



# FINANCIAL REPORT

HY 2022



## **Preliminary remarks:**

This financial report and the condensed financial statements for the half year ended June 30<sup>th</sup>, 2021 were approved by the Management Board on July 22<sup>th</sup>, 2022, and reviewed by the Audit Committee at its meeting on July 25<sup>th</sup>, 2022.

This report should be read in conjunction with the Management Board's report for the year ended December 31, 2021 as published in Registration Document as filed with the Securities Regulator (AMF) on April 27<sup>th</sup>, 2022 ("2021 universal registration document").

# CONTENTS

- HIGHLIGHTS.....4
- 1- CERTIFICATIONS.....7
  - 1.1 PERSON RESPONSIBLE FOR THE INTERIM REPORT..... 7
  - 1.2 CERTIFICATION OF THE INTERIM REPORT..... 7
  - 1.3 PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS..... 7
- 2- HALF YEAR ACTIVITY REPORT.....11
  - 2.1 DESCRIPTION OF ACTIVITIES ..... 11
  - 2.2 RELATED-PARTY TRANSACTIONS..... 19
  - 2.3 GROWTH OUTLOOK ..... 22
- 3- FINANCIAL REPORT .....24
  - 3.1 CONSOLIDATED FINANCIAL DATA ..... 24
  - 3.2 INCOME STATEMENT AND FINANCIAL POSITION..... 27
  - 3.3 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES ..... 32
  - 3.4 STATUTORY FINANCIAL STATEMENTS..... 46

# Highlights

## January 2022

- Morocco: receipt of an ANRT report noting partial non-compliance with certain instructions included in the January 17<sup>th</sup>, 2020 decision on local loop unbundling;
- Reduction in the national termination rate in Gabon, Côte d'Ivoire and Niger;
- Mauritania: abolition of Article 39 of the General Tax Code on the parent-subsidiary regime from which the CMC benefited in 2021.

## February 2022

- Morocco: launch of the Shahid service, world leader in premium Arabic VOD content offering over 40,000 hours of film, series and documentaries;
- Chad: approval of a new Mobile Internet subscription catalog entailing price reductions in line with the authorities' guidelines recommending a 30% price reduction;
- Benin: ARCEP notification of the decision on the guidelines for national roaming in Mobile electronic communications networks;
- Benin: adoption of a new decision on the pricing of electronic communications services provided by Mobile operators in the Republic of Benin;
- Chad: decree on the scheme for setting up and operating fiber optic networks signed by the Chad authorities.

## March 2022

- Morocco: launch of the new B2B Mobile subscription range offering a wider range of Voice and Data services at advantageous and competitive prices. The new catalog offers nine subscription formulas at prices between MAD 69 and MAD 369, as well as two new unlimited formulas at MAD 399 and MAD 599 in addition to zero-commitment formulas;
- Mauritania: announcement by Tunisia Telecom, BSA Telecommunication and Comatel of the signing of an exclusive agreement with Telecel Group for the sale of 100% of the shares of Mauritano-Tunisienne des Télécommunications (Mattel);
- Niger: notification of the list of operators exercising a significant influence on the markets for 2022.

## April 2022

- Morocco: expansion of the current IVR 600 Internet Pass range with the addition of new Passes: 3 GB at MAD 30 and 10 GB at MAD 100;
- Mauritania: adoption by the Council of Ministers of a decree capping and defining the procedures for levying fees for occupation of the public domain by operators of electronic communications networks open to the public.

## May 2022

- Morocco: enhancement of the permanent multiple top-up offer via the “MonEspaceMT” application and on the website with a Voice and Data bonusx17 for values of MAD 30 and over and a Voice and Data bonusx13 on values from MAD 10 to 25 instead of x12;
- Morocco: new possibility of using Pass \*9 dirham credit outstanding to buy an Internet top-up via the various channels: IVR, MonEspaceMT and WhatsApp;
- Burkina Faso, Côte d'Ivoire, Gabon and Togo: launch of new aggressive FTTH offers by Canalbox (GVA) with speeds multiplied by five at the same price. In response, new speeds on par with the competitor were implemented by Gabon Telecom, Onatel and Moov Africa CDI in June 2022.

## June 2022

- Morocco: opening of the Phony DUO offer to the Professional segment, allowing customers to benefit from an ADSL connection of up to 12M, unlimited national fixed-line calls and 3 hours of free communications to national mobile numbers;
- Morocco: Maroc Telecom offers roaming customers in Saudi Arabia free incoming calls and a reduction in the Internet roaming rate (2 GB at MAD 100) during the 2022 Hajj period;
- Morocco: rollout of major communication campaigns to actively support the Roaming OUT business from the start of the summer season;
- Mauritania: publication of new national interconnection and access catalogs providing for a reduction in mobile call termination rates from MRU 0.18 to MRU 0.16 as of July 1<sup>st</sup>, 2022;
- Burkina Faso: adoption of the decree on the application of Law no. 001-2021/AN of March 30<sup>th</sup>, 2021 on the protection of persons with regard to the processing of personal data;
- Mauritania: adoption of the Electronic Communications Law by the National Assembly raising the cap on financial penalties to 5% of revenues.



# 1- CERTIFICATIONS

In this document, "Maroc Telecom" or "the Company" refers to the company Itissalat Al-Maghrib, and "the Group" refers to the group constituted by the Company and all of its directly and indirectly owned subsidiaries.

## 1.1 PERSON RESPONSIBLE FOR THE INTERIM REPORT

Mr. Abdeslam Ahizoune

Chairman of the Management Board

## 1.2 CERTIFICATION OF THE INTERIM REPORT

I hereby attest, to my knowledge, that the condensed interim financial statements are established in accordance with applicable accounting standards and give a true and fair view of the income and financial position and results of the company and all of the consolidated companies, and that the interim management report gives a true and fair view of the significant events having occurred during the first six months of the year, and their impact on the condensed interim financial statements, the main related-party transactions as well as a description of the principal risks and uncertainties for the remaining six months of the year.

Mr. Abdeslam Ahizoune

Chairman of the Management Board

## 1.3 PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

*Statutory Auditors*

**Deloitte Audit, represented by Mrs. Sakina BENSOUA KORACHI**

Boulevard Sidi Mohammed Ben Abdellah, Tour Ivoire III, 3<sup>ème</sup> étage, La Marina Casablanca, Maroc

First appointed by the general meeting of 26 April 2016, his mandate was renewed at the general meeting of 29 April 2022 for a period of three financial years, i.e. until the end of the ordinary general meeting called to approve the accounts for the financial year ending 31 December 2024.

**Coopers Audit, represented by Mr. Abdelaziz ALMECHATT**

83, avenue Hassan II – 20 100 Casablanca, Maroc

First appointed in 1998 by the articles of association, his term of office was renewed at the general meeting of 29 April 2020 for a period of three financial years, i.e. until the end of the ordinary general meeting ruling on the accounts for the financial year ending 31 December 2022.

To shareholders

**ITISSALAT AL-MAGHRIB (IAM) S.A**

**Avenue Annakhil, Rabat**

**Maroc**

This is a free translation into English of the statutory auditor's limited review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users.

**LIMITED REVIEW REPORT ON THE INTERIM CONSOLIDATED FINANCIAL  
SITUATION OF ITISSALAT AL-MAGHRIB (IAM) S.A**

**PERIOD FROM JANUARY 1<sup>st</sup> TO JUNE 30<sup>th</sup>, 2022**

We have conducted a limited review of the interim consolidated financial situation of Itissalat Al Maghrib (IAM) S.A and its subsidiaries (Itissalat Al Maghrib Group) which comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidation perimeter and a selection of explanatory information related to the period from 1st to June 30th June 2022. These interim consolidated financial statements show an amount of consolidated equity of MMAD 14.779 including a consolidated net profit of MMAD 894. These interim financial statements were closed by the Board of Directors on July 22nd, 2022 in an evolutionary context of the health crisis of the Covid-19 epidemic, based on the information available at that date.

We conducted our review in accordance with professional standards applicable in Morocco. Those standards require that a limited review should be planned and executed in order to obtain a moderate assurance that the interim consolidated financial situation referred to in the preceding first paragraph are free from material misstatement. A limited review includes mainly making inquiries of the company's staff and analytical review to financial data; thus, it provides a lower level of assurance than an audit. We have not conducted an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the approved accompanying consolidated financial situation, do not give a true and fair view of financial performance of the Group Itissalat Al Maghrib S.A. at June 30th, 2022, and its financial position and assets according to International Accounting Standards IAS/IFRS, as adopted by the European Union.

We refer to the notes 8.2 and 9, which set out, respectively, the ongoing tax audit of ITISSALAT AL MAGHRIB S.A. and the treatment of ANRT decision in the accompanying interim consolidated financial statements as at 30 June 2022. Our conclusion remains unchanged regarding these two topics.

Casablanca, 25<sup>th</sup>, July 2022

**The Statutory Auditors**

**Deloitte Audit**

**Sakina BENSOUA KORACHI**

**Partner**

**Coopers Audit Maroc S.A**

**Abdelaziz ALMECHATT**

**Partner**

To Shareholders

**ITISSALAT AL-MAGHRIB (IAM) S.A**

**Annakhil Avenue, Rabat**

**Morocco**

This is a free translation into English of our limited review report on the half-year individual financial statements issued in French and it is provided solely for the convenience of English-speaking users.

**REPORT ON THE LIMITED REVIEW OF INTERIM FINANCIAL STATEMENTS of  
ITISSALAT AL-MAGHRIB (IAM) S.A. (Statutory Financial Statement)**

**PERIOD FROM JANUARY 1<sup>st</sup> TO JUNE 30<sup>th</sup>, 2022**

In application of provisions of the Dahir carrying Law No. 1-93-212 of 21 September 1993, as modified and completed, we have reviewed the interim financial statements of ITISSALAT AL MAGHRIB (IAM) S.A. which comprise the statement of financial position, the statement of profit and loss and a selection of additional disclosures (ETIC), related to the period from January 1st to June 30th, 2022. Those interim financial statements, which show a total equity of MAD 13.479.339 thousand including a net profit of MAD 959.076 thousand, are the responsibility of management of ITISSALAT AL MAGHRIB (IAM) S.A.

These interim financial statements were closed by the Board of Directors on July 22nd, 2022 in an evolutionary context of the health crisis of the Covid-19 epidemic, based on the information available at that date.

We conducted our review in accordance with professional Standards applicable in Morocco related to limited review engagements. Those standards require that we plan and perform the review in order to obtain a moderate assurance that financial statements are free from material misstatement. A review includes mainly making inquiries of the company's staff and analytical review of financial data; thus, it provides a lower level of assurance than an audit. We have not conducted an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the approved accompanying interim financial statements, do not present fairly the result of the period's transactions of ITISSALAT AL MAGHRIB (IAM) S.A., the financial position and its assets as at June 30th, 2022, in accordance with Generally Accepted Accounting Principles in Morocco.

We refer to the statements B15 and C5, which set out, respectively, the ongoing tax audit of ITISSALAT AL MAGHRIB (IAM) S.A. and the treatment of ANRT decision in the accompanying interim financial statements as at 30 June 2022. Our conclusion remains unchanged regarding these two topics.

Casablanca, July 25<sup>th</sup>, 2022

**The Statutory Auditors**

**Deloitte Audit**

**Sakina BENSOUA KORACHI**

**Partner**

**Abdelaziz ALMECHATT**

**Abdelaziz ALMECHATT**

**Partner**



## 2- HALF YEAR ACTIVITY REPORT

### 2.1 DESCRIPTION OF ACTIVITIES

Details of the financial indicator adjustments for "Morocco" and "International" are provided in Appendix 1.

#### Adjusted consolidated results of the Group:

| (IFRS in MAD millions)                              | Q2 2021 | Q2 2022       | Change        | Change at constant exchange rates <sup>(1)</sup> | H1 2021 | H1 2022       | Change        | Change at constant exchange rates <sup>(1)</sup> |
|---|---------|---------------|---------------|--|---------|---------------|---------------|--|
| <b>Revenues</b>                                     | 8,866   | <b>8,798</b>  | <b>-0.8%</b>  | <b>-0.6%</b>                                     | 17,780  | <b>17,568</b> | <b>-1.2%</b>  | <b>-0.6%</b>                                     |
| <b>Adjusted EBITDA</b>                              | 4,599   | <b>4,655</b>  | <b>1.2%</b>   | <b>1.3%</b>                                      | 9,160   | <b>9,171</b>  | <b>0.1%</b>   | <b>0.5%</b>                                      |
| Margin (%)  | 51.9%   | 52.9%         | 1.0 pt        | 1.0 pt   | 51.5%   | 52.2%         | 0.7 pt        | 0.6 pt   |
| <b>Adjusted EBITA</b>                               | 2,825   | <b>2,928</b>  | <b>3.6%</b>   | <b>3.6%</b>                                      | 5,571   | <b>5,740</b>  | <b>3.0%</b>   | <b>3.3%</b>                                      |
| Margin (%)  | 31.9%   | 33.3%         | 1.4 pt        | 1.3 pt   | 31.3%   | 32.7%         | 1.3 pt        | 1.2 pt   |
| <b>Adjusted net income - Group share</b>            | 1,359   | <b>1,371</b>  | <b>0.9%</b>   | <b>1.0%</b>                                      | 2,832   | <b>2,869</b>  | <b>1.3%</b>   | <b>1.7%</b>                                      |
| Margin (%)  | 15.3%   | 15.6%         | 0.3 pt        | 0.3 pt   | 15.9%   | 16.3%         | 0.4 pt        | 0.4 pt   |
| <b>CAPEX<sup>(2)</sup></b>                          | 1,697   | <b>2,583</b>  | <b>52.2%</b>  | <b>53.4%</b>                                     | 2,115   | <b>3,720</b>  | <b>75.9%</b>  | <b>77.0%</b>                                     |
| Of which frequencies and licences                   | 0       | 0             |               |  | 0       | 0             |               |  |
| CAPEX/revenues (excluding frequencies and licences) | 19.1%   | 29.4%         | 10.2 pt       | 10.4 pt  | 11.9%   | 21.2%         | 9.3 pt        | 9.3 pt   |
| <b>Adjusted CFFO</b>                                | 2,797   | <b>2,175</b>  | <b>-22.2%</b> | <b>-22.6%</b>                                    | 5,478   | <b>5,326</b>  | <b>-2.8%</b>  | <b>-2.5%</b>                                     |
| <b>Net debt</b>                                     | 14,908  | <b>12,166</b> | <b>-18.4%</b> | <b>-17.7%</b>                                    | 14,908  | <b>12,166</b> | <b>-18.4%</b> | <b>-17.7%</b>                                    |
| <b>Net debt/EBITDA<sup>(3)</sup></b>                | 0.8x    | <b>0.6x</b>   |               |  | 0.8x    | <b>0.6x</b>   |               |  |

#### ► Customer base

As of June 30, 2022, the Group customer base comprised nearly **75** million customers, up **1.9%** year-on-year, primarily driven by the increase in subsidiary customers (**+2.8%**).

#### ► Revenues

The Maroc Telecom Group posted H1 2022 consolidated revenues<sup>(4)</sup> of MAD **17,568** million, down **1.2%** (**-0.6%** at constant exchange rates<sup>(1)</sup>). The Mobile business in Morocco continued to be hampered by competitive and regulatory factors (**-5.0%**), partly offset by thriving international business (**+1.6%** at constant exchange rates<sup>(1)</sup>) and Fixed-line activities in Morocco (**+1.6%**).

#### ► Earnings from operations before depreciation and amortization

H1 2022 Group consolidated adjusted earnings from operations before depreciation and amortization (EBITDA) rose **0.1%** (**+0.5%** at constant exchange rates<sup>(1)</sup>) to MAD **9,171** million. This performance was driven by ongoing efforts to control operating costs, with an adjusted EBITDA almost stable in Morocco and a growth among the Moov Africa subsidiaries (**+2.0%** at constant exchange rates<sup>(1)</sup>).

The adjusted EBITDA margin rose **0.7 pt** to a high **52.2%**.

▶ **Earnings from operations**

Consolidated adjusted earnings from operations (EBITA)<sup>(5)</sup> for first half 2022 rose to MAD **5,740** million, up **3.0%** (+**3.3%** at constant exchange rates<sup>(1)</sup>). The operating margin rose **1.3 pts** to **32.7%**.

▶ **Group share of net income**

Adjusted Group share of net income for first half 2022 amounted to MAD **2,869** million, up **1.7%** at constant exchange rates<sup>(1)</sup>.

▶ **CAPEX**

CAPEX<sup>(2)</sup> excluding frequencies and licenses amounted to MAD **3,720** million representing **21.2%** of Group revenues, in line with guidance.

▶ **Cash flow**

Adjusted net cash flows from operations (CFFO)<sup>(6)</sup> amounted to MAD **5,326** million, down **2.8%** versus H1 2021 (**-2.5%** at constant exchange rates<sup>(1)</sup>), mainly due to the increase in capital expenditure.

As of June 30, 2022, Group consolidated net debt<sup>(7)</sup> was down **18.4%** at MAD **12,166** million, representing **0.6** time annualized EBITDA<sup>(3)</sup>.

▶ **Events after the end of the reporting period**

Notification on July 22, 2022 of the decision of the ANRT's Management Committee relating to the liquidation of the penalty imposed on Maroc Telecom in the context of January 17, 2020's decision relating to unbundling. The amount of the penalty is set at 2.45 billion MAD, and Maroc Telecom has 30 days to appeal to the Rabat Court of Appeal.

## Review of the Group's activities:

### 2.1.1 MOROCCO

| (IFRS in MAD millions)                              | Q2 2021 | Q2 2022      | Change        | H1 2021 | H1 2022      | Change        |
|---|---------|--------------|---------------|---------|--------------|---------------|
| <b>Revenues</b>                                     | 4,884   | <b>4,805</b> | <b>-1.6%</b>  | 9,774   | <b>9,561</b> | <b>-2.2%</b>  |
| <b>Mobile</b>                                       | 3,018   | <b>2,868</b> | <b>-5.0%</b>  | 5,985   | <b>5,684</b> | <b>-5.0%</b>  |
| Services  | 2,891   | 2,795        | -3.3%         | 5,766   | 5,497        | -4.7%         |
| Equipment   | 127     | 73           | -42.3%        | 218     | 187          | -14.4%        |
| <b>Fixed-Line</b>                                   | 2,332   | <b>2,383</b> | <b>2.2%</b>   | 4,702   | <b>4,778</b> | <b>1.6%</b>   |
| Of which Fixed Data*                                | 928     | 987          | 6.4%          | 1,838   | 1,973        | 7.3%          |
| Elimination and other income                        | -466    | -446         | -             | -913    | -901         |               |
| <b>Adjusted EBITDA</b>                              | 2,718   | <b>2,753</b> | <b>1.3%</b>   | 5,390   | <b>5,363</b> | <b>-0.5%</b>  |
| Margin (%)  | 55.6%   | 57.3%        | 1.7 pt        | 55.1%   | 56.1%        | 1.0 pt        |
| <b>Adjusted EBITA</b>                               | 1,780   | <b>1,887</b> | <b>6.0%</b>   | 3,524   | <b>3,626</b> | <b>2.9%</b>   |
| Margin (%)  | 36.4%   | 39.3%        | 2.8 pt        | 36.1%   | 37.9%        | 1.9 pt        |
| <b>CAPEX<sup>(2)</sup></b>                          | 1,092   | <b>1,032</b> | <b>-5.4%</b>  | 1,299   | <b>1,758</b> | <b>35.4%</b>  |
| Of which frequencies and licences                   | 0       | 0            |               | 0       | 0            |               |
| CAPEX/revenues (excluding frequencies and licences) | 22.3%   | 21.5%        | -0.9 pt       | 13.3%   | 18.4%        | 5.1 pt        |
| <b>Adjusted CFFO</b>                                | 1,516   | <b>1,271</b> | <b>-16.2%</b> | 2,737   | <b>3,190</b> | <b>16.5%</b>  |
| <b>Net debt</b>                                     | 9,888   | <b>6,522</b> | <b>-34.0%</b> | 9,888   | <b>6,522</b> | <b>-34.0%</b> |
| <b>Net debt/EBITDA<sup>(3)</sup></b>                | 0.9x    | <b>0.5x</b>  |               | 0.9x    | <b>0.6x</b>  |               |

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

Morocco revenues posted a limited decline versus first half 2021 (-2.2% in H1 2022 compared to -7.1% in H1 2021) and amounted to MAD **9,561** million. Fixed Data revenues continue to benefit from the FTTH boom, offsetting the decline in the Mobile Data business still hampered by competitive and regulatory factors.

Adjusted earnings from operations before depreciation and amortization (EBITDA) amounted to MAD **5,363** million, down **0.5%** versus H1 2021. The adjusted EBITDA margin remained high at **56.1%**, up **1.0 pt**.

Adjusted earnings from operations (EBITA)<sup>(5)</sup> amounted to MAD **3,626** million, up **2.9%** year-on-year. The adjusted EBITA margin rose **1.9 pts** to **37.9%**.

First half 2022 adjusted cash flows from operations (CFFO)<sup>(6)</sup> rose **16.5%** to MAD **3,190** million.

### 2.1.1.1 Mobile

|   | Unit              | 06/30/2021 | 06/30/2022    | Change       |
|---|-------------------|------------|---------------|--------------|
| <b>Customer base<sup>(8)</sup></b>            | <b>(000)</b>      | 19,633     | <b>19,682</b> | <b>0.3%</b>  |
| Prepaid                                       | (000)             | 17,303     | 17,285        | -0.1%        |
| Postpaid                                      | (000)             | 2,329      | 2,397         | 2.9%         |
| <b>Of which Internet 3G/4G+<sup>(9)</sup></b> | <b>(000)</b>      | 10,979     | <b>10,334</b> | <b>-5.9%</b> |
| <b>ARPU<sup>(10)</sup></b>                    | <b>(MAD/mois)</b> | 48.8       | <b>45.5</b>   | <b>-6.7%</b> |

During first half 2022, the Mobile customer base<sup>(8)</sup> grew by **0.3%** year-on-year to **19.7** million customers, driven by the postpaid segment, which expanded by **2.9%**.

Mobile revenues fell **5.0%** versus H1 2021 to MAD **5,684** million due to the decline in revenues from outgoing and incoming services amid a persisting adverse competitive and regulatory environment.

Blended ARPU<sup>(10)</sup> amounted to MAD **45.5** for first half 2022, down **6.7%** year-on-year.

### 2.1.1.2 Fixed-line and Internet

|   | Unit         | 06/30/2021 | 06/30/2022   | Change       |
|---|--------------|------------|--------------|--------------|
| <b>Fixed line</b>                       | <b>(000)</b> | 1,999      | <b>1,942</b> | <b>-2.9%</b> |
| <b>High Speed Access<sup>(11)</sup></b> | <b>(000)</b> | 1,745      | <b>1,709</b> | <b>-2.1%</b> |

The Fixed-line customer base shrank **2.9%** year-on-year to nearly **2** million lines as of June 30<sup>th</sup>, 2022. The broadband<sup>(11)</sup> customer base has **1.7** million subscribers with a strong increase in the FTTH customer base (**+45%**).

Fixed-line and Internet revenues were up **1.6%**. The Data revenue growth of **7.3%** driven by FTTH services offsets the decline in Voice revenues.

## 2.1.2 INTERNATIONAL

### 2.1.2.1 Financial indicators

| (IFRS in MAD millions)                                     | Q2 2021 | Q2 2022      | Change        | Change at constant exchange rates <sup>(1)</sup> | H1 2021 | H1 2022      | Change        | Change at constant exchange rates <sup>(1)</sup> |
|--|---------|--------------|---------------|--|---------|--------------|---------------|--|
| <b>Revenues</b>  | 4,223   | <b>4,271</b> | <b>1.1%</b>   | <b>1.4%</b>                                      | 8,515   | <b>8,552</b> | <b>0.4%</b>   | <b>1.6%</b>                                      |
| <i>of which Mobile services</i>                            | 3,896   | 3,954        | 1.5%          | 1.8%   | 7,859   | 7,914        | 0.7%          | 1.9%   |
| <b>Adjusted EBITDA</b>                                     | 1,882   | <b>1,902</b> | <b>1.1%</b>   | <b>1.2%</b>                                      | 3,771   | <b>3,808</b> | <b>1.0%</b>   | <b>2.0%</b>                                      |
| <i>Margin (%)</i>  | 44.6%   | 44.5%        | -0.0 pt       | -0.1 pt  | 44.3%   | 44.5%        | 0.2 pt        | 0.2 pt   |
| <b>Adjusted EBITA</b>                                      | 1,045   | <b>1,041</b> | <b>-0.4%</b>  | <b>-0.5%</b>                                     | 2,046   | <b>2,115</b> | <b>3.3%</b>   | <b>4.1%</b>                                      |
| <i>Margin (%)</i>  | 24.7%   | 24.4%        | -0.4 pt       | -0.5 pt  | 24.0%   | 24.7%        | 0.7 pt        | 0.6 pt   |
| <b>CAPEX<sup>(2)</sup></b>                                 | 605     | <b>1,551</b> | <b>156.2%</b> | <b>159.4%</b>                                    | 816     | <b>1,962</b> | <b>140.3%</b> | <b>143.2%</b>                                    |
| <i>Of which frequencies and licences</i>                   | 0       | 0            | -             | -  | 0       | 0            | -             | -  |
| <i>CAPEX/revenues (excluding frequencies and licences)</i> | 14.3%   | 36.3%        | 22.0 pt       | 22.3 pt  | 9.6%    | 22.9%        | 13.4 pt       | 13.4 pt  |
| <b>Adjusted CFFO</b>                                       | 1,281   | <b>905</b>   | <b>-29.4%</b> | <b>-30.1%</b>                                    | 2,741   | <b>2,136</b> | <b>-22.1%</b> | <b>-21.4%</b>                                    |
| <b>Net debt</b>  | 5,986   | <b>6,013</b> | <b>0.5%</b>   | <b>2.3%</b>                                      | 5,986   | <b>6,013</b> | <b>0.5%</b>   | <b>2.3%</b>                                      |
| <b>Net debt/EBITDA<sup>(3)</sup></b>                       | 0.7x    | <b>0.7x</b>  | -             | -  | 0.7x    | <b>0.7x</b>  | -             | -  |

First half international revenues rose **0.4%** to MAD **8,552** million (**+1.6%** at constant exchange rates<sup>(1)</sup>), driven by a strong performance from Mobile Data (**+29%** at constant exchange rates<sup>(1)</sup>). Excluding the decrease in termination rates, subsidiaries' revenues were up **2.8%** at constant exchange rates<sup>(1)</sup>.

First half adjusted earnings from operations before depreciation and amortization (EBITDA) came to MAD **3,808** million, up **1.0%** (**+2.0%** at constant exchange rates<sup>(1)</sup>). The adjusted EBITDA margin amounted to **44.5%**, up **0.2 pt** due to continuous improvement in the gross margin rate and tight control of operating expenses.

First half adjusted earnings from operations (EBITA)<sup>(5)</sup> amounted to MAD **2,115** million, up **3.3%** (**+4.1%** at constant exchange rates<sup>(1)</sup>), mainly due to the increase in adjusted EBITDA and decrease in depreciation and amortization. Boosted by this performance, the adjusted EBITA margin rose **0.7 pt** to **24.7%**.

Adjusted net cash flows from operations (CFFO)<sup>(6)</sup> fell **21.4%** at constant exchange rates<sup>(1)</sup> to MAD **2,136** million, mainly due to the increase in capital expenditure.

## 2.1.2.2 Operational indicators

|                                     | Unit         | 06/30/2021 | 06/30/2022 | Change |
|-------------------------------------|--------------|------------|------------|--------|
| <b>Mobile</b>                       |              |            |            |        |
| <b>Customer base<sup>(8)</sup></b>  | <b>(000)</b> | 49,717     | 51,101     |        |
| Mauritania                          |              | 2,706      | 2,726      | 0.7%   |
| Burkina Faso                        |              | 9,954      | 10,870     | 9.2%   |
| Gabon                               |              | 1,710      | 1,484      | -13.2% |
| Mali                                |              | 9,341      | 9,157      | -2.0%  |
| Côte d'Ivoire                       |              | 10,014     | 10,247     | 2.3%   |
| Benin                               |              | 4,893      | 5,367      | 9.7%   |
| Togo                                |              | 2,955      | 2,666      | -9.8%  |
| Niger                               |              | 3,078      | 2,975      | -3.3%  |
| Central African Republic            |              | 217        | 215        | -0.8%  |
| Chad                                |              | 4,849      | 5,394      | 11.2%  |
| <b>Fixed-line</b>                   |              |            |            |        |
| <b>Customer base</b>                | <b>(000)</b> | 346        | 358        |        |
| Mauritania                          |              | 58         | 57         | -1.9%  |
| Burkina Faso                        |              | 76         | 76         | 0.5%   |
| Gabon                               |              | 30         | 36         | 21.3%  |
| Mali                                |              | 183        | 189        | 3.4%   |
| <b>Fixed Broadband</b>              |              |            |            |        |
| <b>Customer base<sup>(11)</sup></b> | <b>(000)</b> | 138        | 150        |        |
| Mauritania                          |              | 20         | 19         | -6.5%  |
| Burkina Faso                        |              | 15         | 16         | 5.0%   |
| Gabon                               |              | 24         | 32         | 33.3%  |
| Mali                                |              | 78         | 83         | 5.6%   |

## Notes :

- (1) Maintaining a constant exchange rate among the Moroccan dirham (MAD), the Mauritanian ouguiya (MRU) and the CFA franc.
- (2) Capital expenditure corresponds to acquisitions of property, plant and equipment and intangible assets recognised 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 amortisation 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 recognised 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 Centres) 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 mixed ARPU of the prepaid and postpaid segments.
- (11) The broadband customer base includes ADSL, FTTH and leased connections and also includes CDMA in Mali.

### **Important Warning:**

*Forward-looking statements. This press release contains forward-looking statements and items of a forward-looking nature relating to the financial position, results of operations, strategy and outlook of Maroc Telecom and the impacts of certain operations. Although Maroc Telecom believes that these forward-looking statements are based on reasonable assumptions, they do not constitute guarantees as to the future performance of the company. Actual results may be very different from forward-looking statements due to a number of known or unknown risks and uncertainties, most of which are beyond our control, including the risks described in public documents filed by Maroc Telecom with the Moroccan Capital Market Authority ([www.ammc.ma](http://www.ammc.ma)) and the French Financial Markets Authority ([www.amf-france.org](http://www.amf-france.org)), also available in French on our website ([www.iam.ma](http://www.iam.ma)). This press release contains forward-looking information that can only be assessed on the day it is distributed. Maroc Telecom makes no commitment to supplement, update or modify these forward-looking statements due to new information, a future event or any other reason, subject to applicable regulations, in particular Articles 2.19 et seq. of the circular of the Moroccan Capital Market Authority and 223-1 et seq. of the general regulation of the French Financial Markets Authority.*

*Maroc Telecom is a global telecommunications operator in Morocco, a leader in all its business segments, fixed, mobile and internet. It has grown internationally and is now present in eleven countries in Africa. Maroc Telecom is listed simultaneously in Casablanca and Paris and its reference shareholders are the Société de Participation dans les Télécommunications (SPT)\* (53%) and the Kingdom of Morocco (22%).*

**\* SPT is a company under Moroccan law controlled by Etisalat.**

## Contacts

---

### **Investor relations**

[relations.investisseurs@iam.ma](mailto:relations.investisseurs@iam.ma)

### **Press relations**

[relations.presse@iam.ma](mailto:relations.presse@iam.ma)

## Appendix 1: Transition from adjusted financial indicators to 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 better illustrate the Group's performance by excluding exceptional items.

| (in MAD millions)                       | H1 2021 |               |       | H1 2022      |               |              |
|---|---------|---------------|-------|--------------|---------------|--------------|
|   | Morocco | International | Group | Morocco      | International | Group        |
| <b>Adjusted EBITDA</b>                  | 5,390   | 3,771         | 9,160 | <b>5,363</b> | <b>3,808</b>  | <b>9,171</b> |
| <b>Published EBITDA</b>                 | 5,390   | 3,771         | 9,160 | <b>5,363</b> | <b>3,808</b>  | <b>9,171</b> |
| <b>Adjusted EBITA</b>                   | 3,524   | 2,046         | 5,571 | <b>3,626</b> | <b>2,115</b>  | <b>5,740</b> |
| ANRT decision                           |         |               |       | -2,451       |               | -2,451       |
| Restructuring costs                     |         | -13           | -13   |              | -2            | -2           |
| <b>Published EBITA</b>                  | 3,524   | 2,033         | 5,557 | <b>1,175</b> | <b>2,112</b>  | <b>3,287</b> |
| <b>Adjusted net income Group share</b>  |         |               | 2,832 |              |               | <b>2,869</b> |
| ANRT decision                           |         |               |       |              |               | -2,451       |
| Restructuring costs                     |         |               | -6    |              |               | -1           |
| <b>Published net income Group share</b> |         |               | 2,827 |              |               | <b>417</b>   |
| <b>Adjusted CFFO</b>                    | 2,737   | 2,741         | 5,478 | <b>3,190</b> | <b>2,136</b>  | <b>5,326</b> |
| Payment of licence                      |         | -25           | -25   |              | -26           | -26          |
| Restructuring costs                     |         | -13           | -13   |              | -2            | -2           |
| <b>Published CFFO</b>                   | 2,737   | 2,703         | 5,440 | <b>3,190</b> | <b>2,108</b>  | <b>5,297</b> |

## Appendix 2: Impact of the IFRS 16

At the end of June 2022, the impacts of the application of IFRS 16 on the main consolidated aggregates of the Maroc Telecom Group were as follows:

| (in MAD millions)                      | H1 2021 |               |              | H1 2022 |               |              |
|--|---------|---------------|--------------|---------|---------------|--------------|
|  | Morocco | International | Group        | Morocco | International | Group        |
| <b>Adjusted EBITDA</b>                 | 127     | 147           | <b>274</b>   | 129     | 131           | <b>261</b>   |
| <b>Adjusted EBITA</b>                  | 8       | 20            | <b>29</b>    | 8       | 21            | <b>29</b>    |
| <b>Adjusted net income Group share</b> |         |               | <b>-8</b>    |         |               | <b>-4</b>    |
| <b>Adjusted CFFO</b>                   | 127     | 147           | <b>274</b>   | 129     | 131           | <b>261</b>   |
| <b>Net debt</b>                        | 789     | 655           | <b>1,444</b> | 737     | 651           | <b>1,387</b> |

## 2.2 RELATED-PARTY TRANSACTIONS

Under the terms of Article 95 et seq. of Moroccan Law no. 17-95 concerning stock companies, as amended and supplemented by Law no. 20-05, Law no. 78-12 and Law no. 20-19, any agreement between the Company and a member of the Management Board or of the Supervisory Board, or one of its shareholders directly or indirectly holding more than 5% of the Company's capital or voting rights, is subject to prior authorization by the Supervisory Board.

The same applies to agreements in which any person referred to in the previous paragraph has an indirect interest or whereby any such person deals with the company through an intermediary.

Also subject to the same authorization are agreements between the Company and an entity, if a member of the Company's Management Board or of the Supervisory Board is the owner, an indefinitely responsible associate, the manager, the director, the Chief Executive Officer, or a member of the Management Board or of the Supervisory Board, of the said entity.

The regulated agreements entered into or authorized during the first half of 2022 fiscal year, as well as the agreements entered into in prior years which continued to be executed during fiscal year 2022, are presented below. These agreements are not, however, the only parent-subsidary flows existing between Maroc Telecom and its subsidiaries.

### 2.2.1 REGULATED AGREEMENTS SIGNED OR AUTHORIZED IN THE FIRST HALF OF 2022

None.

### 2.2.2 AGREEMENTS CONCLUDED IN PREVIOUS FINANCIAL YEARS AND WHICH CONTINUED TO BE EXECUTED DURING THE FIRST HALF OF THE FINANCIAL YEAR 2022

#### ▪ **Brand licensing agreements**

Since January 26, 2015, Maroc Telecom has become the majority shareholder of Atlantique Telecom Côte d'Ivoire (currently "Moov Africa Côte d'Ivoire"), Etisalat Benin (currently "Moov Africa Benin"), Atlantique Telecom Togo (currently "Moov Africa Togo"), Atlantique Telecom Niger (currently "Moov Africa Niger"), Atlantique Telecom Gabon (absorbed by Gabon Telecom on June 29, 2016 with effect from January 1, 2016) and Atlantique Telecom Centrafrique (currently "Moov Africa Centrafrique"). As a result, Maroc Telecom acquired the rights connected with the "Moov" and "No Limit" trademarks belonging to the Etisalat Group as well as the Trademark Licensing Agreements associated with them for the subsidiaries cited above.

Maroc Telecom is a majority shareholder of those entities and for Gabon Telecom, Mr. Brahim BOUDAUD is also a member of the joint management bodies.

#### ▪ **Technical support agreement**

Since January 26, 2015, Maroc Telecom has become the majority shareholder of Atlantique Telecom Côte d'Ivoire (currently "Moov Africa Côte d'Ivoire"), Etisalat Benin (currently "Moov Africa Benin"), Atlantique Telecom Togo (currently "Moov Africa Togo"), Atlantique Telecom Niger (currently "Moov Africa Niger"), Atlantique Telecom Gabon (absorbed by Gabon Telecom on June 29, 2016 with effect from January 1, 2016) and Atlantique Telecom Centrafrique (currently "Moov Africa Centrafrique"). As a result, Maroc Telecom acquired the rights stemming from the Technical Assistance agreements by and between these companies and the Etisalat Group.

Maroc Telecom is a majority shareholder of those entities and for Gabon Telecom, Mr. Brahim BOUDAUD is also a member of the joint management bodies.

#### ▪ **Agreements for advances on current account**

Since January 26, 2015, Maroc Telecom has become the majority shareholder of Atlantique Telecom Côte d'Ivoire (currently "Moov Africa Côte d'Ivoire"), Etisalat Benin (currently "Moov Africa Benin"), Atlantique Telecom Togo (currently "Moov Africa Togo"), Atlantique Telecom Niger (currently "Moov Africa Niger"), Atlantique Telecom Gabon (absorbed by Gabon Telecom on June 29, 2016 with effect from January 1, 2016) and Atlantique Telecom Centrafrique (currently "Moov Africa Centrafrique"). Maroc Telecom also acquired the Etisalat Group's current accounts in these subsidiaries.

Maroc Telecom is a majority shareholder of those entities and for Gabon Telecom, Mr. Brahim BOUDAOU is also a member of the joint management bodies.

- **Technical services agreement with Etisalat**

In May 2014, Maroc Telecom signed a Technical Services Agreement with Emirates Telecommunications Corporation (Etisalat) whereby the latter will provide to Maroc Telecom on request, directly or indirectly, technical support services, particularly in the following fields: digital media, insurance, financial rating.

These services may be performed by expatriate personnel.

As of May 14, 2014, Etisalat became the reference shareholder of Maroc Telecom via SPT and the members of the joint management bodies are Messrs. Jassem Mohamed ALZAABI, Hatem DOWIDAR, Luis ENRIQUEZ, Kamal SHEHADI, Hesham Abdulla AL QASSIM and Mohamed Karim BENNIS.

- **Services agreement with Gabon Telecom**

In November 2016, Gabon Telecom signed an agreement with Maroc Telecom for the latter to provide it with services in the following fields: strategy and development, organization, networks, marketing, finance, purchasing, human resources, information systems, and compliance.

These services are performed mainly by expatriate personnel.

Maroc Telecom is the majority shareholder of Gabon Telecom and the member of the joint management bodies is Mr. Brahim BOUDAOU.

- **Services agreement with Sotelma**

In 2009, Sotelma signed an agreement with Maroc Telecom for the latter to provide it with technical support services.

Maroc Telecom is the majority shareholder of Sotelma and the member of the joint management bodies is Mr. Abdelkader MAAMAR.

- **Services agreement with Onatel**

In September 2007, Onatel signed an agreement with Maroc Telecom for the latter to provide it with services in the following fields: strategy and development, organization, networks, marketing, finance, purchasing, human resources, information systems, and regulatory compliance.

These services are performed mainly by expatriate personnel.

Maroc Telecom is the majority shareholder of Onatel.

- **Services agreement with Mauritel**

In 2001, Mauritel SA signed an agreement with Maroc Telecom for the latter to provide it with work projects linked to services, to technical support and to the sale of equipment.

Maroc Telecom is the majority shareholder of Mauritel SA and the member of the joint management bodies is Mr. Hassan RACHAD.

- **Agreement with Casanet**

Since fiscal year 2003, Maroc Telecom has entered into several agreements with its subsidiary Casanet, the purpose of which is, among other things, to maintain Maroc Telecom's Menara Internet portal in operational conditions, and to provide development and hosting services for Maroc Telecom's Mobile portal and Internet sites.

Maroc Telecom is the majority shareholder of Casanet and the member of the joint management bodies is Mr. Hassan RACHAD.

- **Advance on current account – Casanet**

Maroc Telecom decided to transfer its business directory activity to its subsidiary Casanet.

Accordingly, on December 4, 2007, the Supervisory Board authorized the Company to take on the necessary investment costs which would be financed by advances on a non-interest bearing current account.

Maroc Telecom is the majority shareholder of Casanet and the member of the joint management bodies is Mr. Hassan RACHAD.

- **Service agreement with MT Cash S.A.**

On July 22, 2020, Maroc Telecom's Supervisory Board authorized the conclusion of a service agreement with the subsidiary MT CASH S.A.

Maroc Telecom is the majority shareholder of MT CASH and the joint management members are Messrs. Brahim BOUDAOU, Hassan RACHAD, François VITTE and Abdelkader MAAMAR.

- **Trade mark license agreement with Onatel**

On February 18, 2021, Maroc Telecom's Supervisory Board authorized the conclusion of license agreements for the "Moov Africa" trade mark between Maroc Telecom and the Group's subsidiaries.

In this respect, Maroc Telecom and its subsidiary Onatel signed a trade mark license agreement in 2021.

- **Trade mark license agreement with Gabon Telecom**

On February 18, 2021, Maroc Telecom's Supervisory Board authorized the conclusion of license agreements for the "Moov Africa" trade mark between Maroc Telecom and the Group's subsidiaries.

As such, Maroc Telecom and its subsidiary Gabon Telecom signed a trade mark license agreement in 2021. The member of the joint management bodies between the two companies is Mr. Brahim BOUDAOU.

- **Trade mark license agreement with Sotelma**

On February 18, 2021, Maroc Telecom's Supervisory Board authorized the conclusion of license agreements for the "Moov Africa" trade mark between Maroc Telecom and the Group's subsidiaries.

In this respect, Maroc Telecom and its subsidiary Sotelma signed a trade mark license agreement in 2021. The member of the joint management bodies between the two companies is Mr. Abdelkader MAAMAR.

- **Trade mark license agreement with Moov Africa Chad**

On February 18, 2021, Maroc Telecom's Supervisory Board authorized the conclusion of license agreements for the "Moov Africa" trade mark between Maroc Telecom and the Group's subsidiaries.

As such, Maroc Telecom and its subsidiary Moov Africa Chad signed a trade mark license agreement in 2021. The member of the joint management bodies between the two companies is Mr Hassan RACHAD.

- **Sponsorship agreement with the Royal Moroccan Athletics Federation (FRMA)**

The agreement between Maroc Telecom and FRMA, of which Mr. Abdeslam AHIZOUNE is also Chairman, expired in October 2021.

At its meeting of October 25, 2021, the Supervisory Board renewed the agreement for a maximum period of three (3) years and a maximum amount of MAD 3,000,000 a year.

- **Partnership agreement with Maroc Cultures Association**

On December 6, 2021, the Supervisory Board authorized the partnership agreement for a period of three (3) years between Maroc Telecom and the Maroc Cultures Association, which Mr. Abdeslam AHIZOUNE also chairs.

## 2.3 GROWTH OUTLOOK

This section contains information regarding the Company's objectives for fiscal-year 2022.

The Company warns potential investors that these forward-looking statements are dependent on circumstances and events that are expected to occur in the future. These statements do not reflect historical Data and should not be considered as guarantees that the facts and Data mentioned will occur or that the objectives will be achieved. Because of their uncertain nature, these objectives may not be achieved, and the assumptions on which they are based may prove to be erroneous. Investors are encouraged to consider that some of the risks described in section 2.1 « Risks factors » the 2021 Universal Registration Document may affect the Company's business and its ability to achieve its objectives.

Based on recent market developments and provided that no new major exceptional event disrupts the Group's business, Maroc Telecom maintains its outlook for 2022, at constant scope and exchange rates:

- Decrease in revenues;
- Decrease in EBITDA;
- CAPEX excluding frequencies and licenses of approximately 20% of revenues.



## 3- FINANCIAL REPORT

### 3.1 CONSOLIDATED FINANCIAL DATA

Maroc Telecom Group's consolidated financial data is summarized in the following table. This selected financial data is drawn from the Group's consolidated financial statements prepared according to IFRS international standards (International Financial Reporting Standards), after a limited review by the statutory auditors : the firm Coopers Audit represented by Mr. Abdelaziz Almechatt and the firm Deloitte Maroc, represented by Mrs. Sakina Bensouda Korachi.

#### CONSOLIDATED FINANCIAL DATA IN MOROCCAN DIRHAMS

##### Balance sheet

| ASSETS (in MAD million)  | 12/31/2021    | 06/30/2022    |
|--|---------------|---------------|
| Non-current assets   | 46,560        | 47,412        |
| Current assets   | 15,222        | 15,852        |
| <b>Total assets</b>  | <b>61,782</b> | <b>63,264</b> |
| SHAREHOLDERS' EQUITY AND LIABILITIES (in MAD million)              | 12/31/2021    | 06/30/2022    |
| Share capital  | 5,275         | 5,275         |
| Shareholders' equity, attributable to equity holders of the parent | <b>14,914</b> | <b>11,130</b> |
| Non-controlling interests  | 3,887         | 3,648         |
| <b>Shareholders' equity</b>  | <b>18,800</b> | <b>14,778</b> |
| Non-current liabilities  | 4,321         | 4,415         |
| Current liabilities  | 38,661        | 44,070        |
| <b>Total Shareholders' equity and liabilities</b>                  | <b>61,782</b> | <b>63,264</b> |

##### Income statement for the first-halves of 2022 and 2021

| (In millions of MAD)                                   | H1-2021       | H1-2022       |
|--|---------------|---------------|
| <b>Consolidated revenues</b>                           | <b>17,780</b> | <b>17,568</b> |
| Operating expenses*                                    | 12,223        | 14,281        |
| <b>Earnings from operations</b>                        | <b>5,557</b>  | <b>3,287</b>  |
| Earnings from continuing operations                    | 5,557         | 3,287         |
| <b>Earnings for the period</b>                         | <b>3,275</b>  | <b>894</b>    |
| Earnings attributable to equity holders of the parents | <b>2,827</b>  | <b>417</b>    |
| Earnings per share (in MAD)                            | 3.22          | 0.47          |
| Diluted earnings per share (in MAD)                    | 3.22          | 0.47          |

\*The June 2022 amount includes the provision for a fine applied by the Moroccan regulator (MMAD 2,451)

## Scope of consolidation

### Mauritel

Maroc Telecom holds 52% 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. Consequently, Maroc Telecom holds a 41.2% interest in Mauritania's incumbent operator. Mauritel has been fully consolidated by Maroc Telecom since July 1, 2004.

### Onatel

On December 29, 2006, Maroc Telecom acquired 51% of the capital of the Burkinabe operator Onatel. The Group increases its stake in Onatel to 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 acquires, from Maroc Telecom, 100% of Atlantique Telecom Gabon capital. This 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.

### Casnet

Casnet is a Moroccan internet provider established in 1995. In 2008, it became a wholly-owned subsidiary of Maroc Telecom and expanded its field of operations by specializing in information engineering. Casnet 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 Ivoirian 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 Benin's 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 Togo's 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 Niger's 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's 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 share capital of the Chadian operator Moov Africa Chad. Moov Africa Chad has been fully consolidated in Maroc Telecom's financial statements since July 1, 2019.

## **Other nonconsolidated investments**

Investments whose significance in relation to the consolidated financial statements is not material or in 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 and MT Fly as well as minority interests held in RASCOM, Autoroutes du Maroc, Arabsat and other investments.

## 3.2 INCOME STATEMENT AND FINANCIAL POSITION

The following table sets out data regarding Maroc Telecom's consolidated income statement for the first-halves of 2022 and 2021:

| <i>(In millions of MAD)</i>                       | Note | H1-2021       | H1-2022       |
|---|------|---------------|---------------|
| <b>Revenues</b>                                   | 7    | <b>17,780</b> | <b>17,568</b> |
| Cost of purchases                                 |      | -2,562        | -2,373        |
| Payroll costs                                     |      | -1,524        | -1,539        |
| Taxes and duties                                  |      | -1,688        | -1,670        |
| Other operating income and expenses               |      | -2,640        | -2,712        |
| Net depreciation, amortization and provisions*    |      | -3,809        | -5,988        |
| <b>Earnings from operations</b>                   |      | <b>5,557</b>  | <b>3,287</b>  |
| Other income and charges from ordinary activities |      | 0             | 0             |
| <b>Earnings from continuing operations</b>        |      | <b>5,557</b>  | <b>3,287</b>  |
| Income from cash and cash equivalents             |      | 6             | 9             |
| Gross borrowings costs                            |      | -397          | -317          |
| <b>Net borrowing costs</b>                        |      | <b>-391</b>   | <b>-308</b>   |
| Other financial income (expense)                  |      | -65           | -13           |
| <b>Net financial income (expense)</b>             |      | <b>-456</b>   | <b>-321</b>   |
| Income tax expense                                | 6    | -1,826        | -2,072        |
| <b>Net earnings</b>                               |      | <b>3,275</b>  | <b>894</b>    |
| Exchange gain or loss from foreign activities     |      | -275          | 61            |
| Other income and expenses                         |      | 53            | 0             |
| <b>Total comprehensive income for the period</b>  |      | <b>3,053</b>  | <b>955</b>    |
| <b>Net earnings</b>                               |      | <b>3,275</b>  | <b>894</b>    |
| Attributable to equity holders of the parents     |      | 2,827         | 417           |
| Minority interests                                |      | 448           | 477           |
| <b>Total comprehensive income for the period</b>  |      | <b>3,053</b>  | <b>955</b>    |
| Attributable to equity holders of the parents     |      | 2,693         | 436           |
| Minority interests                                |      | 359           | 519           |

| <b>EARNINGS PER SHARE</b>                       | <b>H1-2021</b>     | <b>H1-2022</b>     |
|---|--------------------|--------------------|
| Net earnings - group share (in millions of MAD) | 2,827              | 417                |
| <i>Numbers of shares at June 30</i>             | <i>879,095,340</i> | <i>879,095,340</i> |
| <b>Earnings per share (in MAD)</b>              | <b>3.22</b>        | <b>0.47</b>        |
| <b>Diluted earnings per share (in MAD)</b>      | <b>3.22</b>        | <b>0.47</b>        |

\*The June 2022 amount includes the provision for a fine applied by the Moroccan regulator (-MAD 2,451)

The analysis below presents the various items in Maroc Telecom's consolidated income statement and details their changes over the periods considered.

## COMPARAISON OF THE FIRST-HALVES OF 2022 and 2021

### Revenues

The following table shows the breakdown of revenues for the first-halves of 2022 and 2021.

| <i>(In millions of MAD)</i>        | H1-2021       | H1-2022       |
|------------------------------------|---------------|---------------|
| Morocco                            | 9,774         | 9,561         |
| o/w Mobile                         | 5,766         | 5,497         |
| International                      | 8,515         | 8,552         |
| o/w Mobile                         | 7,859         | 7,914         |
| Eliminations                       | -509          | -545          |
| <b>Total consolidated revenues</b> | <b>17,780</b> | <b>17,568</b> |

At the end of June 2022, Maroc Telecom group consolidated revenues amounted to MAD 17,568 million, down slightly by 1.2% due to the decrease in Mobile revenues in Morocco.

### Operating expenses

The table below shows Maroc Telecom's operating expenses for the first six-month periods of 2022 and 2021.

| <i>(In millions of MAD)</i>                                | H1-2021       | H1-2022       |
|--|---------------|---------------|
| Revenues   | <b>17,780</b> | <b>17,568</b> |
| Cost of purchases  | 2,562         | 2,373         |
| % of revenues  | 14.4%         | 13.5%         |
| Payroll costs  | 1,524         | 1,539         |
| % of revenues  | 8.6%          | 8.8%          |
| Taxes and duties   | 1,688         | 1,670         |
| % of revenues  | 9.5%          | 9.5%          |
| Other operating income (expenses)                          | 2,640         | 2,712         |
| % of revenues  | 14.8%         | 15.4%         |
| Net depreciation, amortization, impairment and provisions* | 3,809         | 5,988         |
| % of revenues  | 21.4%         | 34.1%         |
| <b>Total operating expenses</b>                            | <b>12,223</b> | <b>14,281</b> |
| <b>% of revenues</b>                                       | <b>68.7%</b>  | <b>81.3%</b>  |

\*The June 2022 amount includes the provision for a fine applied by the Moroccan regulator (MAD 2,451)

#### ➤ Cost of purchases

Between the first half of 2021 and 2022, the Group's consumed purchases decreased by 7.4%, mainly due to lower terminal costs in the Morocco segment.

#### ➤ Personnel expenses

In the first half of 2022, the Group's personnel costs represent 8.8% turnover and are slightly up by MAD 15 million.

### ➤ Taxes and duties

Taxes and duties amounted to MAD 1,670 million, down 1.1% compared with 2021. The decrease concerns the international subsidiaries.

### ➤ Other operating income and expenses

Other operating income and expenses increased from MAD 2,640 million in H1 2021 to MAD 2,712 million in H1 2022, i.e. an increase of 2.7% correlated to the recovery of post-covid activity.

### Operating profit

The Group's consolidated operating income at June 30<sup>th</sup>, 2022 was MAD 3,287 million, down 41% compared with the first half of 2021. This decrease was due to the provisioning of a penalty by the ANRT in the amount of MAD 2,451 million. On a comparable basis\*, earnings from operations increased by 3% compared to the first half of 2021.

### Net financial income

In the first half of 2022, financial income increased by 30% in line with the decrease in the cost of net financial debt, which fell by MAD 83 million thanks to the Group's efforts to control its debt.

### Tax expense

The tax charge is up 13% compared to the first half of 2021, in line with the increase in pre-tax income in the first half of 2022 (excluding the impact of the provision for the non-tax-deductible penalty imposed by the ANRT).

### Net income

At the end of June 2022, the group recorded a net income of MAD 894 million, down 73% compared to the first half of 2021. On a comparable basis\*, net income increased by 2% compared to June 30<sup>th</sup>, 2021.

### Minority interests

Minority interests, reflecting the rights of shareholders other than Maroc Telecom in the earnings of consolidated entities, amounted to MAD 477 million in first-half 2022, compared with MAD 448 million in first-half 2021.

### Net income (Group share)

At the end of June 2022, net income (Group share) amounted to MAD 417 million. On a comparable basis\*, it amounted to MAD 2,868 million.

### Earnings per share

Earnings per share amounted to MAD 0.47 in the first half of 2022, compared with MAD 3.22 in the first half of 2021, i.e. a decrease of 85% due to the impact of the ANRT's penalty provision.

### Cash and cash equivalents

The Group's main resource is the cash generated by its operating activities.

\*Comparable basis means the cancellation of the impacts of the provision for the exceptional penalty imposed by the Moroccan regulator recorded in the H1-2022 accounts.

## ➤ Cash flows

The following table summarizes Maroc Telecom's consolidated cash flow for the specific periods.

| <i>(In millions of MAD)</i>                             | H1-2021      | H1-2022      |
|---|--------------|--------------|
| Net cash from operating activities (a)                  | 6,279        | 6,351        |
| Net cash used in investing activities (b)               | -2,745       | -2,925       |
| Net cash used in financing activities (c)               | -3,680       | -3,082       |
| Foreign currency translation adjustments (d)            | -69          | -80          |
| Change in cash and cash equivalents (a)+(b)+(c)+(d)     | -215         | 264          |
| <b>Cash and cash equivalents at beginning of period</b> | <b>2,690</b> | <b>2,024</b> |
| <b>Cash and cash equivalents at end of period</b>       | <b>2,475</b> | <b>2,288</b> |

## ➤ Net cash flow from operating activities

At June 30, 2022, net cash flows from operating activities amounted to MAD 6,351 million, compared with MAD 6,279 million at June 30, 2021, representing an increase of 1%, in line with the growth in the Group's business.

## ➤ Net cash flow from investing activities

Net cash used in investing activities increased because of the acceleration of CAPEX projects.

## ➤ Net cash flow from financing activities

At June 30, 2022, net cash flows from financing activities decreased by MAD 597 million due to payments of financial liabilities.

## Tangible and intangible fixed assets

The table below sets out fixed assets acquired by Maroc Telecom Group by geographical area in the relevant periods.

| <i>(In millions of MAD)</i> | H1-2021      | H1-2022      |
|-----------------------------|--------------|--------------|
| Morocco                     | 1,299        | 1,758        |
| International               | 816          | 1,962        |
| <b>Total</b>                | <b>2,115</b> | <b>3,720</b> |

## ➤ Investments in Morocco

Investments in Morocco recorded a 35% growth at the end of June 2022, from MAD 1,299 million to MAD 1,758 million. Indeed, the MT Group continues to deploy its national investment policy for a wider coverage and a better quality of service.

## ➤ International investments

The investments made by the Group's subsidiaries in the first half of 2022 have increased by 140% compared to the first half of 2021. In 2022, the pace of international investments is more sustained as the global pandemic situation improves.

## Financial resources

In the first half of 2022, Maroc Telecom's net debt amounted to MAD 12,165 million compared with MAD 14,397 million at the end of December 2021, down 16%.

| <i>(In millions of MAD)</i>                | <b>12/31/2021</b> | <b>06/30/2022</b> |
|--|-------------------|-------------------|
| Outstanding debt and accrued interests (a) | 16,444            | 14,471            |
| Cash*(b)                                   | 2,024             | 2,288             |
| Cash held for repayment of bank loans (c)  | 22                | 17                |
| <b>Net debt (a) - (b) - (c)</b>            | <b>14,397</b>     | <b>12,165</b>     |

\* Marketable securities are considered as cash equivalents when their investment period does not exceed three months

### 3.3 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

#### Consolidated statement of financial position at June 30, 2022 and at December 31, 2021

| ASSETS (in millions of MAD)                               | Note | 12/31/2021    | 06/30/2022    |
|---|------|---------------|---------------|
| Goodwill  |      | 8,976         | 8,985         |
| Other intangible assets                                   |      | 7,521         | 7,536         |
| Property, plant and equipment                             |      | 27,400        | 28,044        |
| Right to use the asset                                    |      | 1,371         | 1,337         |
| Noncurrent financial assets                               |      | 784           | 1,018         |
| Deferred tax assets                                       |      | 508           | 492           |
| <b>Noncurrent assets</b>                                  |      | <b>46,560</b> | <b>47,412</b> |
| Inventories   |      | 318           | 390           |
| Trade accounts receivable and other                       |      | 12,699        | 13,012        |
| Short-term financial assets                               |      | 126           | 108           |
| Cash and cash equivalents                                 | 4    | 2,024         | 2,288         |
| Assets available for sale                                 |      | 54            | 54            |
| <b>Current assets</b>                                     |      | <b>15,222</b> | <b>15,852</b> |
| <b>TOTAL ASSETS</b>                                       |      | <b>61,782</b> | <b>63,264</b> |
| SHAREHOLDERS' EQUITY AND LIABILITIES (in millions of MAD) |      | 12/31/2021    | 06/30/2022    |
| Share capital   |      | 5,275         | 5,275         |
| Retained earnings   |      | 3,631         | 5,438         |
| Net earnings  |      | 6,008         | 417           |
| Equity attributable to equity holders of the parents      |      | <b>14,914</b> | <b>11,130</b> |
| Minority interests  |      | 3,887         | 3,648         |
| <b>Total shareholders' equity</b>                         |      | <b>18,800</b> | <b>14,778</b> |
| Noncurrent provisions                                     |      | 503           | 560           |
| Borrowings and other long-term financial liabilities      | 4    | 3,767         | 3,819         |
| Deferred tax liabilities                                  |      | 50            | 36            |
| Other noncurrent liabilities                              |      | -             | -             |
| <b>Noncurrent liabilities</b>                             |      | <b>4,321</b>  | <b>4,415</b>  |
| Trade accounts payable                                    |      | 23,865        | 28,799        |
| Current tax liabilities                                   |      | 787           | 836           |
| Current provisions*                                       |      | 1,332         | 3,782         |
| Borrowings and other short-term financial liabilities     |      | 12,677        | 10,652        |
| <b>Current liabilities</b>                                |      | <b>38,661</b> | <b>44,070</b> |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>         |      | <b>61,782</b> | <b>63,264</b> |

\*The June 2022 amount includes the provision for a penalty applied by the Moroccan regulator (MAD 2,451)

## Statement of comprehensive income for the first half of 2022 and 2021

| <i>(In millions of MAD)</i>                       | Note | H1-2021        | H1-2022        |
|---|------|----------------|----------------|
| <b>Revenues</b>                                   | 7    | <b>17,780</b>  | <b>17,568</b>  |
| Cost of purchases                                 |      | -2,562         | -2,373         |
| Payroll costs                                     |      | -1,524         | -1,539         |
| Taxes and duties                                  |      | -1,688         | -1,670         |
| Other operating income and expenses               |      | -2,640         | -2,712         |
| Net depreciation, amortization and provisions*    |      | -3,809         | -5,988         |
| <b>Earnings from operations</b>                   |      | <b>5,557</b>   | <b>3,287</b>   |
| Other income and charges from ordinary activities |      | 0              | 0              |
| <b>Earnings from continuing operations</b>        |      | <b>5,557</b>   | <b>3,287</b>   |
| Income from cash and cash equivalents             |      | 6              | 9              |
| Gross borrowings costs                            |      | -397           | -317           |
| <b>Net borrowing costs</b>                        |      | <b>-391</b>    | <b>-308</b>    |
| Other financial income (expense)                  |      | -65            | -13            |
| <b>Net financial income (expense)</b>             |      | <b>-456</b>    | <b>-321</b>    |
| Income tax expense                                | 6    | -1,826         | -2,072         |
| <b>Net earnings</b>                               |      | <b>3,275</b>   | <b>894</b>     |
| Exchange gain or loss from foreign activities     |      | -275           | 61             |
| Other income and expenses                         |      | 53             | 0              |
| <b>Total comprehensive income for the period</b>  |      | <b>3,053</b>   | <b>955</b>     |
| <b>Net earnings</b>                               |      | <b>3,275</b>   | <b>894</b>     |
| Attributable to equity holders of the parents     |      | 2,827          | 417            |
| Minority interests                                |      | 448            | 477            |
| <b>Total comprehensive income for the period</b>  |      | <b>3,053</b>   | <b>955</b>     |
| Attributable to equity holders of the parents     |      | 2,693          | 436            |
| Minority interests                                |      | 359            | 519            |
| <b>EARNINGS PER SHARE</b>                         |      | <b>H1-2021</b> | <b>H1-2022</b> |
| Net earnings - group share (in millions of MAD)   |      | 2,827          | 417            |
| Numbers of shares at June 30                      |      | 879,095,340    | 879,095,340    |
| <b>Earnings per share (in MAD)</b>                |      | <b>3.22</b>    | <b>0.47</b>    |
| <b>Diluted earnings per share (in MAD)</b>        |      | <b>3.22</b>    | <b>0.47</b>    |

\*The June 2022 amount includes the provision for a penalty applied by the Moroccan regulator (-MAD 2,451)

## Consolidated statement of cash flows for the first half of 2022 and 2021

| (In millions of MAD)   | Note | H1-2021       | H1-2022       |
|--|------|---------------|---------------|
| Earnings from operations*  |      | 5,557         | 3,287         |
| Depreciations, depreciation and other adjustments*               |      | 3,806         | 5,988         |
| <b>Gross cash from operating activities</b>                      |      | <b>9,364</b>  | <b>9,276</b>  |
| Other changes in net working capital                             |      | -1,192        | -1,018        |
| <b>Net cash from operating activities before taxes</b>           |      | <b>8,172</b>  | <b>8,257</b>  |
| Tax paid   |      | -1,893        | -1,906        |
| <b>Net cash from operating activities (a)</b>                    |      | <b>6,279</b>  | <b>6,351</b>  |
| Purchase of PP&E and intangible assets                           |      | -2,735        | -2,961        |
| Increase in financial assets                                     |      | -24           | 0             |
| Disposals of PP&E and intangible assets                          |      | 3             | 0             |
| Decrease in financial assets                                     |      | 1             | 35            |
| Dividends received from nonconsolidated investments              |      | 11            | 1             |
| <b>Net cash used in investing activities (b)</b>                 |      | <b>-2,745</b> | <b>-2,925</b> |
| Capital increase   |      |               |               |
| Dividends paid to shareholders                                   | 3    | 0             | 0             |
| Dividends paid by subsidiaries to their noncontrolling interests |      | -330          | -766          |
| <b>Changes in equity</b>   |      | <b>-330</b>   | <b>-766</b>   |
| Borrowings and increase in other long-term financial liabilities |      | 361           | 673           |
| Borrowings and increase in other long-term financial liabilities |      |               |               |
| Changes in net current accounts                                  |      | -3,156        | -2,620        |
| Changes in current accounts receivable/financial creditors       |      |               |               |
| Net interests paid (Cash only)                                   |      | -477          | -481          |
| Other cash expenses (income) used in financing activities        |      | -78           | 112           |
| <b>Changes in borrowings and other financial liabilities</b>     |      | <b>-3,349</b> | <b>-2,316</b> |
| <b>Net cash used in financing activities (d)</b>                 |      | <b>-3,680</b> | <b>-3,082</b> |
| <b>Effect of foreign currency adjustments (g)</b>                |      | <b>-69</b>    | <b>-80</b>    |
| <b>Total cash flows (a+b+d+g)</b>                                |      | <b>-215</b>   | <b>264</b>    |
| <b>Cash and cash equivalents at beginning of period</b>          |      | <b>2,690</b>  | <b>2,024</b>  |
| <b>Cash and cash equivalents at end of period</b>                |      | <b>2,475</b>  | <b>2,288</b>  |

\* Operating income and net depreciation, amortisation and impairment of fixed assets in June 2022 include the provision for a penalty payment applied by the Moroccan regulator (-MAD 2,451)

## Statement of changes in consolidated equity at June 30, 2022 and December 31, 2021

| (in MAD million)   | Share capital | Other comprehensive income | Other comprehensive income | Total Group share | Non controlling interest | Total capitaux propres |
|--|---------------|----------------------------|----------------------------|-------------------|--------------------------|------------------------|
| <b>Position at January 1, 2021</b>   | 5,275         | 7,786                      | -340                       | 12,721            | 3,968                    | 16,688                 |
| <b>Total comprehensive income for the period</b>   |               | 2,827                      | -134                       | 2,693             | 359                      | 3,053                  |
| <i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i> |               |                            |                            | 0                 |                          | 0                      |
| Gains and losses on translation  |               |                            | -186                       | -186              | -89                      | -275                   |
| <i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i> |               |                            | 53                         | 53                |                          | 53                     |
| Actuarial differences  |               |                            |                            | 0                 |                          | 0                      |
| Revaluation differences  |               |                            |                            | 0                 |                          | 0                      |
| Revaluation differences on hedging instruments   |               |                            |                            | 0                 |                          | 0                      |
| Revaluation differences on equity instruments  |               |                            | 53                         | 53                | 0                        | 53                     |
| Capital increase   |               |                            |                            | 0                 |                          | 0                      |
| Capital decrease   |               |                            |                            | 0                 |                          | 0                      |
| Share-based compensation   |               |                            |                            | 0                 |                          | 0                      |
| Change in interest shares without takeover/loss of control                                       |               |                            |                            | 0                 |                          | 0                      |
| Change in interest shares with gain/loss of control  |               |                            |                            | 0                 |                          | 0                      |
| Dividends  |               | -3,525                     |                            | -3,525            | -665                     | -4,190                 |
| Treasury stock   |               | -8                         |                            | -8                |                          | -8                     |
| Other adjustments  |               | -68                        |                            | -68               |                          | -68                    |
| <b>Position at June 30, 2021</b>   | 5,275         | 7,012                      | -474                       | 11,813            | 3,662                    | 15,476                 |
| <b>Total comprehensive income for the period</b>   |               | 3,181                      | -87                        | 3,094             | 438                      | 3,532                  |
| <i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i> |               |                            |                            | 0                 |                          | 0                      |
| Revaluation differences  |               |                            | -77                        | -77               | -26                      | -103                   |
| <i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i> |               |                            | -10                        | -10               | -8                       | -19                    |
| Actuarial differences  |               |                            | -11                        | -11               | -8                       | -19                    |
| Revaluation differences  |               |                            |                            | 0                 |                          | 0                      |
| Revaluation differences on hedging instruments   |               |                            |                            | 0                 |                          | 0                      |
| Revaluation differences on equity instruments  |               |                            | 0                          | 0                 | 0                        | 0                      |
| Capital increase   |               |                            |                            | 0                 |                          | 0                      |
| Capital decrease   |               |                            |                            | 0                 |                          | 0                      |
| Share-based compensation   |               |                            |                            | 0                 |                          | 0                      |
| Change in ownership interest without gain/loss of control  |               |                            |                            | 0                 |                          | 0                      |
| Change in ownership interest with gain/loss of control   |               |                            |                            | 0                 |                          | 0                      |
| Dividends  |               |                            |                            | 0                 | -213                     | -213                   |
| Treasury stock   |               | 4                          |                            | 4                 | 0                        | 4                      |
| Other adjustments  |               | 2                          |                            | 2                 | 0                        | 2                      |
| <b>Position at December 31, 2021</b>   | 5,275         | 10,199                     | -561                       | 14,914            | 3,887                    | 18,800                 |
| <b>Total comprehensive income for the period</b>   |               | 417                        | 19                         | 436               | 519                      | 955                    |
| <i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i> |               |                            |                            | 0                 |                          | 0                      |
| Revaluation differences  |               |                            | 19                         | 19                | 42                       | 61                     |
| <i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i> |               |                            | 0                          | 0                 | 0                        | 0                      |
| Actuarial differences  |               |                            |                            | 0                 |                          | 0                      |
| Revaluation differences  |               |                            |                            | 0                 |                          | 0                      |
| Revaluation differences on hedging instruments   |               |                            |                            | 0                 |                          | 0                      |
| Revaluation differences on equity instruments  |               |                            | 0                          | 0                 | 0                        | 0                      |
| Capital increase   |               |                            |                            | 0                 |                          | 0                      |
| Capital decrease   |               |                            |                            | 0                 |                          | 0                      |
| Share-based compensation   |               |                            |                            | 0                 |                          | 0                      |
| Change in ownership interest without gain/loss of control  |               |                            |                            | 0                 |                          | 0                      |
| Change in ownership interest with gain/loss of control   |               |                            |                            | 0                 |                          | 0                      |
| Dividends  |               | -4,202                     |                            | -4,202            | -757                     | -4,959                 |
| Treasury stock   |               | -17                        |                            | -17               |                          | -17                    |
| Other adjustments  |               |                            |                            | 0                 | -1                       | -1                     |
| <b>Position at June 30, 2022</b>   | 5,275         | 6,397                      | -542                       | 11,130            | 3,648                    | 14,778                 |

At June 30, 2022, Maroc Telecom's share capital comprised 879,095,340 ordinary shares. Ownership of the shares was as follows:

- SPT\*: 53%;
- Kingdom of Morocco: 22%;
- Other: 25%.

\* SPT is a Moroccan company controlled by Etisalat

## Note 1. Accounting principles and valuation methods

The highlights of the semester are described on page 4 and 5 of this financial report.

### 1.1 HIGHLIGHTS

- **Group customer base expands 1.9%** to nearly **75** million customers, including **23** million in Morocco (-0.2%) and nearly **52** million for the Moov Africa subsidiaries (+2.8%);
- **Slight decline in consolidated revenues (-0.6%\*)**, due to the decline in Mobile in Morocco (-5.0%) and especially in Mobile Data (-9.9%);
- **Revenue growth of Moov Africa subsidiaries (+1.6%\*)** driven by Mobile Data (+29%\*);
- **Sustained Fixed Data revenue growth in Morocco (+7.3%)** thanks to the expansion of the FTTH customer base (+45%);
- **Group adjusted EBITDA up 0.5%\***, with almost stable adjusted EBITDA in Morocco (-0.5%) and **2.0%\*** growth in the adjusted EBITDA of Moov Africa subsidiaries;
- **Adjusted Group share of net income up 1.7%\***;
- **High level of Group CAPEX maintained**, representing **21.2%** of revenues;
- **Net debt down 17.7%\* to 0.6x EBITDA.**

### 1.2 ACCOUNTING PRINCIPLES AND VALUATION METHODS

The accounting principles used to prepare the interim consolidated financial statements for the six months ended 30 June 2022 are identical to those used for the year ended 31 December 2021, in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union as of today.

The interim consolidated financial statements at June 30<sup>th</sup>, 2022 have been prepared in accordance with IAS 34 "Interim Financial Reporting", which permits the presentation of selected explanatory notes. These consolidated financial statements should be read in conjunction with the 2021 consolidated financial statements.

The interim consolidated financial statements at June 30<sup>th</sup>, 2022, together with the notes thereto, were approved by Maroc Telecom's Executive Board on July 22<sup>th</sup>, 2022.

\* At constant exchange rate MAD/Ouguiya/Franc CFA

**Note 2. Scope of consolidation at June 30, 2022 and December 31, 2022**

| <i>Company</i>  | <i>Legal form</i> | <i>% Group interest</i> | <i>% Capital held</i> | <i>Consolidation method</i> |
|---|-------------------|-------------------------|-----------------------|-----------------------------|
| <b>Maroc Telecom</b><br>Avenue Annakhil Hay Riad Rabat-Maroc  | SA                | 100%                    | 100%                  | IG                          |
| <b>Compagnie Mauritanienne de Communication (CMC)</b><br><b>June 30, 2022</b><br>Dec 31, 2021<br>563, Avenue Roi Fayçal Nouakchott-Mauritanie                               | SA                | 80%<br>80%              | 80%<br>80%            | IG<br>IG                    |
| <b>Mauritel SA</b><br><b>June 30, 2022</b><br>Dec 31, 2021<br>Avenue Roi Fayçal Nouakchott-Mauritanie   | SA                | 41%<br>41%              | 52%<br>52%            | IG<br>IG                    |
| <b>Onatel</b><br><b>June 30, 2022</b><br>Dec 31, 2021<br>705, AV. de la nation 01BP 10000 Ouagadougou – Burkina Faso  | SA                | 61%<br>61%              | 61%<br>61%            | IG<br>IG                    |
| <b>Gabon Telecom</b><br><b>June 30, 2022</b><br>Dec 31, 2021<br>Immeuble 9 étages, BP 40 000 Libreville-Gabon   | SA                | 51%<br>51%              | 51%<br>51%            | IG<br>IG                    |
| <b>Sotelma</b><br><b>June 30, 2022</b><br>Dec 31, 2021<br>ACI2000 près du palais de sport BP -740, Bamako - Mali  | SA                | 51%<br>51%              | 51%<br>51%            | IG<br>IG                    |
| <b>Casnet</b><br><b>June 30, 2022</b><br>Dec 31, 2021<br>Imm Riad I, RDC, Avenue Annakhil Hay Riad Rabat-Maroc  | SA                | 100%<br>100%            | 100%<br>100%          | IG<br>IG                    |
| <b>Moov Africa Côte d'Ivoire</b><br><b>June 30, 2022</b><br>Dec 31, 2021<br>Plateau, Immeuble KARRAT, Avenue Botreau Rousset, Abidjan- Côte d'Ivoire                        | SA                | 85%<br>85%              | 85%<br>85%            | IG<br>IG                    |
| <b>Moov Africa Bénin</b><br><b>June 30, 2022</b><br>Dec 31, 2021<br>lot 553, quartier Zongo Ehuzu, zone résidentielle, avenue Jean Paul2, immeuble Etisalat, Cotonou- Bénin | SA                | 100%<br>100%            | 100%<br>100%          | IG<br>IG                    |
| <b>Moov Africa Togo</b><br><b>June 30, 2022</b><br>Dec 31, 2021<br>Boulevard de la Paix, Route de l'Aviation, Immeuble Moov-Etisalat, Lomé-Togo                             | SA                | 95%<br>95%              | 95%<br>95%            | IG<br>IG                    |
| <b>Moov Africa Niger</b><br><b>June 30, 2022</b><br>Dec 31, 2021<br>720 Boulevard du 15 avril Zone Industrielle, BP 13 379, Niamey-Niger                                    | SA                | 100%<br>100%            | 100%<br>100%          | IG<br>IG                    |
| <b>Moov Africa Centrafrique</b><br><b>June 30, 2022</b><br>Dec 31, 2021<br>BP 2439, PK0, Place de la République, Immeuble SOCIM, rez-de-chaussée, Bangui - Centrafrique     | SA                | 100%<br>100%            | 100%<br>100%          | IG<br>IG                    |
| <b>Moov Africa Chad</b><br><b>June 30, 2022</b><br>Dec 31, 2021<br>BP 6505, Avenue Charles DE GAULLE, N'Djamena-Chad  | SA                | 100%<br>100%            | 100%<br>100%          | IG<br>IG                    |

### Note 3. Dividends

| <i>(In millions of MAD)</i>  | H1-2021      | H1-2022      |
|--|--------------|--------------|
| <b>Dividends received from equity affiliates to their minority shareholder (a)</b> |              |              |
| <b>Total (a)</b>   | <b>665</b>   | <b>757</b>   |
| <b>Dividends distributed by Maroc Telecom to its shareholders (b)</b>              |              |              |
| Kingdom of Morocco   | 776          | 925          |
| Etisalat   | 1,868        | 2,227        |
| Others   | 881          | 1,050        |
| <b>Total (b)</b>   | <b>3,525</b> | <b>4,202</b> |
| <b>Total dividends distributed (a) + (b)</b>                                       | <b>4,190</b> | <b>4,959</b> |

As at June 30, 2022, Maroc Telecom had not yet paid any dividends, which totaled MAD 4,202 million and were classified as current liabilities.

Dividends paid by subsidiaries to their minority shareholders amounted to MAD 757 million.

### Note 4. Borrowings and other financial liabilities at June 30, 2022 and December 31, 2021

| <i>(In millions of MAD)</i>                 | 12/31/2021    | 06/30/2022    |
|---|---------------|---------------|
| Borrowings due less than one year           | 2,696         | 2,824         |
| Rental obligation at +1 year                | 1,071         | 994           |
| Borrowings due more than one year           | 2,403         | 2,339         |
| Rental obligation at -1 year                | 389           | 393           |
| Facilities and overdrafts                   | 9,885         | 7,920         |
| <b>Borrowings and financial liabilities</b> | <b>16,444</b> | <b>14,471</b> |
| Cash  | 2,024         | 2,288         |
| Blocked cash                                | 22            | 17            |
| <b>Net debt</b>                             | <b>14,397</b> | <b>12,165</b> |

Maroc Telecom's net debt fell from MAD 14,397 million at December 31, 2021 to MAD 12,165 million at June 30, 2022 due to the repayment of bank loans.

#### 4.1. BREAKDOWN OF NET DEBT BY MATURITY

##### Half year ended June 30, 2022

| <i>(In millions of MAD)</i>                 | Due less than 1 year | 1 to 5 years | Due more than 5 years | TOTAL         |
|---|----------------------|--------------|-----------------------|---------------|
| Borrowings                                  | 2,339                | 2,744        | 80                    | 5,163         |
| Rental obligation                           | 393                  | 734          | 260                   | 1,387         |
| Facilities and overdrafts                   | 7,920                |              |                       | 7,920         |
| <b>Borrowings and financial liabilities</b> | <b>10,652</b>        | <b>3,478</b> | <b>341</b>            | <b>14,471</b> |
| Cash  | 2,288                |              |                       | 2,288         |
| Blocked cash                                | 17                   |              |                       | 17            |
| <b>Net debt</b>                             | <b>8,347</b>         | <b>3,478</b> | <b>341</b>            | <b>12,165</b> |

##### Full December 31, 2021

| <i>(In millions of MAD)</i>                 | Due less than 1 year | 1 to 5 years | Due more than 5 years | TOTAL         |
|---|----------------------|--------------|-----------------------|---------------|
| Borrowings                                  | 2,403                | 2,470        | 226                   | 5,099         |
| Rental obligation                           | 389                  | 762          | 309                   | 1,460         |
| Facilities and overdrafts                   | 9,885                |              |                       | 9,885         |
| <b>Borrowings and financial liabilities</b> | <b>12,677</b>        | <b>3,232</b> | <b>535</b>            | <b>16,444</b> |
| Cash  | 2,024                |              |                       | 2,024         |
| Blocked cash                                | 22                   |              |                       | 22            |
| <b>Net debt</b>                             | <b>10,630</b>        | <b>3,232</b> | <b>535</b>            | <b>14,397</b> |

The breakdown by maturity is made on the basis of contractual maturities for debts and on the basis of the enforceable term for rental obligations.

#### 4.2 BORROWING AND OTHER FINANCIAL LIABILITIES BY GEOGRAPHICAL AREA

| <i>(In millions of MAD)</i>                       | 12/31/2021    | 06/30/2022    |
|---|---------------|---------------|
| <b>Morocco</b>                                    | 9,344         | 6,788         |
| <b>International</b>                              | 7,100         | 7,683         |
| <b>Borrowings and other financial liabilities</b> | <b>16,444</b> | <b>14,471</b> |

## Note 5. Restructuring expenses at June 30, 2022 and December 31, 2021

None.

## Note 6. Income tax payable for the first half of 2022 and 2021

| <i>(In millions of MAD)</i>              | H1-2021      | H1-2022      |
|--|--------------|--------------|
| Income tax                               | 1,840        | 2,070        |
| Deferred taxes                           | -13          | 2            |
| Tax provisions                           |              |              |
| <b>Current tax</b>                       | <b>1,826</b> | <b>2,072</b> |
| <b>Consolidated effective tax rate *</b> | <b>35.8%</b> | <b>69.9%</b> |

\* Income taxes / income before taxes

The tax charge at 30 June 2022 is up by 13% compared to the first half of 2021. This change is partly due to the increase in pre-tax income (excluding the impact of the provision for the ANRT penalty) due to the improvement in the health situation and partly explained by the change in the solidarity contribution rate in the Morocco segment.

The effective tax rate was 69.9% in the first half of 2022, and 38.3% on a comparable basis\*.

## Note 7. Segment data for the first six-month periods of 2022 and 2021

### Segment earnings by geographical area

#### First half of 2022

| <i>(In millions MAD)</i>                   | Morocco | International | Eliminations | Total         |
|--|---------|---------------|--------------|---------------|
| Revenues                                   | 9,561   | 8,552         | -545         | <b>17,568</b> |
| Earnings from operations*                  | 1,175   | 2,112         |              | <b>3,287</b>  |
| Net depreciation and impairment of assets* | 4,236   | 1,752         |              | 5,988         |
| Voluntary redundancy plan                  |         | 2             |              | 2             |

\* Operating income and net depreciation, amortisation and impairment of fixed assets for June 2022 include the provision for a penalty payment applied by the Moroccan regulator (-MAD 2,451)

#### First half of 2021

| <i>(In millions MAD)</i>                  | Morocco | International | Eliminations | Total         |
|---|---------|---------------|--------------|---------------|
| Revenues                                  | 9,774   | 8,515         | -509         | <b>17,780</b> |
| Earnings from operations                  | 3,524   | 2,033         |              | <b>5,557</b>  |
| Net depreciation and impairment of assets | 2,004   | 1,804         |              | 3,809         |
| Voluntary redundancy plan                 |         | 13            |              | 13            |

\* Comparable basis means the cancellation of the impacts of the provision for the exceptional penalty payment imposed by the Moroccan regulator recorded in the H1-2022 accounts.

## Note 8. Contractual commitments and contingent assets and liabilities

### 8.1. CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS RECORDED IN THE BALANCE SHEET

Half year ended June 30, 2022

| <i>(In millions of MAD)</i>      | Total        | < 1 year  | 1 to 5 years | > 5 years  |
|----------------------------------|--------------|-----------|--------------|------------|
| Long-term debts                  | 3,819        |           | 3,513        | 306        |
| Capital lease obligations        | -            |           |              |            |
| Operating leases *               | 35           | 35        |              |            |
| Irrevocable purchase obligations | -            |           |              |            |
| Other long-term commitments      | -            |           |              |            |
| <b>Total</b>                     | <b>3,854</b> | <b>35</b> | <b>3,513</b> | <b>306</b> |

\* Leases that do not fall within the scope of the new IFRS 16 standard.

### 8.2. CONTINGENT LIABILITIES

The issues described in notes 31.3 of the 2021 annual report are still pending as at 30 June 2022. IAM maintains its position regarding the Inwi dispute.

With regard to the REMACOTEM dispute, on May 6, 2022 the Bamako Court of Appeal granted a six-month grace period to the operators before the case proceeds.

In addition, a tax audit began in June 2022 in Morocco in respect of corporate tax (IS), income tax (IR), value added tax (VAT), social solidarity contribution (CSS) and registration and stamp duties (DET) for the non-barred period.

### 8.3. OTHER COMMITMENT GIVEN AND RECEIVED IN THE COURSE OF ORDINARY BUSINESS

| (In millions of MAD)  | 12/31/2021   | 06/30/2022   |
|---|--------------|--------------|
| <b>Commitments given</b>  | <b>4,342</b> | <b>3,784</b> |
| <i>Investment commitment</i>  | 3,402        | 2,752        |
| <i>Downstream commitments and signature with banks</i>  | 803          | 912          |
| <i>Operating and financing lease commitments</i>  | 42           | 35           |
| <i>Satellite rental commitments</i>   | 67           | 57           |
| <b>Other commitments</b>  | <b>29</b>    | <b>29</b>    |
| <i>Network maintenance contracts with Ericsson</i>  | 27           | 27           |
| <i>Commitments on operating expenses</i>  | 2            | 2            |
| <b>Other commitments</b>  | <b>0</b>     | <b>0</b>     |
| <i>Recovery of guarantees given by Etisalat on the financing of the Atlantic subsidiaries</i> | 0            | 0            |
| <i>Forward sale commitment</i>  | 0            | 0            |

| (In millions of MAD)  | 12/31/2021   | 06/30/2022   |
|---|--------------|--------------|
| <b>Commitments received</b>   | <b>1,170</b> | <b>1,540</b> |
| <i>Guarantees and endorsements</i>  | 1,170        | 1,540        |
| <i>Other commitments received</i>   |              |              |
| <i>Forward purchase commitment</i>  |              |              |
| <i>Commitment of the Moroccan State to contribute the assets of social works</i>              |              |              |
| <i>Investment agreement : exemption from customs duties on imports related to investments</i> |              |              |

Investment commitments have decreased in view of the level of investment realizations.

Commitments by guarantee and signature with banks increased mainly due to documentary credits related to the acquisition of technical facilities and equipment and letters of credit related to ongoing projects.

Commitments received are mainly related to guarantees received from network equipment suppliers in the context of international Capex contracts and orders.

### Note 9. Events after the end of the reporting period

Notification on July 22, 2022 of the decision of the ANRT's Management Committee relating to the liquidation of the penalty imposed on Maroc Telecom in connection with the January 17, 2020 decision relating to unbundling. The amount of the penalty payment is set at MAD 2.45 billion and Maroc Telecom has 30 days from the date of the decision to submit an appeal to the Court of Appeal in Rabat.

Given the recent, complex and exceptional nature of the decision received, the case is still being analyzed by Itissalat Al-Maghrib S.A. As provided for by the law, Itissalat Al-Maghrib S.A.

In this context and in accordance with IAS 37, Maroc Telecom has made a provision of MAD 2.45 billion in its 2022 interim financial statements

## Note 10. IFRS 16

### 10.1- ASSET-CLASS-BASED USAGE RIGHTS AT JUNE 30, 2022:

| <i>(In millions MAD)</i> | <i>Carrying value</i> | <i>Asset entry</i> | <i>Depreciation/Amortization</i> |
|--------------------------|-----------------------|--------------------|----------------------------------|
| Land                     | 501                   | 67                 | -80                              |
| Buildings                | 380                   | 81                 | -62                              |
| Technical facilities     | 385                   | 40                 | -64                              |
| Transportation equipment | 71                    | 5                  | -25                              |
| Office equipment         |                       |                    |                                  |
| Other assets             |                       |                    |                                  |
| <b>Total</b>             | <b>1,337</b>          | <b>193</b>         | <b>-231</b>                      |

### 10.2- IMPACT OF LEASE OBLIGATIONS :

|                        | <b>HY-2022</b> |
|------------------------|----------------|
| Interest expense       | 34             |
| Lease-related payments | 303            |

### 10.3- OCCUPANCY EXPENSES OUTSIDE THE SCOPE OF IFRS 16:

|  | <b>HY-2022</b> |
|--|----------------|
| Leases with term ≤12 months                        | 208            |
| Leases with low underlying asset value             | 2              |
| Leases with variable payments                      |                |
| Leases with no presumed control of occupancy right |                |
| <b>Total</b>                                       | <b>210</b>     |

## 3.4 STATUTORY FINANCIAL STATEMENTS

| ASSETS   |                    |                                |                   | PREVIOUS                   |
|--|--------------------|--------------------------------|-------------------|----------------------------|
|  | Gross              | Amortization<br>and provisions | NET               | EXERCISE<br>NET 12/31/2021 |
| <b>CAPITALIZED COSTS (A)</b>                                     | <b>1,500,000</b>   | <b>750,000</b>                 | <b>750,000</b>    | <b>900,000</b>             |
| .Start-up costs  | 0                  | 0                              | 0                 | 0                          |
| .Deferred costs  | 1,500,000          | 750,000                        | 750,000           | 900,000                    |
| .Bond redemption premiums  | 0                  | 0                              | 0                 | 0                          |
| <b>INTANGIBLE ASSETS (B)</b>                                     | <b>12,649,103</b>  | <b>10,583,148</b>              | <b>2,065,955</b>  | <b>1,976,662</b>           |
| .Research and development costs                                  | 0                  | 0                              | 0                 | 0                          |
| .Patents, trademarks, and similar rights                         | 12,143,173         | 10,512,700                     | 1,630,473         | 1,688,907                  |
| .Goodwill  | 70,447             | 70,447                         | 0                 | 0                          |
| .Other intangible assets   | 435,482            | 0                              | 435,482           | 287,755                    |
| <b>PROPERTY, PLANT, AND EQUIPMENT (C)</b>                        | <b>75,430,169</b>  | <b>60,347,839</b>              | <b>15,082,330</b> | <b>15,042,441</b>          |
| .Land  | 961,935            | 0                              | 961,935           | 961,935                    |
| .Buildings   | 8,294,690          | 5,690,692                      | 2,603,998         | 2,660,222                  |
| .Technical plant, machinery, and equipment                       | 59,201,085         | 49,656,493                     | 9,544,592         | 9,696,389                  |
| .Vehicles  | 278,662            | 106,869                        | 171,793           | 178,411                    |
| .Office equipment, furniture, and fittings                       | 5,048,149          | 4,730,505                      | 317,643           | 328,408                    |
| .Other property, plant, and equipment                            | 11,048             | 0                              | 11,048            | 11,048                     |
| .Work in progress  | 1,634,600          | 163,280                        | 1,471,321         | 1,206,028                  |
| <b>FINANCIAL ASSETS (D)</b>                                      | <b>12,589,265</b>  | <b>387,418</b>                 | <b>12,201,847</b> | <b>12,384,146</b>          |
| .Long-term loans   | 280,051            | 0                              | 280,051           | 812,669                    |
| .Other financial receivables                                     | 4,190              | 0                              | 4,190             | 4,190                      |
| .Equity investments  | 12,305,024         | 387,418                        | 11,917,606        | 11,567,287                 |
| .Other investments and securities                                | 0                  | 0                              | 0                 | 0                          |
| <b>UNREALISED FOREIGN EXCHANGE LOSSES (E)</b>                    | <b>10,276</b>      | <b>0</b>                       | <b>10,276</b>     | <b>31,913</b>              |
| .Decrease in long-term receivables                               | 10,276             | 0                              | 10,276            | 31,913                     |
| .Increase in long-term debt                                      | 0                  | 0                              | 0                 | 0                          |
| <b>TOTAL I (A+B+C+D+E)</b>                                       | <b>102,178,813</b> | <b>72,068,405</b>              | <b>30,110,408</b> | <b>30,335,162</b>          |
| <b>INVENTORIES (F)</b>   | <b>242,924</b>     | <b>109,611</b>                 | <b>133,312</b>    | <b>95,153</b>              |
| .Merchandise   | 174,788            | 95,428                         | 79,360            | 53,796                     |
| .Raw materials and supplies                                      | 68,136             | 14,183                         | 53,952            | 41,356                     |
| .Work in progress  | 0                  | 0                              | 0                 | 0                          |
| .Intermediary and residual goods                                 | 0                  | 0                              | 0                 | 0                          |
| .Finished goods  | 0                  | 0                              | 0                 | 0                          |
| <b>CURRENT RECEIVABLES (G)</b>                                   | <b>17,303,980</b>  | <b>9,055,956</b>               | <b>8,248,024</b>  | <b>7,936,884</b>           |
| .Trade payables, advances and deposits                           | 14,257             | 0                              | 14,257            | 13,247                     |
| .Accounts receivable and related accounts                        | 15,128,747         | 8,731,722                      | 6,397,024         | 6,876,113                  |
| .Employees   | 22,552             | 0                              | 22,552            | 3,708                      |
| .Tax receivable  | 380,004            | 0                              | 380,004           | 794,372                    |
| .Shareholders' current accounts                                  | 0                  | 0                              | 0                 | 0                          |
| .Other receivables   | 1,300,404          | 324,234                        | 976,171           | 227,279                    |
| .Accruals  | 458,016            | 0                              | 458,016           | 22,165                     |
| <b>MARKETABLE SECURITIES (H)</b>                                 | <b>131,607</b>     | <b>0</b>                       | <b>131,607</b>    | <b>131,859</b>             |
| <b>UNREALIZED FOREIGN EXCHANGE LOSSES (I)</b><br>(current items) | <b>47,476</b>      | <b>0</b>                       | <b>47,476</b>     | <b>55,133</b>              |
| <b>TOTAL II (F+G+H+I)</b>  | <b>17,725,986</b>  | <b>9,165,568</b>               | <b>8,560,419</b>  | <b>8,219,028</b>           |
| <b>CASH AND CASH EQUIVALENTS</b>                                 | <b>306,920</b>     | <b>0</b>                       | <b>306,920</b>    | <b>173,515</b>             |
| .Checks  | 0                  | 0                              | 0                 | 0                          |
| .Bank deposits   | 304,186            | 0                              | 304,186           | 171,349                    |
| .Petty cash  | 2,734              | 0                              | 2,734             | 2,166                      |
| <b>TOTAL III</b>   | <b>306,920</b>     | <b>0</b>                       | <b>306,920</b>    | <b>173,515</b>             |
| <b>TOTAL GENERAL I+II+III</b>                                    | <b>120,211,719</b> | <b>81,233,972</b>              | <b>38,977,747</b> | <b>38,727,705</b>          |

| SHAREHOLDERS' EQUITY AND LIABILITIES<br>(in MAD thousands) |            | EXERCICE          | EXERCICE<br>NET 12/31/2020 |
|--|------------|-------------------|----------------------------|
| <b>SHAREHOLDERS' EQUITY</b>                                | <b>(A)</b> | <b>13,479,340</b> | <b>16,722,339</b>          |
| Share capital  |            | 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   |            | 6,718,234         | 5,276,257                  |
| Retained earnings  |            | 0                 | 0                          |
| Unallocated income   |            | 0                 | 0                          |
| Net income of the year                                     |            | 959,077           | 5,644,052                  |
| <b>QUASI-EQUITY</b>  | <b>(B)</b> | <b>0</b>          | <b>0</b>                   |
| Investment subsidies                                       |            | 0                 | 0                          |
| Regulated provisions                                       |            | 0                 | 0                          |
| <b>DEBENTURE BONDS</b>                                     | <b>(C)</b> | <b>1,494</b>      | <b>1,494</b>               |
| Debenture bonds  |            | 0                 | 0                          |
| Other long-term debt                                       |            | 1,494             | 1,494                      |
| <b>PROVISIONS</b>  | <b>(D)</b> | <b>22,612</b>     | <b>44,248</b>              |
| Provisions for contingencies                               |            | 10,276            | 31,913                     |
| Provisions for losses                                      |            | 12,336            | 12,336                     |
| <b>UNREALIZED FOREIGN EXCHANGE GAINS</b>                   | <b>(E)</b> | <b>0</b>          | <b>0</b>                   |
| Increase in long-term receivables                          |            | 0                 | 0                          |
| Decrease in long-term debt                                 |            | 0                 | 0                          |
| <b>TOTAL I (A+B+C+D+E)</b>                                 |            | <b>13,503,446</b> | <b>16,768,081</b>          |
| <b>CURRENT LIABILITIES</b>                                 | <b>(F)</b> | <b>16,092,911</b> | <b>12,446,563</b>          |
| Accounts payable and related accounts                      |            | 6,160,632         | 6,174,176                  |
| Trade receivables, advances and down payments              |            | 100,923           | 78,995                     |
| Payroll costs  |            | 821,465           | 946,902                    |
| Social security contributions                              |            | 91,405            | 91,786                     |
| Tax payable  |            | 3,085,085         | 2,959,742                  |
| Shareholders' current accounts                             |            | 4,063,409         | 1                          |
| Other payables   |            | 207,511           | 408,425                    |
| Accruals   |            | 1,562,483         | 1,786,536                  |
| <b>OTHER PROVISIONS FOR CONTINGENCIES AND LOSSES</b>       | <b>(G)</b> | <b>3,259,808</b>  | <b>871,251</b>             |
| <b>UNREALIZED FOREIGN EXCHANGE GAINS (Current items)</b>   | <b>(H)</b> | <b>70,353</b>     | <b>63,953</b>              |
| <b>Total II (F+G+H)</b>                                    |            | <b>19,423,072</b> | <b>13,381,768</b>          |
| <b>BANK OVERDRAFTS</b>                                     |            | <b>6,051,229</b>  | <b>8,577,856</b>           |
| Discounted bills   |            | 0                 | 0                          |
| Treasury loans   |            | 0                 | 0                          |
| Bank loans and overdrafts                                  |            | 6,051,229         | 8,577,856                  |
| <b>Total III</b>   |            | <b>6,051,229</b>  | <b>8,577,856</b>           |
| <b>TOTAL GENERAL I+II+III</b>                              |            | <b>38,977,747</b> | <b>38,727,705</b>          |

| (in MAD thousands)  | OPERATIONS        |                | Total of the<br>year | Total at<br>06/30/2021 |
|---|-------------------|----------------|----------------------|------------------------|
|   | Current year      | Previous years |                      |                        |
| <b>I- OPERATING INCOME</b>  | 9,545,896         | 0              | 9,545,896            | 9,738,537              |
| Sales of goods  | 133,996           | 0              | 133,996              | 190,603                |
| Sales of manufactured goods and services rendered   | 9,100,673         | 0              | 9,100,673            | 9,290,203              |
| <b>Operating revenues</b>   | 9,234,669         | 0              | 9,234,669            | 9,480,806              |
| Change in inventories   | 0                 | 0              | 0                    | 0                      |
| Company-constructed assets  | 0                 | 0              | 0                    | 0                      |
| Operating subsidies   | 0                 | 0              | 0                    | 0                      |
| Other operating income  | 14,163            | 0              | 14,163               | 16,179                 |
| Operating write-backs: expense transfers  | 297,064           | 0              | 297,064              | 241,552                |
| <b>TOTAL I</b>  | <b>9,545,896</b>  | <b>0</b>       | <b>9,545,896</b>     | <b>9,738,537</b>       |
| <b>II- OPERATING EXPENSES</b>   | 6,074,516         | 0              | 6,074,516            | 6,321,438              |
| Cost of goods sold  | 156,108           | 0              | 156,108              | 317,817                |
| Raw materials and supplies  | 1,515,685         | 0              | 1,515,685            | 1,513,503              |
| Other external expenses   | 1,306,833         | 0              | 1,306,833            | 1,250,548              |
| Taxes (except corporate income tax)   | 156,190           | 0              | 156,190              | 130,353                |
| Payroll, costs  | 1,084,015         | 0              | 1,084,015            | 1,069,546              |
| Other operating expenses  | 2,540             | 0              | 2,540                | 2,233                  |
| Operating allowances for amortization   | 1,569,530         | 0              | 1,569,530            | 1,675,144              |
| Operating allowances for provisions   | 283,614           | 0              | 283,614              | 362,294                |
| <b>TOTAL II</b>   | <b>6,074,516</b>  | <b>0</b>       | <b>6,074,516</b>     | <b>6,321,438</b>       |
| <b>III- OPERATING INCOME I-II</b>   | <b>3,471,380</b>  | <b>0</b>       | <b>3,471,380</b>     | <b>3,417,100</b>       |
| <b>IV- FINANCIAL INCOME</b>   | 1,531,631         | 0              | 1,531,631            | 1,422,016              |
| Income from equity investments and other financial investments<br>and other financial investments | 1,228,689         | 0              | 1,228,689            | 966,490                |
| Foreign exchange gains  | 191,798           | 0              | 191,798              | 218,893                |
| Interest and other financial income   | 24,099            | 0              | 24,099               | 38,970                 |
| Financial write - backs: expense transfers  | 87,046            | 0              | 87,046               | 197,664                |
| <b>TOTAL IV</b>   | <b>1,531,631</b>  | <b>0</b>       | <b>1,531,631</b>     | <b>1,422,016</b>       |
| <b>V- FINANCIAL EXPENSES</b>  | 303,061           | 0              | 303,061              | 399,155                |
| Interest and loans  | 109,784           | 0              | 109,784              | 165,065                |
| Foreign exchange losses   | 134,964           | 0              | 134,964              | 137,326                |
| Other financial expenses  | 562               | 0              | 562                  | 11,041                 |
| Financial allowances  | 57,752            | 0              | 57,752               | 85,723                 |
| <b>TOTAL V</b>  | <b>303,061</b>    | <b>0</b>       | <b>303,061</b>       | <b>399,155</b>         |
| <b>VI- FINANCIAL INCOME IV - V</b>  | <b>1,228,570</b>  | <b>0</b>       | <b>1,228,570</b>     | <b>1,022,861</b>       |
| <b>VII- ORDINARY INCOME III + VI</b>  | <b>4,699,950</b>  | <b>0</b>       | <b>4,699,950</b>     | <b>4,439,961</b>       |
| <b>VIII- EXTRAORDINARY INCOME</b>   | 81,200            | 0              | 81,200               | 88,433                 |
| Proceeds from disposal of fixed assets  | 67                | 0              | 67                   | 2,089                  |
| Subsidies received  | 0                 | 0              | 0                    | 0                      |
| Write-backs of investment subsidies   | 0                 | 0              | 0                    | 0                      |
| Other extraordinary income  | 23,092            | 0              | 23,092               | 29,885                 |
| Extraordinary write-backs: expense transfers  | 58,041            | 0              | 58,041               | 56,460                 |
| <b>TOTAL VIII</b>   | <b>81,200</b>     | <b>0</b>       | <b>81,200</b>        | <b>88,433</b>          |
| <b>IX- EXTRAORDINARY EXPENSES</b>   | 2,817,619         | 0              | 2,817,619            | 531,345                |
| Net book value of disposed assets   | 0                 | 0              | 0                    | 169,752                |
| Subsidies granted   | 0                 | 0              | 0                    | 0                      |
| Other extraordinary expenses  | 164,887           | 0              | 164,887              | 136,940                |
| Regulated provisions  | 0                 | 0              | 0                    | 0                      |
| Extraordinary allowances for depreciation and provisions  | 2,652,732         | 0              | 2,652,732            | 224,654                |
| <b>TOTAL IX</b>   | <b>2,817,619</b>  | <b>0</b>       | <b>2,817,619</b>     | <b>531,345</b>         |
| <b>X- NON-CURRENT INCOME VIII - IX</b>  | <b>-2,736,420</b> | <b>0</b>       | <b>-2,736,420</b>    | <b>-442,912</b>        |
| <b>XI- PRE-TAX INCOME VII + X</b>   | <b>1,963,531</b>  | <b>0</b>       | <b>1,963,531</b>     | <b>3,997,049</b>       |
| <b>XII- CORPORATE INCOME TAX</b>  | <b>1,004,454</b>  | <b>0</b>       | <b>1,004,454</b>     | <b>960,299</b>         |
| <b>XIII- NET INCOME XI - XII</b>  | <b>959,077</b>    | <b>0</b>       | <b>959,077</b>       | <b>3,036,751</b>       |
| <b>XIV- TOTAL REVENUES ( I+IV+VIII)</b>   |                   |                |                      |                        |
| <b>XV- TOTAL EXPENSES ( II+V+IX+XII)</b>  | <b>11,158,726</b> | <b>0</b>       | <b>11,158,726</b>    | <b>11,248,987</b>      |
| <b>XVI- NET INCOME (total income - total expenses)</b>  | <b>10,199,650</b> | <b>0</b>       | <b>10,199,650</b>    | <b>8,212,236</b>       |
|   | <b>959,077</b>    | <b>0</b>       | <b>959,077</b>       | <b>3,036,751</b>       |

The presentation guidelines and valuation methods used in preparing these documents comply with the rules and regulations in force.

The table below summarizes the trends of the main financial indicators of Maroc Telecom over the last three halves year:

| <i>In MAD million</i>     | <b>H1 2020</b> | <b>H1 2021</b> | <b>H1 2022</b> | <b>Change 22/21</b> |
|---------------------------|----------------|----------------|----------------|---------------------|
| <b>Revenues</b>           | 10,182         | 9,481          | <b>9,235</b>   | <b>-2.6%</b>        |
| <b>Operating income</b>   | 3,923          | 3,417          | <b>3,471</b>   | <b>1.6%</b>         |
| <b>Financial income</b>   | 859            | 1,023          | <b>1,229</b>   | <b>20.1%</b>        |
| <b>Income tax expense</b> | -725           | -960           | <b>-1,004</b>  | <b>4.6%</b>         |
| <b>Non-current income</b> | -1,577         | -443           | <b>-2,736</b>  | <b>NA</b>           |
| <b>Net income</b>         | 2,481          | 3,037          | <b>959</b>     | <b>-68.4%</b>       |
| <b>Investments</b>        | 508            | 1,245          | <b>1,693</b>   | <b>36.0%</b>        |

### Key elements of the income statement

#### Revenues

Maroc Telecom's revenues for the first half of 2022 amounted to MAD 9,235 million, down 2.6% compared with the first half of 2021.

#### Operating income and net income

Earnings from operations rose from MAD 3,417 million to MAD 3,471 million, an increase of 1.6% compared to the first half of 2021.

Financial income rose by 20.1% to MAD 1,229 million compared to MAD 1,023 million in the first half of 2021. This evolution is mainly due to the increase in dividends from subsidiaries during the first half of 2022.

Pre-tax earnings amounted to MAD 1,964 million and corporate income tax to MAD 1,004 million, leading to net earnings of MAD 959 million, down 68.4% compared with the first half of 2021.

It should be noted that earnings for 2022 include a provision for risks of MAD 2,451 million (following the decision of the Management Committee of the National Telecommunications Regulatory Agency relating to the liquidation of the penalty imposed on Maroc Telecom in the context of the January 17, 2020 decision relating to unbundling).

## Balance sheet

At June 30, 2022, the balance sheet total reached MAD 38,978 million, marking an increase of 0.6% compared to the previous year.

### Breakdown of assets

| <i>(Assets in MAD million)</i>      | NET           |               |               | Change<br>22/21 |
|-------------------------------------|---------------|---------------|---------------|-----------------|
|                                     | 2020          | 2021          | H1-2022       |                 |
| Non-valued fixed assets             | 1,200         | 900           | 750           | -16.7%          |
| Intangible assets                   | 2,081         | 1,977         | 2,066         | 4.5%            |
| Property, plant and equipment       | 15,738        | 15,042        | 15,082        | 0.3%            |
| Long-term investments               | 12,216        | 12,384        | 12,202        | -1.5%           |
| Translation difference - loss       | 1             | 32            | 10            | Na              |
| <b>Total net non-current assets</b> | <b>31,236</b> | <b>30,335</b> | <b>30,110</b> | <b>-0.7%</b>    |
| <b>Current assets</b>               | <b>8,052</b>  | <b>8,219</b>  | <b>8,560</b>  | <b>4.2%</b>     |
| <b>Cash assets</b>                  | <b>554</b>    | <b>174</b>    | <b>307</b>    | <b>76.9%</b>    |
| <b>Total assets</b>                 | <b>39,842</b> | <b>38,728</b> | <b>38,978</b> | <b>0.6%</b>     |

Net fixed assets amounted to MAD 30,110 million at June 30, 2022, compared with MAD 30,335 million in the previous year. It represented 77% of total assets and decreased by 0.7% compared to 2021.

Net intangible assets amounted to MAD 2,066 million in June 2022, compared to MAD 1,977 million in 2021.

Net tangible assets increased by 0.3% from MAD 15,042 million in December 2021 to MAD 15,082 million in June 2022.

Net financial assets amounted to MAD 12,202 million in June 2022, compared with MAD 12,384 million in 2021 following the recapitalisation operations and the repayment of loans to subsidiaries.

Current assets excluding investments (except for those related to price adjustments) amounted to MAD 8,560 million in June 2022, compared with MAD 8,219 million in 2021, an increase of 4.2% mainly due to the recognition of dividends from subsidiaries whose payment due dates coincide with the second half of the year.

Net cash and cash equivalents, including investments (excluding those related to price adjustments), amounted to MAD -5,744 million at June 30, 2022, compared with MAD -8,404 million at December 31, 2021.

## Liabilities and their components

| <i>(Liabilities in MAD million)</i>       | NET           |               |               | Change 22/21  |
|---|---------------|---------------|---------------|---------------|
|   | 2020          | 2021          | H1 2022       |               |
| Shareholders' Equity                      | 14,603        | 16,722        | 13,479        | -19.4%        |
| including net profit for the fiscal year  | 6,248         | 5,644         | 959           | -83.0%        |
| Financial borrowings                      | 7             | 1             | 1             | 0.0%          |
| Long-term provisions for risks and losses | 15            | 44            | 23            | -48.9%        |
| Translation difference - profit           | 4             | 0             | 0             | -             |
| <b>Total permanent funds</b>              | <b>14,629</b> | <b>16,768</b> | <b>13,503</b> | <b>-19.5%</b> |
| <b>Current liabilities</b>                | <b>14,163</b> | <b>13,382</b> | <b>19,423</b> | <b>45.1%</b>  |
| <b>Cash liabilities</b>                   | <b>11,051</b> | <b>8,578</b>  | <b>6,051</b>  | <b>-29.5%</b> |
| <b>Total liabilities</b>                  | <b>39,842</b> | <b>38,728</b> | <b>38,978</b> | <b>0.6%</b>   |

Taking into account the profit for the period of MAD 959 million and the allocation of a dividend of MAD 4.2 billion, shareholders' equity at June 30, 2022 amounted to MAD 13,479 million, compared to MAD 16,722 million in 2021.

At June 30, 2022, current liabilities amounted to MAD 19,423 million, compared with MAD 13,382 million in 2021, an increase of 45.1%. This is mainly due to the recognition of dividends payable during the second half of the year and the inclusion of a MAD 2,451 million provision for risks (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 the context of the January 17, 2020 decision relating to unbundling).

Cash and cash equivalents decreased by 29.5% to MAD 6,051 million, compared with MAD 8,578 million in 2021.



**Maroc Telecom**

Itissalat Al-Maghrib

Société Anonyme à Directoire et Conseil de Surveillance

au Capital de 5 274 572 040 dirhams RC 48 947

Siège Social

Avenue Annakhil, Hay Riad Rabat, Maroc

[www.iam.ma](http://www.iam.ma)