pressure in the markets in which the Group operates;
- intense competition.

Although Maroc Telecom believes that its judgments, assumptions and estimates are appropriate, actual results may differ from these estimates depending on assumptions or different market or macroeconomic conditions.

The discount and perpetual growth rates used to determine values in use have been revised as follows:

- Discount rates have increased, mainly due to the deterioration in the risk-free rate;
- Perpetual growth rates have been maintained for all CGUs.

Below are the parameters used for the main CGUs (of which goodwill is the most significant) :

CGU	Valuation method	Discount rate in local currency	Perpetual growth rate in local currency
Onatel	DCF	12.00%	1.50%
Sotelma	DCF	12.50%	3.00%
Moov Africa Côte d'Ivoire	DCF	8.00%	3.00%
Moov Africa Tchad	DCF	13.50%	3.00%

The Moov Africa brand is subject to a specific impairment test using the same parameters as the CGUs.
Sensitivity analyses were conducted to determine the value of the parameters for which the recoverable amount of the CGUs (including significant goodwills) becomes equal to the carrying amount.

The results are presented below:

	Increase in the discount rate required for the recoverable amount to equal the carrying amount (in number of points)	Decrease in the perpetual growth rate required for the recoverable amount to equal the carrying amount (in number of points)	Decrease in terminal year cash flows required for recoverable amount to equal carrying amount (%)
Onatel	+0.9 pt	-1.4 pt	-12.5%
Sotelma	+0.8 pt	-1.2 pt	-12.5%
Cote d'Ivoire	+16.0 pt	-52.1 pts	-94.7%
Chad	+0.8 pt	-1.2 pt	-10.5%

Goodwill variation table

(in MAD million)	Beginning of period	Impairment	Translation adjustment	Reclassification	Change in scope of consolidation	End of period
2021	**9,315**	**-86**	**-253**	**0**	**0**	**8,976**
Mauritel	136		0			136
Onatel	1,838					1,838
Gabon Telecom	654		-18			636
Sotelma	4,651		-164			4,487
Casanet	5					5
Moov Alysse subsidiaries	1,229	-86	-43			1,100
Moov Africa Chad	801		-28			773
2022	**8,976**	**0**	**413**	**0**	**0**	**9,389**
Mauritel	136	-	1	-	-	137
Onatel	1,838	-	-	-	-	1,838
Gabon Telecom	636	-	30	-	-	666
Sotelma	4,487	-	270	-	-	4,757
Casanet	5	-	0	-	-	5
Moov Alysse subsidiaries	1,100	0	66	-	-	1,166
Moov Africa Chad	773	-	47	-	-	820
2023	**9,389**	**0**	**-159**	**0**	**0**	**9,230**
Mauritel	137	-	-1	-	-	136
Onatel	1,838	-	0	-	-	1,838
Gabon Telecom	666	-	-11	-	-	654
Sotelma	4,757	-	-103	-	-	4,654
Casanet	5	-	0	-	-	5
Moov Alysse subsidiaries	1,166	0	-25	-	-	1,141
Moov Africa Chad	820	-	-18	-	-	802

NOTE 4. OTHER INTANGIBLE ASSETS

(in MAD million)	2021	2022	2023
Software	907	1,092	1,084
Telecom license	4,822	4,599	3,968
Other intangible assets	1,791	2,005	2,248
Net total	**7,521**	**7,696**	**7,300**

The “Telecom licences” item includes the following licences:

- The 2G and 3G licences of ITISSALAT AL-MAGHRIB SA, Mauritel, Moov Africa Togo , Moov Africa Niger and Moov Africa Chad;
- The global Mobile licences of Onatel, Gabon Telecom, Moov Africa Benin and Moov Africa Central Africa;
- The global licences of Sotelma and Moov Africa Côte d’Ivoire;
- 4G licenses from ITISSALAT AL-MAGHRIB SA, Mauritel,Sotelma, Moov Africa Togo and Moov Africa Chad.

Other intangible assets mainly include patents, trademarks and elements related to business combinations, i.e. customer databases identified when determining the goodwill of the subsidiaries acquired.

2023

(in MAD million)	2022	Acquisitions and additions	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2023
Gross	**27,923**	**952**	**-47**	**-458**	**0**	**57**	**28,426**
Software	9,951	529	-25	-162	0	-10	10,283
Telecom license	10,502	1	0	-257		0	10,247
Other intangible assets	7,470	421	-23	-39	0	67	7,897
Amortization and impairment	**-20,227**	**-1,260**	**47**	**309**	**0**	**5**	**-21,126**
Software	-8,859	-454	25	132		-43	-9,199
Telecom license	-5,903	-523	0	148		0	-6,279
Other intangible assets	-5,465	-283	23	29		47	-5,649
Net total	**7,696**	**-308**	**0**	**-149**	**0**	**62**	**7,300**

Intangible assets recorded a gross increase of MAD 952 million relating to new acquisitions detailed as follows:

- Investments in software for MAD 529 million.
- Investments in SIM cards for MAD 302 million.
- Investments in patents and trademarks in Morocco for MAD 94 million.

2022

(in MAD million)	2021	Acquisitions and additions	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2022
Gross	**25,930**	**1,298**	**-39**	**947**	**0**	**-214**	**27,923**
Software	9,051	848	-24	310	0	-235	9,951
Telecom license	9,955	1	-8	555		0	10,502
Other intangible assets	6,925	449	-7	82	0	21	7,470
Amortization and impairment	**-18,410**	**-1,234**	**39**	**-626**	**0**	**3**	**-20,227**
Software	-8,144	-484	24	-253		-2	-8,859
Telecom license	-5,132	-474	8	-305		0	-5,903
Other intangible assets	-5,134	-277	7	-67		5	-5,465
Net total	**7,521**	**64**	**0**	**321**	**0**	**-211**	**7,696**

2021

(in MAD million)	2020	Acquisitions and additions	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2021
Gross	**25,532**	**1,001**	**-36**	**-455**	**0**	**-111**	**25,930**
Software	8,838	492	-36	-132	0	-112	9,051
Telecom license	10,116	123	0	-285	0	0	9,955
Other intangible assets	6,578	385	-0	-39	0	2	6,925
Amortization and impairment	**-17,412**	**-1,305**	**32**	**281**	**0**	**-6**	**-18,410**
Software	-7,745	-523	32	103	0	-11	-8,144
Telecom license	-4,772	-507	0	146	0	0	-5,132
Other intangible assets	-4,895	-276	0	32	0	4	-5,134
Net total	**8,120**	**-304**	**-5**	**-174**	**0**	**-117**	**7,521**

The reclassification column concerns transfers between line items of intangible assets.

NOTE 5. PROPERTY, PLANT, AND EQUIPMENT

(in MAD million)	2021	2022	2023
Land	1,653	1,714	1,779
Buildings	2,962	2,870	2,864
Technical installations, machinery and equipment	21,780	23,507	24,494
Transportation, equipment	223	201	186
Office equipment, furniture, and fittings	566	569	665
Other property, plant, and equipment	216	422	504
Net total	**27,400**	**29,283**	**30,492**

The “Other property, plant, and equipment” item mainly includes advances and deposits for property, plant and equipment orders.

2023

(in MAD million)	2022	Acquisitions & dotations	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2022
Gross	**128,355**	**7,031**	**-448**	**-1,617**	**0**	**-14**	**133,306**
Land	1,749	16	0	-23		70	1,812
Buildings	10,142	222	0	-62		87	10,389
Technical plant, machinery and equipment	108,624	6,391	-413	-1,459		136	113,279
Transportation, equipment	775	26	-6	-15		-14	766
Office equipment furniture and fittings	6,495	274	-29	-46		-288	6,407
Other property, plant, and equipment	570	101	0	-13		-5	653
Depreciation and impairment	**-99,071**	**-5,336**	**448**	**1,154**	**0**	**-9**	**-102,814**
Land	-35	-2	0	4		0	-33
Buildings	-7,272	-284	0	48		-17	-7,525
Technical plant, machinery, and equipment	-85,116	-4,813	412	1,049		-317	-88,785
Transportation equipment	-575	-25	6	13		0	-581
Office equipment, furniture, and fittings	-5,926	-208	29	38		325	-5,741
Other property, plant, and equipment	-148	-5	0	3		0	-150
Net total	**29,283**	**1,695**	**0**	**-463**	**0**	**-23**	**30,492**

Acquisitions of property, plant and equipment recorded a gross increase of MAD 7,031 million relating to investments in network infrastructure over the course of 2023.

Acquisitions of technical installations, plant and equipment broke down as follows:

- MAD 2,655 million in Morocco ;
- MAD 3,736 million abroad.

2022

(in MAD million)	2021	Acquisitions & dotations	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2022
Gross	**118,832**	**6,143**	**-47**	**3,142**	**0**	**285**	**128,355**
Land	1,683	18	0	49		-1	1,749
Buildings	9,856	171	0	114		1	10,142
Technical plant, machinery and equipment	99,987	5,635	-20	2,811		211	108,624
Transportation, equipment	750	6	-10	30		0	775
Office equipment furniture and fittings	6,205	189	-17	108		10	6,495
Other property, plant, and equipment	352	124	0	30		64	570
Depreciation and impairment	**-91,432**	**-5,313**	**47**	**-2,305**	**0**	**-68**	**-99,071**
Land	-30	-2	0	-3		0	-35
Buildings	-6,894	-289	0	-89		0	-7,272
Technical plant, machinery, and equipment	-78,207	-4,779	20	-2,083		-68	-85,116
Transportation equipment	-527	-31	10	-27		0	-575
Office equipment, furniture, and fittings	-5,639	-209	17	-95		0	-5,926
Other property, plant, and equipment	-136	-3	0	-8		0	-148
Net total	**27,400**	**830**	**0**	**836**	**0**	**217**	**29,283**

2021

(in MAD million)	2020	Acquisitions & dotations	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2021
Gross	**115,758**	**4,614**	**-229**	**-1,419**	**0**	**108**	**118,832**
Land	1,686	23	-2	-25		0	1,683
Buildings	9,671	234	-1	-48		0	9,856
Technical plant, machinery and equipment	97,252	4,083	-180	-1,263		94	99,987
Transportation, equipment	760	25	-20	-15		0	750
Office equipment furniture and fittings	6,141	128	-27	-57		20	6,205
Other property, plant, and equipment	248	121	0	-10		-7	352
Depreciation and impairment	**-87,439**	**-5,284**	**239**	**1,044**	**0**	**8**	**-91,432**
Land	-27	-2	0	-1		0	-30
Buildings	-6,651	-282	1	39		0	-6,894
Technical plant, machinery, and equipment	-74,593	-4,751	192	938		8	-78,207
Transportation equipment	-517	-42	19	13		0	-527
Office equipment, furniture, and fittings	-5,514	-202	27	50		0	-5,639
Other property, plant, and equipment	-137	-5	0	5		0	-136
Net total	**28,319**	**-670**	**10**	**-374**	**0**	**115**	**27,400**

NOTE 6. INVESTMENTS IN EQUITY AFFILIATES

No equity interest was accounted for by the equity method in 2021, 2022 and 2023.

NOTE 7. NON-CURRENT FINANCIAL ASSETS

(in MAD million)	Note	2021	2022	2023
Unconsolidated investments	7.1	100	120	120
Other financial assets		685	1,537	2,467
Net total		**784**	**1,656**	**2,587**

At December 31, 2023, other non-current financial assets mainly comprise guarantee deposits in respect of the Mobile Money business of the Onatel, Gabon Telecom, Sotelma, Moov Africa Benin, Moov Africa Togo, Moov Africa Niger and Moov Africa Chad.

At December 31, 2023, the maturities of other financial assets were as follows:

(in MAD million)	Note	2021	2022	2023
Due in less than 12 months		126	20	762
Due in 1 to 5 years		557	1,515	1,280
Due in more than 5 years		2	2	425
Net total		**685**	**1,537**	**2,467**

Mobile Money deposits have been reclassified by subsidiaries from short-term to long-term due to their nature, which explains the change in maturity trends. The trend in Mobile Money deposits is consistent with the development of international business.

7.1 Unconsolidated interests

2023

(in MAD million)	Percentage held	Gross value	Impairment	Carrying amount
Arabsat	NS	12		**12**
Autoroute du Maroc	NS	20	4	**16**
Thuraya	NS	10	8	**2**
RASCOM	9%	45	35	**11**
Sonatel	NS	9		**9**
CMTL	25%	6	6	**0**
INMARSAT	NS	12	12	**0**
IMT/GIE	20%	0		**0**
MT Fly	100%	38	20	**18**
Hôtels de la Gare	NS	1	1	**0**
MT CASH	100%	50		**50**
Incubateur numérique Gabon	5%	0.1		**0**
Moov Money	100%	2		**2**
Total		**206**	**86**	**120**

In 2023, the share of non-consolidated companies in gross value is stable compared with 2022.

2022

(in MAD million)	Percentage held	Gross value	Impairment	Carrying amount
Arabsat	NS	13		**13**
Autoroute du Maroc	NS	20	4	**16**
Thuraya	NS	10	8	**2**
RASCOM	9%	46	36	**11**
Sonatel	NS	7		**7**
CMTL	25%	6	6	**0**
INMARSAT	NS	12	12	**0**
IMT/GIE	20%	1		**1**
MT Fly	100%	38	20	**18**
Hôtels de la Gare	NS	1	1	**0**
MT CASH	100%	50		**50**
Incubateur numérique Gabon	5%	0.1		**0**
Moov Money	100%	2		**2**
Total		**207**	**87**	**120**

2021

(in MAD million)	Percentage held	Gross value	Impairment	Carrying amount
Arabsat	NS	12		**12**
Autoroute du Maroc	NS	20	4	**16**
Thuraya	NS	10	8	**2**
RASCOM	9%	44	34	**10**
Sonatel	NS	7		**7**
CMTL	25%	5	5	**0**
INMARSAT	NS	12	12	**0**
IMT/GIE	20%	1		**1**
MT Fly	100%	20	20	**0**
Hôtels de la Gare	NS	1	1	**0**
MT CASH	100%	50		**50**
Incubateur numérique Gabon	5%	0,1		**0**
Moov Money	100%	2		**2**
Total		**183**	**84**	**100**

NOTE 8. CHANGE IN DEFERRED TAXES

8.1 Net position

(in MAD million)	2021	2022	2023
Assets	508	445	527
Liabilities	50	83	77
Net position	**458**	**363**	**451**

8.2 Change in deferred taxes

2023

(in MAD million)	2022	Charge to profit or loss	Impact on shareholders' equity	Change in scope of consolidation	Reclassifications	Translation adjustment	2023
Assets	445	98	5	0	-10	-11	527
Liabilities	83	56	-2	0	-59	-1	77
Net position	**363**	**43**	**6**	**0**	**49**	**-10**	**451**

Deferred tax assets increased by MAD88 million following the donation to the special earthquake 2023 fund.

2022

(in MAD million)	2021	Charge to profit or loss	Impact on shareholders' equity	Change in scope of consolidation	Reclassifications	Translation adjustment	2022
Assets	508	-29	1	0	-61	26	445
Liabilities	50	69	-3	0	-39	5	83
Net position	**458**	**-98**	**4**	**0**	**-22**	**21**	**363**

2021

(in MAD million)	2020	Charge to profit or loss	Impact on shareholders' equity	Change in scope of consolidation	Reclassifications	Translation adjustment	2021
Assets	580	-55	0		0	-16	508
Liabilities	45	13	-8			-1	50
Net position	**534**	**-68**	**7**	**0**	**0**	**-15**	**458**

Components of deferred taxes

(in MAD million)	2021	2022	2023
Impairment deductible in later period	55	55	0
Restatement (IFRS) of revenues	-9	-2	-23
Deferred losses	62	40	18
Other	349	270	455
Net position	**458**	**363**	**451**

NOTE 9. INVENTORIES

(in MAD million)	2021	2022	2023
Inventories	468	597	564
Impairment (-)	-150	-113	-119
Net total	**318**	**484**	**445**

Net inventories at 31 December 2023 consist mainly of inventories in Morocco, of which :

- 277 million dirhams of goods;
- 86 million dirhams of consumable materials and supplies.

The breakdown of inventories at the subsidiary level follows the same trend as that of Maroc Telecom.

Changes in inventories are recognised in purchases consumed.

Impairment of inventories is recognised under “Net depreciation, amortisation, impairment and provisions”.

NOTE 10. TRADE ACCOUNTS RECEIVABLE AND OTHER

(in MAD million)	2021	2022	2023
Trade receivables and related accounts	8,766	9,191	9,094
Other receivables and accruals	3,933	3,969	3,202
Net total	**12,699**	**13,160**	**12,296**

10.1 Trade receivables and related accounts

(in MAD million)	2021	2022	2023
Trade receivables	15,649	16,553	16,466
Gouvernment receivables	1,473	1,522	1,666
Depreciation of trade receivables (-)	-8,356	-8,884	-9,038
Net total	**8,766**	**9,191**	**9,094**

(in MAD million)		2021	2022	2023
Accounts receivable* (Gross)		**17,122**	**18,075**	**18,132**
	≤1year	4,813	4,870	4,918
	> 1year	10,400	11,467	11,874
Provisions for impairment of trade receivables		**-8,356**	**-8,884**	**-9,038**
	≤1year	-1,156	-1,370	-1,198
	> 1year	-7,200	-7,514	-7,840
Trade receivables (Net)		**8,766**	**9,191**	**9,094**
	≤1year	3,657	3,499	3,720
	> 1year	3,201	3,953	4,034

* Unmatured receivables are not included in the breakdown of trade receivables

Net trade receivables are up compared to 2022.

The increase in provisions for impairment of trade receivables is more contained at 3% in 2023 vs. +6% in 2022, in line with the rise in certain revenue items.

10.2 Other receivables and accruals

(in MAD million)	2021	2022	2023
Trade receivables, advances, and deposits	415	253	138
Employee receivables	69	79	72
Tax receivables	1,622	1,322	1,238
Other receivables	1,364	1,859	1,287
Accruals	463	456	467
Net total	**3,933**	**3,969**	**3,202**

The "tax receivables" item mainly represents VAT and corporate income tax receivables.

In 2023, the balance of tax receivables amounted to MAD 1,238 million, down 6% on 2022, mainly due to the offset of income tax instalments against income tax liabilities.

Other receivables fell by 31% compared with 2022, due to the change in classification of Mobile Money operations to non-current financial assets.

The fall in advances and down-payments was recorded by the international subsidiaries in particular, in line with the progress of projects.

NOTE 11. SHORT-TERM FINANCIAL ASSETS

(in MAD million)	2021	2022	2023
Term deposit > 90 days			
Escrow account	126	103	117
Marketable securities			
Other short-term financial assets			
Net total	**126**	**103**	**117**

Maroc Telecom has entrusted Rothschild Martin Maurel with the implementation of a liquidity contract on the Paris stock exchange and a price regulation contract on the Casablanca stock exchange to ensure the liquidity of Maroc Telecom shares.

NOTE 12. CASH AND CASH EQUIVALENTS

(in MAD million)	2021	2022	2023
Cash	1,882	1,682	951
Cash equivalents	142	190	62
Cash and cash equivalents	**2,024**	**1,872**	**1,013**

Cash and cash equivalents decreased by MAD 859 million. This change is consistent with the acceleration in the pace of investment compared with 2022, coupled with the active repayment of outstanding borrowings (see details below).

Change in cash and cash equivalents

(in MAD million)	2021	2022	2023
Net cash from operating activities	13,554	12,002	13,045
Net cash used in investing activities	-5,303	-7,452	-8,287
Net cash used in financing activities	-8,869	-4,705	-5,024
Foreign-currency translation adjustments	-47	1	-593
Change in cash and cash equivalents	**-666**	**-153**	**-859**
Cash and cash equivalents at beginning of period	2,690	2,024	1,872
Cash and cash equivalents at end of period	2,024	1,872	1,013
Change in cash and cash equivalents	**-666**	**-153**	**-859**

Net cash flow from operating activities

In 2023, net cash flow from operating activities will amount to MAD 13,045 million, up by MAD 1,043 million compared with 2022. This change is in line with business trends.

Net cash used in investing activities

Net cash used in investing activities amounted to MAD -8,287 million, up MAD 835 million compared with 2022, reflecting the Group's CAPEX projects.

Net cash flow from financing activities

This cash inflow was mainly due to dividend payments to shareholders amounting to MAD 2,807 million, and to debt servicing disbursements of MAD 10,948 million. The main cash inflows during the period were bank borrowings of MAD 1,035 million, overdraft facilities of MAD 7,515 million and cash loans of MAD 687 million to finance current operations.

NOTE 13. DIVIDENDS

13.1 Dividends

(in MAD million)	2021	2022	2023
Dividends paid by subsidiaries to their noncontrolling interests			
Total (a)	**878**	**933**	**917**
Dividends paid by Maroc Telecom to its shareholders			
-Kingdom of Morocco	776	925	424
-Société de Participation dans les Télécommunications (SPT)	1,868	2,227	1,020
-Other	881	1,050	480
Total (b)	**3,525**	**4,202**	**1,924**
Total dividends paid (a)+(b)	**4,403**	**5,134**	**2,841**

13.2 Dividends allocated in fiscal year 2023

Dividends distributed by Maroc Telecom and its subsidiaries to their shareholders fell by 45% vs. 2022, driven by the Morocco segment, in line with lower earnings (payment of ANRT penalty and tax audit).

NOTE 14. PROVISIONS

Provisions for contingencies and losses are analyzed as follows:

(in MAD million)	2021	2022	2023
Noncurrent provisions	**503**	**585**	**612**
Provisions for life annuities	15	15	10
Provisions for termination benefits	403	475	515
Provisions for disputes with third parties	78	95	87
Other provisions	8	0	0
Current provisions	**1,332**	**1,209**	**1,452**
Provisions for voluntary redundancy plan	-	-	-
Provisions for employee-related expenses	-	-	-
Provisions for disputes with third parties	1,295	1,170	1,414
Other provisions	36	39	38
Total	**1,835**	**1,794**	**2,064**

“Non-current provisions" mainly include provisions for retirement indemnities, provisions for disputes with third parties, provisions for life annuities and non-current tax provisions.

“Current provisions" mainly include provisions for litigation with third parties and current tax provisions

2023

(in MAD million)	2022	charges	Used	change in scope of consolidation	Translation adjustment	Reversals	Reclassification	2023
Noncurrent provisions	**585**	**66**	**-49**	**- -**	**25**	**-**	**34**	**612**
Provisions for life annuities	15	-	-	-	-	- -	5	10
Provisions for termination benefits	475	52	-30	- -	23	-	41	515
Provisions for disputes with third parties	95	14	-18	- -	2	- -	2	87
Other provisions	0	-	0	-	-	-	-	0
Current provisions	**1,209**	**739**	**-419**	**-**	**-34**	**-**	**-43**	**1,452**
Provisions for voluntary redundancy plan	-	-	-	-	-	-	-	-
Provisions for employee-related expenses	-	-	-	-	-	-	-	-
Provisions for disputes with third parties	1,170	739	-419	- -	33	- -	43	1,414
Other provisions	39	-	-	- -	1	-	-	38
Total	**1,794**	**805**	**-468**	**-**	**-59**	**- -**	**9**	**2,064**

Overall, provisions increased by 15% compared with 2022 due to the recognition of a provision for contingent risk relating to the dispute between IAM and the operator Wana Corporate in the amount of MAD 0.5 billion (see Note 22 and Note 31.3), recorded under Provisions for disputes with third parties.

2022

(in MAD million)	2021	charges	Used	change in scope of consolidation	Translation adjustment	Reversals	Reclassification	2022
Noncurrent provisions	**503**	**57**	**-50**	**-**	**35**	**-**	**39**	**585**
Provisions for life annuities	15	-	-	-	-	-	-	15
Provisions for termination benefits	403	46	-23	-	30	-	20	475
Provisions for disputes with third parties	78	12	-27	-	5	-	27	95
Other provisions	8	-	0	-	0	- -	8	0
Current provisions	**1,332**	**307**	**-480**	**-**	**58**	**-**	**-8**	**1,209**
Provisions for voluntary redundancy plan	-	-	-	-	-	-	-	-
Provisions for employee-related expenses	-	-	-	-	-	-	-	-
Provisions for disputes with third parties	1,295	307	-480	-	55	- -	8	1,170
Other provisions	36	-	-	-	2	-	-	39
Total	**1,835**	**364**	**-530**	**-**	**93**	**-**	**31**	**1,794**

2021

(in MAD million)	2020	charges	Used	change in scope of consolidation	Translation adjustment	Reversals	Reclassification	2021
Noncurrent provisions	**521**	**49**	**-41**	**- -**	**14 -**	**44**	**33**	**503**
Provisions for life annuities	15							15
Provisions for termination benefits	373	45	-31	-	10		26	403
Provisions for disputes with third parties	113	4		-	4 -	42	8	78
Other provisions	20	1	-10	-	1 -	2 -	1	8
Current provisions	**1,247**	**510**	**-7**	**-**	**-29 -**	**336**	**-53**	**1,332**
Provisions for voluntary redundancy plan	-							-
Provisions for employee-related expenses	-							-
Provisions for disputes with third parties	1,209	510	-7	-	27 -	336 -	53	1,295
Other provisions	38			-	1			36
Total	**1,768**	**559**	**-49**	**-**	**-43 -**	**380 -**	**21**	**1,835**

NOTE 15. BORROWINGS AND OTHER FINANCIAL LIABILITIES

15.1. Net cash position

(in MAD million)	2021	2022	2023
Bank loans due in more than one year	2,696	3,268	2,990
Lease obligation at more than 1 year	1,071	1,057	1,189
Bank loans due in less than one year	2,403	2,061	2,690
Lease obligation at less than 1 year	389	411	437
Bank overdrafts	9,885	11,448	10,101
Borrowing and other financial liabilities	**16,444**	**18,245**	**17,408**
Cash and cash equivalents	2,024	1,872	1,013
Cash held in escrow for repayment of bank loans	22	18	27
Net cash position	**-14,397**	**-16,355**	**-16,368**

(in MAD million)	2021	2022	2023
Outstanding debt and accrued interest (a)	16,444	18,245	17,408
Cash assets (b)	2,047	1,890	1,040
Net cash position (b)-(a)	**-14,397**	**-16,355**	**-16,368**

The Group's financial debt is stable despite investment programs and thanks to improved cash optimization.

15.2. Net cash by maturity

The breakdown by maturity is based on the repayment terms and conditions of the borrowings :

2023

(in MAD million)	< 1 year	1 to 5 years	> 5 years	Total
Bank loans	2,690	2,794	197	5,680
Lease obligation	437	905	284	1,626
Bank overdrafts	10,101			10,101
Borrowing and other financial liabilities	**13,228**	**3,698**	**481**	**17,408**
Cash and cash equivalents	1,013			1,013
Cash held in escrow for repayment of bank loans	27			27
Net cash position	**-12,188**	**-3,698**	**-481**	**-16,368**

2022

(in MAD million)	< 1 year	1 to 5 years	> 5 years	Total
Bank loans	2,061	2,742	526	5,329
Lease obligation	411	813	244	1,468
Bank overdrafts	11,448			11,448
Borrowing and other financial liabilities	**13,920**	**3,555**	**770**	**18,245**
Cash and cash equivalents	1,872			1,872
Cash held in escrow for repayment of bank loans	18			18
Net cash position	**-12,030**	**-3,555**	**-770**	**-16,355**

2021

(in MAD million)	< 1 year	1 to 5 years	> 5 years	Total
Bank loans	2,403	2,470	226	5,099
Lease obligation	389	762	309	1,460
Bank overdrafts	9,885			9,885
Borrowing and other financial liabilities	**12,677**	**3,232**	**535**	**16,444**
Cash and cash equivalents	2,024			2,024
Cash held in escrow for repayment of bank loans	22			22
Net cash position	**-10,630**	**-3,232**	**-535**	**-14,397**

15.3 Statement of analysis

Company	loan (In MAD millions)	Currency	Maturity	2021	2022	2023
Maroc Telecom	Banks, overdrafts IAM	MAD	December-23	8,762	8,851	7,207
Maroc Telecom	IFRS 16	MAD		781	784	825
Mauritel	Emprunt 4G	MRO	October-22	51		
Mauritel	ORABANK 3G	MRO	July-23	25	23	-
Mauritel	Emprunt QNB	MRO	July-19	20		
Mauritel	Overdraft Mauritel	MRO	-	52	197	318
Mauritel	IFRS 16	MRO		34	41	38
Onatel	CREDIT SPOT UBA 10 MLDS) 07/04/2023	FCFA	April-24			168
Onatel	CREDIT SPOT UBA 5 MLDS) 08/06/2023	FCFA	May-24			46
Onatel	CREDIT SPOT CBAO 0,379713829 MLDS) 03/08/2023	FCFA	February-24			6
Onatel	CREDIT SPOT ECOBANK 8 MLD) 14/08/2023	FCFA	August-24			97
Onatel	CREDIT SPOT SGBF 5 MLD) 18/09/2023	FCFA	March-24			55
Onatel	CREDIT SPOT CBAO 0,325824961 MLDS)12/09/2023	FCFA	March-23			5
Onatel	CREDIT SPOT UBA 2.4 MLDS) 21/09/2023	FCFA	September-24			33
Onatel	CREDIT SPOT CBI 5 MLDS) 29/09/2023	FCFA	March-24			56
Onatel	CREDIT SPOT UBA 0.9 MLDS)_3466 04/10/2023	FCFA	September-24			14
Onatel	CREDIT SPOT CBI 1 MLD) 29/12/2023	FCFA	June-24			17
Onatel	CMT BABF 2023 (5MLDS)	FCFA	October-28			84
Onatel	CMT BABF 2023 (2,8MLDS)	FCFA	December-28			47
Onatel	CMT BABF 2023 (1,532047534MLDS)	FCFA	January-29			26
Onatel	CMT BABF 2023 (2,304588553MLDS)	FCFA	February-29			39
Onatel	CMT BABF 2023 (6,462121851MLDS)	FCFA	September-23			109
Onatel	CREDIT SPOT BICIA B ONATEL	FCFA	April-22	78		
Onatel	CREDIT SPOT CBAO ONATEL	FCFA	May-22	73	-	-
Onatel	CREDIT SPOT SGBF ONATEL	FCFA	May-23	64	101	-
Onatel	CREDIT SPOT ECOBANK ONATEL	FCFA	April-23	19	132	-
Onatel	CREDIT SPOT UBA	FCFA			124	-
Onatel	Loan BICIA B 2021	FCFA	June-26	65	62	45
Onatel	Loan BICIA 2016	FCFA	August-22	16		
Onatel	Loan SGBF 2019 LTN	FCFA	March-26	122	116	70
Onatel	Loan BABF N°E565978/1 2019 LTN	FCFA	March-26	244	233	141
Onatel	Loan BABF N°E593684/1 2019 LTN	FCFA	March-26	92	87	53
Onatel	Loan BABF N°A162934/1 2019 LTN	FCFA	March-26	92	87	53
Onatel	Loan BABF N°E599998/1 2019 LTN	FCFA	March-26	61	50	35
Onatel	Loan CBAO BURKINA 2019 LTN	FCFA	March-26	110	105	63
Onatel	Loan CBAO BENIN 2019 LTN	FCFA	March-26	24	23	14
Onatel	Loan CBAO NIGER 2019 LTN	FCFA	March-26	24	23	14
Onatel	Loan CBAO SENEGAL 2019 LTN	FCFA	March-26	85	82	49
Onatel	CMT BABF 2022	FCFA	November-27		104	80
Onatel	Banks, overdrafts ONATEL	FCFA		14	223	342
Onatel	IFRS 16	FCFA		40	36	83
Gabon Télécom	UGB (CMT5)	FCFA	June-26			42
Gabon Télécom	Loan AFD	FCFA	December-20	2	-	-
Gabon Télécom	Loan UGB (CMT 3)	FCFA	May-22	54		
Gabon Télécom	UGB CMT 4	FCFA	February-25	166	131	72
Gabon Télécom	UGB CCT	FCFA	January-23	61	5	69
Gabon Télécom	BGFI CMT 5	FCFA	July-25		69	43
Gabon Télécom	Banks, overdrafts GT	FCFA	December-23	106	433	348
Gabon Télécom	IFRS 16	FCFA		43	34	61
Sotelma	Loan BIM 58 Milliards	FCFA	April-19			
Sotelma	Loan BIM 10 Milliards	FCFA	oct.-19			
Sotelma	Loan BIM 10 Milliards	FCFA	June-22	42	-	-
Sotelma	Loan DGDP/RASCOM	USD		9	9	9
Sotelma	Loan BAM 7,5 Milliards	FCFA	February-23	41	9	-
Sotelma	Loan BAM 5,5 Milliards	FCFA	February-23	32	7	-
Sotelma	Loan ECO 14 Milliards	FCFA	sept.-21			
Sotelma	Loan ECO 10 Milliards	FCFA		64	1	1
Sotelma	Loan ECO 7,5 Milliards	FCFA	July-22	92		
Sotelma	Loan BDM 7,5 Milliards	FCFA	July-22	92		
Sotelma	Loan BIM 15 Milliards	FCFA	July-22	185		
Sotelma	Loan BDM 6 Millliards	FCFA			52	-
Sotelma	Loan ECO 13.5 Milliards	FCFA	December-23		118	1
Sotelma	IFRS 16	FCFA		39	55	50
Sotelma	Banks, overdrafts Sotelma	FCFA	-	139	540	589
Sotelma	Cash credit	FCFA	May-24			395
Casanet	IFRS 16	MAD		2	1	3
Casanet	Banks, overdrafts Casanet	MAD			17	24
Moov CDI	Loan SIB	FCFA	January-27	306	324	317
Moov CDI	BANQUE ATLANTIQUE COTE D'IVOIRE	FCFA	April-23	657	872	630
Moov CDI	SIB ICNE	FCFA	January-24	64	6	12
Moov CDI	ECOBANK / BOA	FCFA	July-22	112	-	166
Moov CDI	Banks, overdrafts Moov CDI	FCFA	December-23	104	314	194
Moov CDI	BOA	FCFA				116
Moov CDI	IFRS 16	FCFA		378	310	331
Moov Africa Bénin	CORIS BANK	FCFA	December-24	330	197	133
Moov Africa Bénin	Loan CAA pour construction câble ACE	FCFA	October-25	12	10	6
Moov Africa Bénin	CBOA	FCFA	December-28		352	302
Moov Africa Bénin	BOA	FCFA	December-28		255	300
Moov Africa Bénin	Banks, overdrafts Moov Benin	FCFA	April-23	222	220	268
Moov Africa Bénin	Banque Mondiale	FCFA				22
Moov Africa Bénin	IFRS 16	FCFA		55	46	37
Moov Africa Togo	Loan ECOBANK	FCFA	December-24			
Moov Africa Togo	BANQUE ATLANTIQUE TOGO	FCFA	June-24	207	265	300
Moov Africa Togo	ORABANK TOGO	FCFA	June-27	91	81	64
Moov Africa Togo	BIA TOGO	FCFA	June-23	98	144	244
Moov Africa Togo	BTCI TOGO	FCFA	September-23	74	108	-
Moov Africa Togo	Banks, overdrafts Togo	FCFA	December-22	338	336	284
Moov Africa Togo	ECOBANK TOGO	FCFA	February-30			158
Moov Africa Togo	IFRS 16	FCFA		15	23	18
Moov Africa Niger	CMT BOA	FCFA	March-22			
Moov Africa Niger	Overdraft Eco DEP	FCFA	December-23	26	22	23
Moov Africa Niger	Overdraft CBAO	FCFA	September-22	48	-	-
Moov Africa Niger	Overdraft BAN	FCFA	May-23	56	67	62
Moov Africa Niger	CMT BAN 6,5	FCFA	November-28	91	89	76
Moov Africa Niger	CMT BOA 15 Mds	FCFA				
Moov Africa Niger	CMT 13 Mds	FCFA	March-30	181	164	163
Moov Africa Niger	CMT ORABANK 1 500MDF	FCFA	February-26			11
Moov Africa Niger	CMT BAN 4 800 MDF	FCFA	May-30			59
Moov Africa Niger	CMT ORABANK 1 500 MDF	FCFA	February-26			8
Moov Africa Niger	PC5010 overdraft ORABANK	FCFA				21
Moov Africa Niger	PC5010 overdraft SONIBANK	FCFA				12
Moov Africa Niger	CMT BAN 5MDS	FCFA		31	7	1
Moov Africa Niger	CMT BOA 15 MDF	FCFA	January-28	202	185	228
Moov Africa Niger	CMT BOA 7MDF	FCFA	March-22	8		
Moov Africa Niger	CMT BOA 1.9MDF	FCFA	June-25	24	18	12
Moov Africa Niger	CMT BIA 2.176 MDF	FCFA	November-25	28	23	16
Moov Africa Niger	EMPRUNT BOA 13MDF	FCFA	March-30		19	-
Moov Africa Niger	CMT BAN 3,6MDF	FCFA	February-28	11	49	45
Moov Africa Niger	CMT BIA 3MDF	FCFA	October-22	32		
Moov Africa Niger	CMT BIN 1MDF	FCFA		5		
Moov Africa Niger	CMT BOA 8,8MDF	FCFA	December-27	141	139	1
Moov Africa Niger	Overdraft ORABANK	FCFA	March-23	13	23	18
Moov Africa Niger	Cash credit	FCFA		19	22	17
Moov Africa Niger	IFRS 16	FCFA		22	56	34
Moov Africa Centrafrique	BANQUE POPULAIRE MAROCO	FCFA	December-23	22	27	30
Moov Africa Centrafrique	POOL BPMC-CBCA	FCFA	April-26	56	34	27
Moov Africa Centrafrique	Loan DPA ERICSSON	USD	January-20			
Moov Africa Centrafrique	Banks, overdrafts RCA	FCFA	-	3	12	3
Moov Africa Tchad	IFC	FCFA	March-24	191	117	37
Moov Africa Tchad	Overdraft	FCFA			192	388
Moov Africa Tchad	Cash credit	FCFA			64	126
Moov Africa Tchad	IFRS 16	FCFA		51	83	144
Total Emprunts et autres passifs financiers				**16,444**	**18,245**	**17,408**

NOTE 16. TRADE ACCOUNTS PAYABLE

(in MAD million)	2021	2022	2023
Trade payables and related accounts	12,859	14,660	13,270
Accruals	2,994	2,894	2,481
Other payables	8,011	8,674	8,459
Total	**23,864**	**26,228**	**24,210**

Trade payables include, among other items, payables on fixed asset purchases and trade payables - advances and deposits received on orders in progress.

In 2023, operating liabilities fell by 8%. This decrease corresponds mainly to the settlement of interconnection debts.

NOTE 17. REVENUES

(in MAD million)		2021	2022	2023
Morocco		19,906	19,546	19,543
	Including Mobile Services	11,684	11,296	11,006
International		16,912	17,242	18,381
	Including Mobile Services	15,626	15,938	16,971
Elimination of transactions between the parent company and subsidiaries		-1,028	-1,057	-1,138
Total consolidated revenues		**35,790**	**35,731**	**36,786**

Maroc Telecom Group posted sales of MAD 36.8 billion in 2023, up 3.0% (+1.4% at constant exchange rates). Growth in revenues from the Moov Africa subsidiaries and fixed-line Internet activities in Morocco continue to drive Group sales, offsetting the decline in mobile sales in Morocco.

NOTE 18. COST OF SALES

(in MAD million)	2021	2022	2023
Cost of handsets	627	438	552
Domestic and international interconnection charges	2,908	2,717	2,578
Other cost of sales	1,587	1,785	1,976
Total	**5,123**	**4,940**	**5,106**

The purchase costs of the terminals concern mainly the part of Morocco.

Domestic and international interconnection charges were down, due to lower call terminations in the International segment.

The item “Other purchases consumed” refers to energy purchases (fuel and electricity) and charging cards.

NOTE 19. PAYROLL COSTS

(in MAD million)	2021	2022	2023
Wages	2,390	2,605	2,605
Payroll taxes	478	489	519
Wages and taxes	**2,868**	**3,093**	**3,124**
Payroll costs	**2,868**	**3,093**	**3,124**
Average headcount (in number of employees)	**9,811**	**9,610**	**9,212**

This item includes payroll costs (salaries, social security charges and training costs) for the year.

In 2023, personnel costs will be virtually unchanged between 2022 and 2023.

NOTE 20. TAXES, DUTIES, AND FEES

(in MAD million)	2021	2022	2023
Taxes and duties	1,017	1,078	1,108
Fees	2,429	2,457	2,512
Total	**3,447**	**3,535**	**3,620**

Fees include amounts due to the regulatory authorities of the telecommunications markets in Morocco and internationally.

The overall level of taxes and duties increased by 3% between 2022 and 2023.

NOTE 21. OTHER OPERATING INCOME AND EXPENSES

(in MAD million)	2021	2022	2023
Communication	708	757	747
Commissions	1,947	1,975	2,040
Other including:	**2,648**	**5,299**	**2,852**
Rental expenses	398	426	492
Maintenance, repair, and property-service charges	1,164	1,183	1,143
Fees	903	1,011	836
Postage and banking service	138	127	154
Voluntary redundancy plan	14	2	0
Other	31	2,549	228
Total	**5,303**	**8,031**	**5,639**

On a comparable basis (excluding the impact of the ANRT 2022 penalty), other operating income and expenses are virtually stable between 2022 and 2023.

Miscellaneous" mainly comprises foreign exchange gains and losses, transfers of operating expenses and capital gains and losses on disposals of fixed assets. It also includes the ANRT penalty payment in 2022.

NOTE 22. DEPRECIATION, IMPAIRMENT AND PROVISIONS

The following table sets out changes in this item for the fiscal years ended December 31, 2021, 2022, and 2023:

(in MAD million)	2021	2022	2023
Depreciation and impairment of fixed assets	7,056	7,025	7,113
Net provisions and impairment	420	120	578
Total	**7,477**	**7,145**	**7,691**

Net amortization, depreciation and provisions amounted to MAD 7,691 million at end-2023, up 8% on 2022. Net depreciation, amortization and provisions include an estimated MAD 0.5 billion risk related to the dispute between IAM and the operator Wana Corporate (see Note 14 and Note 31.3).

Depreciation and impairment of fixed assets

The table below shows the depreciation, amortisation and impairment charges on fixed assets of the Maroc Telecom Group for the years ended 31 December 2021, 2022 and 2023.

(in MAD million)	2021	2022	2023
Other intangible assets	1,305	1,233	1,260
Building and civil engineering	282	289	284
Technical plant and pylons	4,721	4,779	4,813
Other property, plant, and equipment	250	245	239
Right to use assets	497	479	518
Total	**7,056**	**7,025**	**7,113**

Net charges to provisions and impairment

The following table sets out the net charges to provisions and impairment of Maroc Telecom Group for the fiscal years ended December 31, 2021, 2022, and 2023:

(in MAD million)	2021	2021	2023
Impairment of trade receivables	299	353	260
Impairment of inventories	3	-40	8
Impairment of other receivables	2	0	3
Provisions	117	-192	307
Net charges and reversals	**420**	**120**	**578**

NOTE 23. INCOME FROM EQUITY AFFILIATES

No equity interest was accounted for by the equity method in 2021, 2022, or 2023.

NOTE 24. NET FINANCIAL INCOME OR EXPENSE

24.1 Borrowing costs

(in MAD million)	2021	2022	2023
Income from cash and cash equivalents	27	18	42
Interest expense on loans	-745	-635	-804
Interest expense on rental obligation	-81	-71	-88
Net borrowing costs	**-800**	**-688**	**-850**

Net cost of debt includes interest expense on borrowings less income from cash and cash equivalents (investment income).

Interest expense on borrowings rose by 27% vs. 2022, reflecting interest rate trends, particularly in Morocco, and the increase in international debt.

24.2 Other financial income and expense

(in MAD million)	2021	2022	2023
Foreign-exchange gains and losses	-52	-34	-84
Other financial income (+)	3	10	110
Other financial expenses (-)	-28	-30	-35
Other financial income and expenses	**-77**	**-55**	**-9**

Other financial income consists mainly of interest income on loans and income from non-consolidated investments.

NOTE 25. TAX EXPENSE

Like all public limited companies under Moroccan law, Maroc Telecom is subject to income tax in accordance with the provisions of the General Tax Code.

Income tax includes current tax and deferred tax.

The following table shows Maroc Telecom Group's payable and deferred taxes for the years ended December 31, 2021, 2022, and 2023:

(in MAD million)	2021	2022	2023
Income tax expense	3,612	4,507	3,881
Deferred tax	68	98	-43
Provisions for tax		0	0
Current tax	**3,680**	**4,604**	**3,838**
Consolidated effective tax rate	**34%**	**55%**	**38%**

On a like-for-like basis (excluding the impact of the ANRT penalty in 2022), income tax was stable.

(in MAD million)	2021	2022	2023
Net earnings	6,928	3,639	6,161
Income tax expense	3,680	4,604	3,838
Provision for tax	0	0	0
Pretax earnings	**10,609**	**8,244**	**9,999**
Moroccan statutory tax rate	31%	31%	32%
Theoretical income tax expense	3,289	2,556	3,200
Impact of changes in tax rate	-77	-70	-151
Other differences	468	2,119	789
Effective income tax expense	3,680	4,604	3,838

On a comparable basis*, other differences remained virtually stable between 2022 and 2023.

The deferred tax rates of the Group are as follows:

Entity	The deffered tax rate
Maroc Telecom	33.0%
Casanet	28.3%
Mauritel	25.0%
Onatel	27.5%
Gabon Telecom	30.0%
Sotelma	30.0%
Moov Africa Côte d'Ivoire	30.0%
Moov Africa Bénin	30.0%
Moov Africa Togo	27.0%
Moov Africa Niger	30.0%
Moov Africa Centrafrique	30.0%
Moov Africa Tchad	35.0%

NOTE 26. NONCONTROLLING INTERESTS

(in MAD million)	2021	2022	2023
Total noncontrolling interests	**920**	**889**	**878**

Minority interests reflect the rights of shareholders other than Maroc Telecom to the earnings of Mauritel, Onatel, Gabon Telecom, Sotelma, Moov Africa CDI and Moov Africa Togo.

* : Comparable basis refers to the cancellation of the impact of the penalty imposed by the Moroccan regulator on the accounts in 2022.

NOTE 27. EARNINGS PER SHARE

27.1 Earnings per share

(in MAD million)	2021		2022		2023	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Net earnings, Group share	6,008	6,008	2,750	2,750	5,283	5,283
Adjusted net earnings, Group share	6,008	6,008	2,750	2,750	5,283	5,283
Number of shares (millions)	879	879	879	879	879	879
Earnings per share (in MAD)	6.83	6.83	3.13	3.13	6.01	6.01

27.2 Change in the number of shares

(In share number)	2021	2022	2023
Weighted average number of shares outstanding for the period	879,095,340	879,095,340	879,095,340
Adjusted weighted average number of shares outstanding for the period	879,095,340	879,095,340	879,095,340
Potential dilutive effect of financial instruments outstanding			
Number of shares including potential dilutive effect	879 095 340	879,095,340	879,095,340

NOTE 28. SEGMENT DATA

28.1 Statement of financial position: items by geographical area

2023

(in MAD million)	Morocco	International	Eliminations	Total groupe Maroc Telecom
Noncurrent assets	33,350	31,032	-12,710	51,672
Current assets	8,315	7,462	-1,906	13,871
Total assets	**41,665**	**38,494**	**-14,616**	**65,543**
Shareholders'equity	21,068	12,586	-12,650	21,004
Noncurrent liabilities	589	4,339	-60	4,868
Current liabilities	20,008	21,569	-1,906	39,671
Total shareholders'equity and liabilities	**41,665**	**38,494**	**-14,616**	**65,543**
Acquisitions of PP&E and intangible assets	3,302	4,681		**7,983**

2022

(in MAD million)	Morocco	International	Eliminations	Total groupe Maroc Telecom
Noncurrent assets	32,803	29,569	-12,515	49,857
Current assets	8,128	9,159	-1,614	15,673
Total assets	**40,930**	**38,729**	**-14,129**	**65,530**
Shareholders'equity	17,536	12,730	-12,264	18,002
Noncurrent liabilities	609	4,636	-252	4,992
Current liabilities	22,786	21,363	-1,614	42,535
Total shareholders'equity and liabilities	**40,930**	**38,729**	**-14,129**	**65,530**
Acquisitions of PP&E and intangible assets	3,184	4,257		**7,441**

2021

(in MAD million)	Morocco	International	Eliminations	Total groupe Maroc Telecom
Noncurrent assets	33,081	26,136	-12,656	46,560
Current assets	8,739	8,425	-1,942	15,222
Total assets	**41,819**	**34,561**	**-14,598**	**61,782**
Shareholders'equity	18,754	11,771	-11,725	18,800
Noncurrent liabilities	569	4,683	-931	4,321
Current liabilities	22,496	18,107	-1,942	38,661
Total shareholders'equity and liabilities	**41,819**	**34,561**	**-14,598**	**61,782**
Acquisitions of PP&E and intangible assets	2,630	2,984		**5,615**

28.2 Segment earnings by geographical area

2023

(in MAD million)	Morocco	International	Eliminations	Total groupe Maroc Telecom
Revenues	19,543	18,381	-1,138	**36,786**
Earnings from operations	7,319	4,286		**11,605**
Net depreciation and impairment	4,030	3,661		**7,691**
Voluntary redundancy plan				**-**

2022

(in MAD million)	Morocco	International	Eliminations	Total groupe Maroc Telecom
Revenues	19,546	17,242	-1,057	**35,731**
Earnings from operations	4,967	4,020		**8,987**
Net depreciation and impairment	3,659	3,485		**7,145**
Voluntary redundancy plan		2		**2**

2021

(in MAD million)	Morocco	International	Eliminations	Total groupe Maroc Telecom
Revenues	19,906	16,912	-1,028	**35,790**
Earnings from operations	7,599	3,974		**11,573**
Net depreciation and impairment	3,891	3,585		**7,477**
Voluntary redundancy plan				**-**

NOTE 29. RESTRUCTURING PROVISIONS

In 2021, 2022 and 2023, no provision for restructuring was recorded at group level.

NOTE 30. RELATED-PARTY TRANSACTIONS

30.1. Compensation of corporate officers, senior managers, and directors in 2021, 2022, and 2023

(in MAD million)	2021	2022	2023
Short-term benefits (1)	110	104	60
Termination benefits (2)	108	123	53
Total	**218**	**227**	**113**

(1) Salaries, remuneration, profit-sharing and bonuses paid and social security contributions, holiday pay and non-monetary benefits recorded

(2) Redundancy payments

30.2. Equity affiliates

In 2021, 2022 and 2023 no company is consolidated by the equity method.

30.3. Other related parties

In 2023, Maroc Telecom completed transactions mainly with Emirates Telecommunications Corporation, EDCH, Etihad Etisalat Company (Mobily), and other sister companies as part of its strategic cooperation with the Etisalat group. These various transactions can be summarized as follows:

2023

(in MAD million)	Etisalat	EDCH	Mobily	Others
Revenues	221	29	21	0
Expenses	75	7	20	1
Receivables	46	111	17	3
Payables	18	78	19	2

2022

(in MAD million)	Etisalat	EDCH	Mobily	Others
Revenues	210	33	27	1
Expenses	56	7	4	0
Receivables	55	109	2	2
Payables	11	75	1	2

2021

(in MAD million)	Etisalat	EDCH	Mobily	Others
Revenues	197	19	14	4
Expenses	54	8	1	0
Receivables	114	86	10	2
Payables	72	66	0	2

NOTE 31. CONTRACTUAL COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

31.1. Contractual obligations and commercial commitments recorded in the balance sheet

(in MAD million)	Total	Less than 12 months	1-5 years	>5 years
Long-term debt	**4,325**		3,555	770
Capital lease obligations	**43**	43		
Total	**4,368**	**43**	**3,555**	**770**

31.2. Other commitments given and received as part of the current activity

Commitments given

The commitments given include:

(in MAD million)	2021	2022	2023
Commitment given	**4,342**	**2,728**	**3,503**
Investment commitment	3,402	1,905	2,265
Outgoing commitments ans signature with banks	803	655	1,013
operating and financinn lease commitments	42	48	43
Sattellite rental commitments	67	89	151
Other commitments	***29***	***30***	***30***
Network maintenance contracts with Ericsson	*27*	*29*	*28*
Commitments on operating exprenses	*2*	*2*	*2*
Other commitments	***0***	***0***	***0***
Recovery of guarantees given by Etisalat on the financing of the Atlantic Subsidiaries	*0*	*0*	*0*
Forward sale commitment	*0*	*0*	*0*

Commitments given are up 28% vs 2022 due to the increase in Group investments undertaken in 2023.

Commitments received

The commitments received include:

(in MAD million)	2021	2022	2023
Commitments received	**1,170**	**1,541**	**1,580**
Guarantees and endorsements	1,170	1,541	1,580
Other commitments received	0	0	0
Forward purchase commitment	0	0	0
Commitment of the Moroccan State to contribute the assets of social works	0	0	0
***Investment agreement**: exemption from customs duties on imports related to investments*	0	0	0

31.3. Contingent assets and liabilities

On December 16, 2021, Itissalat Al Maghrib received a summons from the Rabat Commercial Court concerning a complaint filed by Wana Corporate regarding unbundling for an amount of 6.85 MMdh. On January 29, 2024, a non-binding judgment was handed down by the Commercial Court setting the amount of damages for anti-competitive practices at 6.37 MMdh. Itissalat Al-Maghrib will appeal against this judgment.
In accordance with applicable accounting rules, Itissalat Al Maghrib S.A., based on the advice of its advisors, has recorded a provision of MAD 0.5 million in its financial statements for the year ended December 31, 2023, representing its estimate of the potential risk associated with this litigation.

As regards the REMACOTEM dispute, a memorandum of understanding has been signed closing this case, and its impact has been fully integrated into the financial statements for 2023.

NOTE 32. RISK MANAGEMENT

The Group is exposed to various market risks related to its business.

Credit risk:

Maroc Telecom minimizes its credit risk by only entering into credit transactions with commercial banks or financial institutions with a high credit rating, and by spreading transactions among the selected banks or institutions.

Maroc Telecom's receivables do not carry a significant concentration of credit risk, given their high dilution ratio.

Maroc Telecom's commercial credit risk management policy is adapted to the type of partner. In fact, prepaid accounts for the bulk of the Group's sales and do not present any credit risk. The postpaid segment comprises interconnection receivables, public receivables and private receivables. Interconnection receivables are reconciled and recovered from the net position, which enables operators to settle the difference between the receivable and the debt owed to other operators. In the case of public receivables, the nature of the partners involved guarantees minimal credit risk. As for private receivables, the Group's practice is to solicit upstream payments in order to support collection. These measures are coupled with restrictions and reminders that help to ensure rapid collection of this type of receivable. With regard to the impairment of trade receivables, the Group applies the simplified method set out in IFRS 9. The level of impairment is assessed at inception and adjusted at each balance sheet date to take account of changes in economic conditions. Given the measures taken upstream, the Group assumes a low credit risk, and recognizes potential losses over the life of the receivable based statistically on historical losses.

Currency risk:

Maroc Telecom is exposed to exchange rate fluctuations insofar as the composition of its foreign currency receipts and disbursements differs.

Maroc Telecom receives foreign currency receipts corresponding to revenues from international operators, and makes foreign currency disbursements corresponding to payments to international suppliers (in particular payments for capital expenditure and the acquisition of handsets) and payments for interconnection with foreign operators. These disbursements are mainly denominated in euros.

In Morocco, euro-denominated foreign currency disbursements accounted for 67% of total foreign currency disbursements at December 31, 2023, amounting to MAD 1,789 million, and were lower than foreign currency receipts of MAD 2,465 million in 2023.

Internationally, dollar-denominated foreign currency disbursements represented 1.3% of total foreign currency disbursements at December 31, 2023, amounting to MAD 196 million and exceeding foreign currency receipts of MAD 27 million in 2023.

In addition, Maroc Telecom Group had debt of MAD 17,408 million at December 31, 2023, compared with MAD 18,245 million at December 31, 2022, mainly denominated in dirham and CFA francs.

(in MAD million)	2021	2022	2023
Euro	0	0	0
Moroccan dirham	9,545	9,654	8,050
Other (mainly CFA franc)	6,899	8,591	9,358
Current debt	**16,444**	**18,245**	**17,408**

Maroc Telecom cannot offset its foreign currency receipts and disbursements, as current Moroccan regulations only allow it to hold 80% of its foreign currency operating income in a foreign currency account; the remaining 20% is sold in Moroccan dirhams. Maroc Telecom's earnings may therefore be sensitive to variations in exchange rates, particularly between the dirham and the US dollar or the euro.

In 2023, the Euro appreciated by 1.56% against the Dirham, rising from 10.6844 dirhams per 1 euro at December 31, 2022 to 10.8509 dirhams per 1 euro at December 31, 2023. Over the same period, the US dollar depreciated by 2.34%, from MAD 10.0418 at December 31, 2022 to MAD 9.8065 for 1 dollar at December 31, 2023.

Subsidiaries whose accounting currency is the CFA Franc, and the Mauritanian subsidiary whose currency is the Ouguiya, increase the Group's exposure to foreign exchange risk, particularly with regard to fluctuations in the exchange rate of the Euro and the Ouguiya against the Dirham.

However, a 1% depreciation of the Dirham against the Euro would have the following limited impacts on the Group's 2023 accounts:

Revenues = +216 million dirhams

Operating income = +60 million dirhams

Net income, Group share = +35 million dirhams

Maroc Telecom's foreign currency assets mainly comprise receivables from subsidiaries and foreign operators. Liabilities denominated in foreign currencies mainly comprise foreign suppliers and international operators.

(in MAD million)	Euro /FCFA	USD	MRO	Total foreign currencies	MAD	Balance sheet total
Total assets	36,635	248	2,171	0	26,489	65,543
Total shareholders' equity and liabilities	-22,526	-476	-1,724	-13	-40,803	-65,543
Net position	**14,109**	**-229**	**447**	**-13**	**-14,315**	**0**

The following table shows the Company's net foreign-currency positions in euros and US dollars, and the aggregate of other currencies, at December 31, 2023:

(in million)	Euro (2)	USD (2)	Other currencies (euro equivalent*) (1)
Assets	1,291	11	0
Liabilities	-139	-51	-12
Net position	1,152	-40	-11
Commitments (3)			
Aggregate net position	**1,152**	**-40**	**-11**

* based on 1 euro = 10.9445 dirhams the Bank-Al Maghrib average rate at Dec.31, 2023.

Liquidity risk:

Maroc Telecom believes that the cash flows generated by its operating activities, its cash position and the funds available via its credit lines will be sufficient to cover the expenses and investments necessary for its operations, the servicing of its debt and the distribution of dividends.

Interest-risk:

Maroc Telecom's debt is mainly at fixed rates. As the proportion of floating-rate debt is relatively low, Maroc Telecom is not significantly exposed to favorable or unfavorable changes in interest rates.

NOTE 33. EVENTS AFTER THE END OF THE REPORTING PERIOD

On January 29, 2024, the Rabat Commercial Court handed down a non-binding judgment setting the amount of compensation for damages for anti-competitive practices at MAD6.37 million. (see note 31.3).

(1) Other currencies mainly include the Japanese Yen (JPY), the Swiss Franc (CHF) and the Saudi Riyal (SAR).

(2) The foreign exchange position in euros and dollars is calculated by applying to the SDR (Special Drawing Rights) receivables and payables of foreign operators as at 31 December 2021 the proportion per currency of the receipts made in 2021.

(3) For the balance of commitments due on current contracts, the breakdown by currency corresponds to the actual balance on committed contracts

NOTE 34. IFRS 16 AT DECEMBER 31, 2023

34.1 Right of use:

2023

(In millions MAD)	Carrying value	Entry of assets	Depreciation/Amortization
Land	1,277	173	-164
Buildings	1,041	144	-131
Technical facilities	1,269	272	-170
Transportation equipment	417	97	-53
Office equipment	-	-	0
Other assets	-	-	0
Total	**4,003**	**685**	**-518**

2022

(In millions MAD)	Carrying value	Entry of assets	Depreciation/Amortization
Land	1,108	113	-161
Buildings	917	172	-130
Technical facilities	1,028	92	-137
Transportation equipment	320	78	-50
Office equipment			
Other assets			
Total	**3,374**	**454**	**-479**

2021

(In millions MAD)	Carrying value	Entry of assets	Depreciation/Amortization
Land	985	26	-181
Buildings	714	95	-128
Technical facilities	876	168	-136
Transportation equipment	242	10	-52
Office equipment			
Other assets			
Total	**2,817**	**300**	**-497**

34.2 Rental obligation:

	2021	2022	2023
Lease-related payments	-535	-558	-595

34.3 Expenses from contracts outside the scope of IFRS 16:

	2021	2022	2023
Leases with term ≤12 months	382	426	491
Leases with low underlying asset value	1	0	0

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31st, 2023

We have audited the accompanying consolidated financial statements of ITISSALAT Al MAGHRIB (IAM) S.A. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31st, 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. These consolidated financial statements show an amount of consolidated equity of MMAD 21 004 including a consolidated net profit of MMAD 6 161.

In our opinion, the consolidated financial statements referred to in the first paragraph above, are regular, sincere and provide in all material aspects a true and fair view of the financial position of the group comprising the persons and entities of ITISSALAT AL-MAGHRIB (IAM) S.A. at December 31st, 2023, and the financial performance and cash flows for the fiscal year then ended, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with Moroccan auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Morocco, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We refer you to the mentions inserted in notes 14, 22, 31.3 and 33 which sets out the accounting treatment related to the litigation presented in these statements. Our conclusion remains unchanged.

Key audit matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	Our response
Recognition of revenues from telecommunication activities Revenues in the consolidated financial statements at December 31, 2023 amounted to MAD 36 786 million. There is an inherent risk in the recognition of revenues, given the multitude of products, the complexity of information systems and the impact of changes in pricing models (pricing structures, incentive systems, rebates, etc.). The application of revenue recognition accounting standards involves a number of key judgments and estimates. As a result, we consider revenue from telecommunications activities as a key issue in our audit. Revenue recognition methods are detailed in note 3.15 of the consolidated financial statements.	With the assistance of our IT (Information Technology) specialists, we reviewed the key processes and controls implemented by IAM S.A., including the IT systems used for revenue recognition purposes. In particular, we have: - Gained an understanding of the general control environment, including IT, implemented by the company; - Identified and assessed the key controls implemented by the company and relevant to our audit; - Tested the operating effectiveness of the relevant controls, in particular on the application systems involved in the process of generating, evaluating and accounting revenues; - Performed analytical procedures and tested a sample of manual entries as of the end of the period.
Valuation of goodwill As part of its development, the Group has been led to carry out external growth operations and to recognize several goodwills. This goodwill, which corresponds to the difference between the price paid and the fair value (market value) of the assets and liabilities acquired, are described in note 3 to the consolidated financial statements. Each year, management ensures that the carrying amount of the goodwill attached to each cash-generating unit (CGU), shown in the balance sheet at December 31, 2023, in the amount of MAD 9 230 million, does not exceed its recoverable amount and does not present a risk of impairment. The terms of the impairment test and details of the assumptions used are described in note 3. The recoverable amount is determined by reference to the value in use calculated on the basis of the present value of the cash flows expected from the group of assets comprising it. The determination of the recoverable amount of goodwill is based on management's judgment, particularly assumptions of future income of concerned CGU and the discount rate applied to cash flow projections. We therefore considered the valuation of goodwill as a key point of the audit.	We examined the compliance of the methodology used by the Group with the applicable accounting standards. We also performed a review of the procedures related to impairement tests of goodwill and verified in particular that: the completeness of the elements making up the carrying amount of each CGUs tested and the consistency of the methods used to determine this amount with the cash flow projections used to determine value in use; the reasonableness of the cash flow projections and the reliability of the estimates by examining the main reasons for differences between forecasts and actual results; the consistency of these cash flow projections with management's latest estimates; the consistency of the growth rate used for the projected cash flows with market analyses; the calculation of the discount rate applied to the cash flows expected from each CGU; and management's sensitivity analysis of value in use to changes in the main assumptions used. Finally, we have verified that Note 3 provides appropriate disclosures.
Valuation of provisions for risks At 31 December 2023, provisions risks amounted to MAD 2 064 million. As indicated in note 3.11, as Maroc Telecom Group faces a number of disputes (commercial, social and regulatory) both in Morocco and abroad, the valuation of provisions covering these risks requires the exercise of management's judgment in its choice of elements to be considered (including the existence or no payment obligation and the reliability of the estimation). Consequently, we have considered the measurement of provisions for risks and charges to be a key point of our audit.	We have reviewed the process for assessing these provisions based on interviews with the Group's Legal Department. Our work also included: - assess the relevance of the methodology adopted by the company for the estimation of the provisions made, - obtain written confirmations and/or reports from the company's advisors related to major disputes; - assess the merits of the assumptions used and/or calculations made to determine the main adjacent provisions.

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with IFRS as adopted by EU, and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Moroccan auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Moroccan auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Casablanca, February 15th, 2024

The Statutory auditors

DELOITTE AUDIT

French original signed by

Adnane FAOUZI

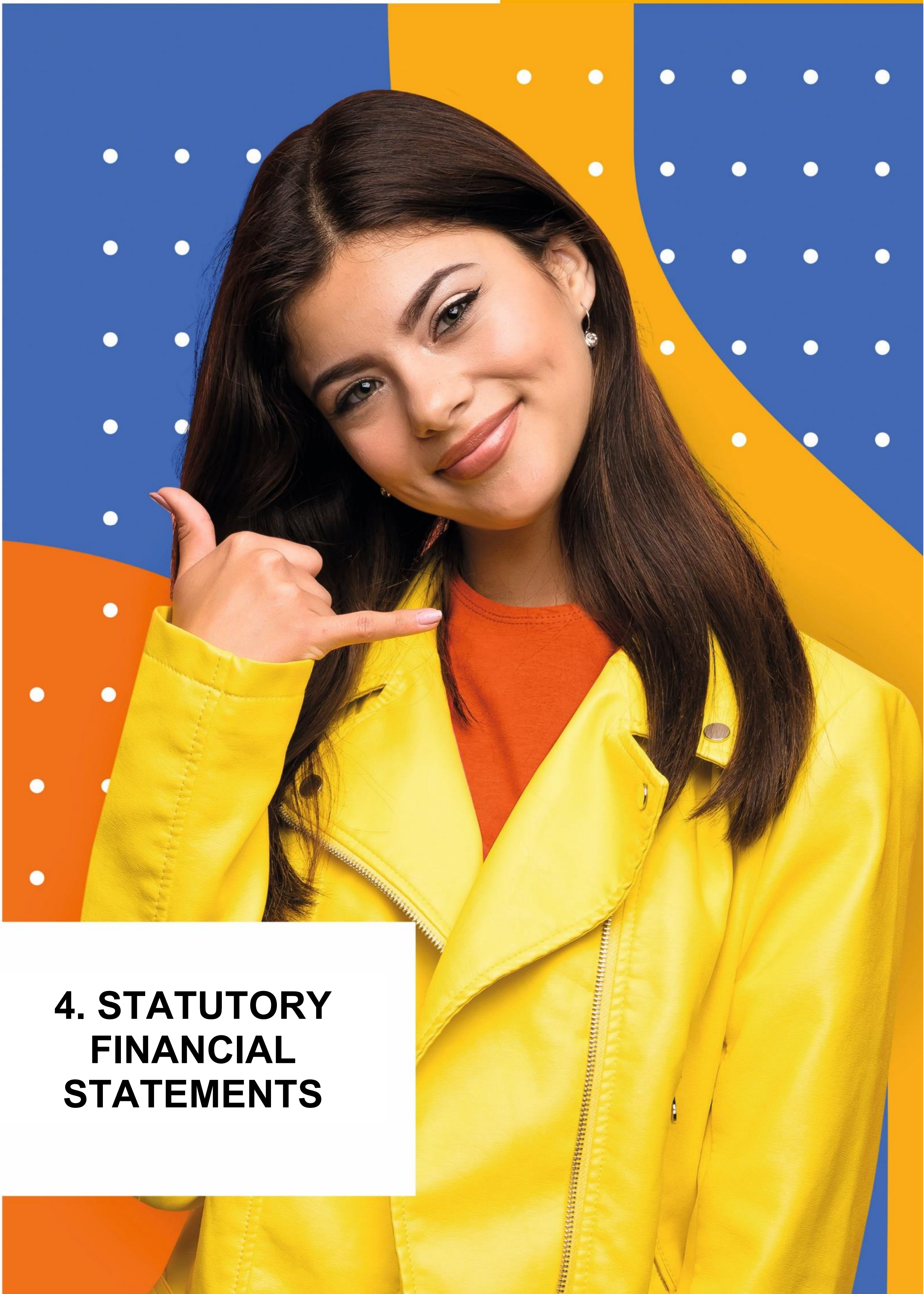
Partner

BDO AUDIT, TAX & ADVISORY

French original signed by

Abderrahim GRINE

Partner



4. STATUTORY FINANCIAL STATEMENTS

4. STATUTORY FINANCIAL STATEMENTS

Year ended 12/31/2023

ASSETS (in MAD thousands)	GROSS	EXERCICE Amortization and provisions	NET	PREVIOUS EXERCICE NET 12/31/2022
CAPITALIZED COSTS (A)	**2,200,000**	**1,340,000**	**860,000**	**600,000**
.Start-up costs	0	0	0	0
.Deferred costs	2,200,000	1,340,000	860,000	600,000
.Bond redemption premiums	0	0	0	0
INTANGIBLE ASSETS (B)	**13,020,265**	**11,146,596**	**1,873,670**	**1,931,428**
.Research and development costs	0	0	0	0
.Patents, trademarks, and similar rights	12,687,307	11,076,148	1,611,158	1,697,019
.Goodwill	70,447	70,447	0	0
.Other intangible assets	262,511	0	262,511	234,410
PROPERTY, PLANT, AND EQUIPMENT (C)	**79,042,190**	**64,010,297**	**15,031,894**	**14,901,229**
.Land	961,935	0	961,935	961,935
.Buildings	8,532,149	6,036,094	2,496,055	2,561,564
.Technical plant, machinery, and equipment	62,391,785	52,783,605	9,608,180	9,709,799
.Vehicles	278,685	123,109	155,576	166,233
.Office equipment, furniture, and fittings	5,216,093	4,901,664	314,429	301,327
.Other property, plant, and equipment	11,048	0	11,048	11,048
.Work in progress	1,650,495	165,824	1,484,671	1,189,324
FINANCIAL ASSETS (D)	**12,974,872**	**387,418**	**12,587,454**	**12,278,812**
.Long-term loans	73,452	0	73,452	150,998
.Other financial receivables	4,234	0	4,234	4,188
.Equity investments	12,897,186	387,418	12,509,768	12,123,626
.Other investments and securities	0	0	0	0
UNREALISED FOREIGN EXCHANGE LOSSES (E)	**2,138**	**0**	**2,138**	**1,455**
.Decrease in long-term receivables	2,138	0	2,138	1,455
.Increase in long-term debt	0	0	0	0
TOTAL I (A+B+C+D+E)	**107,239,465**	**76,884,310**	**30,355,155**	**29,712,924**
INVENTORIES (F)	**417,129**	**65,692**	**351,437**	**263,773**
.Merchandise	277,935	55,038	222,897	142,400
.Raw materials and supplies	139,193	10,653	128,540	121,374
.Work in progress	0	0	0	0
.Intermediary and residual goods	0	0	0	0
.Finished goods	0	0	0	0
CURRENT RECEIVABLES (G)	**16,947,386**	**9,428,902**	**7,518,484**	**7,148,432**
.Trade payables, advances and deposits	19,269	0	19,269	23,785
.Accounts receivable and related accounts	16,127,668	9,101,665	7,026,003	6,602,526
.Employees	3,814	0	3,814	3,814
.Tax receivable	396,066	0	396,066	288,155
.Shareholders' current accounts	0	0	0	0
.Other receivables	368,886	327,237	41,649	214,277
.Accruals	31,683	0	31,683	15,875
MARKETABLE SECURITIES (H)	**131,207**	**0**	**131,207**	**130,670**
UNREALIZED FOREIGN EXCHANGE LOSSES (I) (current items)	**31,881**	**0**	**31,881**	**53,723**
TOTAL II (F+G+H+I)	**17,527,603**	**9,494,594**	**8,033,009**	**7,596,599**
CASH AND CASH EQUIVALENTS	**88,712**	**0**	**88,712**	**229,306**
.Checks	0	0	0	0
.Bank deposits	86,582	0	86,582	227,175
.Petty cash	2,130	0	2,130	2,132
TOTAL III	**88,712**	**0**	**88,712**	**229,306**
TOTAL GENERAL I+II+III	**124,855,780**	**86,378,904**	**38,476,876**	**37,538,829**

SHAREHOLDERS' EQUITY AND LIABILITIES (in MAD thousands)		Year ended 12/31/2023 EXERCICE	EXERCICE NET 12/31/2022
SHAREHOLDERS' EQUITY	**(A)**	**18,797,719**	**15,298,898**
Share capital (1)		5,274,572	5,274,572
Less: capital subscribed and not paid-in		0	0
Paid-in capital		0	0
Additional paid-in capital		0	0
Revaluation difference		0	0
Statutory reserve		527,457	527,457
Other reserves		7,571,935	6,718,856
Retained earnings (2)		0	0
Unallocated income (2)		0	0
Net income of the year (2)		5,423,755	2,778,013
QUASI-EQUITY	**(B)**	**0**	**0**
Investment subsidies		0	0
Regulated provisions		0	0
DEBENTURE BONDS	**(C)**	**15,188**	**1,494**
Debenture bonds		0	0
Other long-term debt		15,188	1,494
PROVISIONS	**(D)**	**12,055**	**12,157**
Provisions for contingencies		2,138	1,455
Provisions for losses		9,918	10,702
UNREALIZED FOREIGN EXCHANGE GAINS	**(E)**	**0**	**1,205**
Increase in long-term receivables		0	1,205
Decrease in long-term debt		0	0
	TOTAL I (A+B+C+D+E)	**18,824,962**	**15,313,754**
CURRENT LIABILITIES	**(F)**	**11,794,057**	**12,871,856**
Accounts payable and related accounts		5,676,301	6,384,423
Trade receivables, advances and down payments		126,460	94,621
Payroll costs		1,041,265	1,009,315
Social security contributions		109,811	112,032
Tax payable		2,714,892	3,141,904
Shareholders' current accounts		0	1
Other payables		395,226	397,805
Accruals		1,730,102	1,731,755
OTHER PROVISIONS FOR CONTINGENCIES AND LOSSES	**(G)**	**747,310**	**557,853**
UNREALIZED FOREIGN EXCHANGE GAINS (Current items)	**(H)**	**72,745**	**77,704**
	Total II (F+G+H)	**12,614,112**	**13,507,413**
BANK OVERDRAFTS		**7,037,801**	**8,717,662**
Discounted bills		0	0
Treasury loans		0	0
Bank loans and overdrafts		7,037,801	8,717,662
	Total III	**7,037,801**	**8,717,662**
TOTAL GENERAL I+II+III		**38,476,876**	**37,538,829**

(1) Debtor's personal capital

(2) Profit (+), Loss (-)

STATEMENT OF COMPREHENSIVE INCOME (EXCLUSIVE OF VAT)

	From 01/01/2023 to 12/31/2023			
	OPERATIONS		FISCAL YEAR	TOTALS
(in MAD thousands)	Current year	Previous year	TOTAL	12/31/2022
I- OPERATING INCOME	19,143,768	0	19,143,768	19,275,956
Sales of goods	379,585	0	379,585	243,382
Sales of manufactured goods and services rendered	18,169,576	0	18,169,576	18,463,007
Operating revenues	**18,549,161**	**0**	**18,549,161**	**18,706,389**
Change in inventories	0	0	0	0
Company-constructed assets	0	0	0	0
Operating subsidies	0	0	0	0
Other operating income	22,911	0	22,911	22,252
Operating write-backs: expense transfers	571,696	0	571,696	547,315
TOTAL I	**19,143,768**	**0**	**19,143,768**	**19,275,956**
II- OPERATING EXPENSES	**11,812,214**	**0**	**11,812,214**	**12,209,794**
Cost of goods sold	392,216	0	392,216	331,984
Raw materials and supplies	3,049,651	0	3,049,651	3,058,448
Other external expenses	2,519,384	0	2,519,384	2,761,178
Taxes (except corporate income tax)	366,471	0	366,471	325,530
Payroll, costs	2,107,533	0	2,107,533	2,149,047
Other operating expenses	2,530	0	2,530	2,540
Operating allowances for amortization	3,074,740	0	3,074,740	3,178,348
Operating allowances for provisions	299,689	0	299,689	402,719
TOTAL II	**11,812,214**	**0**	**11,812,214**	**12,209,794**
III- OPERATING INCOME I-II	**7,331,554**	**0**	**7,331,554**	**7,066,162**
IV- FINANCIAL INCOME	**1,691,768**	**0**	**1,691,768**	**1,953,839**
Income from equity investments and other financial investments	1,308,086	0	1,308,086	1,374,412
and other financial investments	0			
Foreign exchange gains	315,121	0	315,121	454,286
Interest and other financial income	13,383	0	13,383	38,096
Financial write - backs: expense transfers	55,178	0	55,178	87,046
TOTAL IV	**1,691,768**	**0**	**1,691,768**	**1,953,839**
V- FINANCIAL EXPENSES	**589,764**	**0**	**589,764**	**612,943**
Interest and loans	294,036	0	294,036	222,275
Foreign exchange losses	258,682	0	258,682	333,682
Other financial expenses	3,027	0	3,027	1,808
Financial allowances	34,019	0	34,019	55,178
TOTAL V	**589,764**	**0**	**589,764**	**612,943**
VI- FINANCIAL INCOME IV - V	**1,102,004**	**0**	**1,102,004**	**1,340,896**
VII- ORDINARY INCOME III + VI	**8,433,558**	**0**	**8,433,558**	**8,407,058**
VIII- EXTRAORDINARY INCOME	**1,186,028**	**469**	**1,186,497**	**296,769**
Proceeds from disposal of fixed assets	2,771	0	2,771	1,575
Subsidies received	0	0	0	0
Write-backs of investment subsidies	0	0	0	0
Other extraordinary income	314,996	469	315,466	117,886
Extraordinary write-backs: expense transfers	868,261	0	868,261	177,308
TOTAL VIII	**1,186,028**	**469**	**1,186,497**	**296,769**
IX- EXTRAORDINARY EXPENSES	**2,176,134**	**0**	**2,176,134**	**3,348,758**
Net book value of disposed assets	274	0	274	6
Subsidies granted	0	0	0	0
Other extraordinary expenses	1,049,157	0	1,049,157	2,867,110
Regulated provisions	0	0	0	0
Extraordinary allowances for depreciation and provisions	1,126,704	0	1,126,704	481,642
TOTAL IX	**2,176,134**	**0**	**2,176,134**	**3,348,758**
X- EXTRAORDINARY INCOME VIII - IX	**-990,106**	**469**	**-989,637**	**-3,051,989**
XI- INCOME BEFORE TAX VII + X	**7,443,451**	**469**	**7,443,920**	**5,355,070**
XII- CORPORATE INCOME TAX	**2,020,165**	**0**	**2,020,165**	**2,577,056**
XIII- NET INCOME XI - XII	**5,423,286**	**469**	**5,423,755**	**2,778,013**
XIV- TOTAL INCOME (I+IV+VIII)	**22,021,564**	**469**	**22,022,033**	**21,526,565**
XV- TOTAL EXPENSES (II+V+IX+XII)	**16,598,278**	**0**	**16,598,278**	**18,748,551**
XVI- NET INCOME (total income - Total expenses)	**5,423,286**	**469**	**5,423,755**	**2,778,013**

The presentation rules and valuation methods used to prepare these documents comply with prevailing regulations.

The table below summarizes the changes in Maroc Telecom's main financial indicators over the last three financial years:

In MAD million	2021	2022	2023	Change 2022/2021
Revenues	19,133	18,706	**18,549**	**-0.8%**
Operating income	7,265	7,066	**7,332**	**3.8%**
Financial income	951	1,341	**1,102**	**-17.8%**
Corporate income tax	-1,954	-2,577	**-2,020**	**-21.6%**
Non-current income	-618	-3,052	**-990**	**67.6%**
Net income	5,644	2,778	**5,424**	**95.2%**
Investments	2,524	2,996	**3,166**	**5.7%**

Main items in the income and expenses account

Revenues

Maroc Telecom's sales in 2023 will amount to MAD 18,549 million, down 0.8% compared with 2022.

Operating income and net income

Earnings from operations at December 31, 2023 stood at MAD 7,332 million, up 3.8% on 2022, mainly due to lower operating expenses.
Net financial income fell by 17.8% to MAD 1,102 million from MAD 1,341 million in 2022. This change was mainly due to lower dividends from subsidiaries and higher financial expenses.
Non-current income amounted to MAD -990 million, compared with MAD -3,052 million in 2022. This change is mainly due to the recognition in 2022 of the fine of MAD2,451 million (following the decision of the Management Committee of the Agence Nationale de Réglementation des Télécommunications relating to the liquidation of the penalty imposed on Maroc Telecom in connection with the January 17, 2020 decision on unbundling).
With pre-tax income of MAD 7,444 million and corporate income tax of MAD 2,020 million, net income came to MAD 5,424 million, up 95.2% on 2022.

Blance sheet

At December 31, 2023, total assets amounted to MAD 38,477 million, up 2.5% on the previous year.

Asset and their components

(Assets in MAD million)	NET			Variation 23/22
	2021	2022	2023	
Nil-value assets	900	**600**	860	43.3%
Intangible assets	1,977	**1,931**	1,874	-3.0%
Property, plant and equipment	15,042	**14,901**	15,032	0.9%
Long-term investments	12,384	**12,279**	12,587	2.5%
Translation difference - assets	32	**1**	2	46.9%
Total net non-current assets	30,335	**29,713**	**30,355**	**2.2%**
Current assets	8,219	**7,597**	**8,033**	**5.7%**
Cash - assets	174	**229**	**89**	**-61.3%**
Total assets	38,728	**37,539**	**38,477**	**2.5%**

Net fixed assets stood at MAD 30,355 million at December 31, 2023, compared with MAD 29,713 million the previous year. They represented 79% of total assets, up 2.2% on 2022.

Net intangible assets amounted to MAD 1,874 million in 2023, compared with MAD 1,931 million in 2022.

Net property, plant and equipment increased by 0.9%, from MAD 14,901 million in 2022 to MAD 15,032 million in 2023.

Net financial assets amounted to MAD 12,587 million in 2023, compared with MAD 12,279 million in 2022. This change is due to the recapitalization of subsidiaries.

Current assets excluding investments (except for those relating to price adjustments) amounted to MAD 8,033 million in 2023, compared with MAD 7,597 million in 2022, an increase of 5.7%.

Net cash and cash equivalents, including investments (excluding those relating to price adjustments), amounted to MAD -6,949 million at December 31, 2023, compared with MAD -8,488 million at December 31, 2022.

Liabilities and their components

(Liabilities in MAD million)	NET			Variation 23/22
	2021	2022	2023	
Shareholders' Equity	16,722	**15,299**	18,798	22.9%
of which net profit for the fiscal year	5,644	**2,778**	5,424	95.2%
Financing borrowings	1	**1**	15	916.4%
Long Term provisions for risks and losses	44	**12**	12	-0.8%
Translation difference - liabilities	0	**1**	0	-
Total Permanent Funds	16,768	**15,314**	**18,825**	**22.9%**
Current liabilities	13,382	**13,507**	**12,614**	**-6.6%**
Cash and cash equivalents - liabilities	8,578	**8,718**	**7,038**	**-19.3%**
Total liabilities	38,728	**37,539**	**38,477**	**2.5%**

Taking into account the profit for the year of MAD 5,424 million and the allocation of a dividend of MAD 1.9 billion, shareholders' equity at December 31, 2023 amounted to MAD 18,798 million, compared with MAD 15,299 million in 2022.

At December 31, 2023, current liabilities amounted to MAD 12,614 million, compared with MAD 13,507 million in 2022.

Cash and cash equivalents fell by 19.3% to MAD 7,038 million, compared with MAD 8,718 million in 2022.

This is a free translation into English of the statutory auditors' general report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

STATUTORY AUDITORS' GENERAL REPORT

YEAR ENDED DECEMBER 31ST, 2023

Opinion

In accordance with the terms of our appointment by your General meetings, we have audited the accompanying financial statements of ITISSALAT AL-MAGHRIB (IAM) S.A., including the statement of financial position concerning the year ended December 31, 2023, the statement of revenues and losses, the statement of operating data, the statement of cash flows, and the additional disclosures (ETIC).These financial statements show shareholders' equity and reserves of MAD 18 797 719 thousand and net profit of MAD 5 423 755 thousand.

In our opinion, the financial statements referred to in the first paragraph above are regular, sincere and give a true and fair view of ITISSALAT ALMAGHRIB (IAM) S.A.'s assets, liabilities, and financial position at December 31st, 2023, and of its operations for the year then ended, in accordance with the accounting principles generally accepted in Morocco.

Basis for Opinion

We conducted our audit in accordance with Moroccan auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Morocco, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We refer you to the mentions inserted in statement B5, B15 and C5 which sets out the accounting treatment relating to the litigation presented in these statements. Our conclusion remains unchanged.

Key audit matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**Our response**
Recognition of revenues from telecommunication activities Revenues in the financial statements at December 31, 2023 amounted to MAD 18 549 161 thousand. There is an inherent risk in the recognition of revenues, given the multitude of products and services, the complexity of information systems and the impact of changes in pricing models (pricing structures, incentive systems, discounts, etc.). The application of recognition accounting standards to telecommunications revenues is complex and involves a number of key judgments and estimates. As a result, we consider revenues from telecommunications activities as a key issue in our audit. The methods used to recognize revenue are detailed in Statement A1 of ETIC- Supplementary Information Statements (SIFS).	With the assistance of our IT (Information Technology) specialists, we reviewed the key processes and controls implemented by IAM S.A., including the IT systems used for revenue recognition purposes. In particular, we have: - Gained an understanding of the general control environment, including IT, implemented by the company; - Identified and assessed the key controls implemented by the company and relevant to our audit; - Tested the operating effectiveness of the relevant controls, in particular on the application systems involved in the process of generating, evaluating and accounting revenues; - Performed analytical procedures and tested a sample of manual entries by the end of the year.

Valuation of investments	
Investments in subsidiaries and affiliates, shown in the balance sheet at December 31, 2023 for a net amount of MAD 12 509 768 thousand. They are recognized at their acquisition date at cost and depreciated on the basis of their present value. As indicated in note A1-4 of the ETIC, present value is estimated by management by reference to the share of equity that the shares represent, adjusted when necessary to take into account, in particular, their perspectives of development and earnings. The estimate of the present value of these securities requires management to exercise its judgment in selecting the items to be considered depending on the equity interests concerned, which may correspond to historical data (i.e shareholders' equity) and/or forecasts (i.e profitability perspectives), as the case may be. In this context, we considered that the valuation of the equity investments was a key point of the audit.	Our work consisted mainly in reviewing the valuation process of investments and figures used. We particularly: obtained cash flow and operating forecasts for the activities of the entities concerned and assess their consistency with the forecasts resulting from the most recent strategic plans prepared by senior management; verified the consistency of the assumptions used with the economic environment at the closing and preparation dates of the financial statements; compared forecasts for previous periods with corresponding actual results in order to assess the achievement of past objectives; Verified that the shareholders' equity used is consistent with the financial statements of the entities, and that any adjustments made to this equity are based on documentary evidence.
Valuation of provisions for liabilities and charges	
As of December 31, 2023, provisions for risks and charges amounted to 759 366 thousand dirhams. As indicated in statement A1-9, IAM S.A. is facing a number of disputes (commercial, social and regulatory), the valuation of provisions covering these risks requires the exercise of management's judgment in its choice of elements to be considered (including the existence or absence of payment obligation and the reliability of the estimation). Consequently, we have considered the measurement of provisions for risks and charges to be a key point of our audit.	We have reviewed the process for assessing these provisions. Our work also included: - conduct interviews with the company's Legal Department to identify the main disputes and their stages of progress, - assess the relevance of the methodology adopted by the company for the estimation of the provisions made, - obtain written confirmations and/or reports from the company's advisors in related to major disputes; - assess the merits of the assumptions used and/or calculations made to determine the main adjacent provisions.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Moroccan accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Moroccan auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Moroccan auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Specific controls and information

We have also performed the specific verifications required by law. In particular, we ensured that the information contained in the Management board's report to the Shareholders was consistent with the Company's financial statements.

Casablanca, February 15th, 2024

The Statutory auditors

DELOITTE AUDIT	**BDO, AUDIT, TAX & ADVISORY**
French original signed by	**French original signed by**
Adnane FAOUZI	**Abderrahim GRINE**
Partner	**Partner**

Maroc Telecom

Itissalat Al-Maghrib

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