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**FINANCIAL
REPORT
HY 2021**

Preliminary remarks:

This financial report and the condensed financial statements for the half year ended June 30th, 2021 were approved by the Management Board on July 16th, 2021, and review by the Audit Committee at its meeting on July 26th, 2021.

This report should be read in conjunction with the Management Board's report for the year ended December 31, 2020 as published in Registration Document as filed with the Securities Regulator (AMF) on April 28, 2021 ("2020 universal registration document").

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Highlights

January 2021

- In Morocco, upward review of the FTTH router tariff, with the introduction of the installment payment method, in order to comply with new regulatory requirements;
- The new visual identity “Moov Africa” is launched on January 1, 2021. The ten subsidiaries of Maroc Telecom Group (present in Mauritania, Burkina Faso, Gabon, Mali, Ivory Coast, Benin, Togo, Niger, Central African Republic and Chad) are now united around a common identity;
- In Burkina Faso, Côte d'Ivoire and Chad, launch of the FTTH service;
- In Burkina Faso, the Finance Act of 2020 introduced a financial activities tax of 17% of the activity's revenue;
- In Mali, adoption of symmetry between the Sotelma and Orange call termination rates at FCFA 2.5, with a 50% bonus in favor of ATEL, and SMS termination rates/USSD codes at FCFA 1;
- In Togo, adoption of the decision defining the principles applicable to electronic communications services;
- In Chad, telecom operators were notified of two decrees, concerning 1/ the sharing of telecommunication infrastructures between operators in Chad, and 2/ the procedures for obtaining approval as an infrastructure and network installer and authorization to sell electronic communications equipment;
- In Gabon, reduction of the Mobile call termination rate to FCFA 7 as of January 1, 2021;
- In Côte d'Ivoire, reduction of the Mobile call termination rate to FCFA 5 as of January 1, 2021;
- In Benin, the regulator notified telecom operators of a new decision to cancel the national call termination rate in Benin from January 1, 2021.

February 2021

- In Morocco, exclusive introduction by Maroc Telecom of the eSIM service, designed to increase the connectivity of portable devices;
- In Morocco, launch by Maroc Telecom of a new Data-focused package of 30 GB + 3 hours at MAD 165 to satisfy customers that use the Internet more;
- In Morocco, extension by Maroc Telecom of the validity period of the Jawal MAD 10, MAD 20, MAD 50 and All in one (*5) passes, and enhancement of the MAD 50 and MAD 100 voice passes (4 hours and 8 hours);
- In Côte d'Ivoire, implementation of the new numbering plan consisting of the transition to ten digits;
- In Togo, approval of the Moov Africa Togo interconnection catalog which specifies a Mobile call termination rate of FCFA 7;
- In Niger, the regulator set the national call termination rate at FCFA 4.9 for the country's four operators with retroactive effect from January 1, 2021;
- In the Central African Republic, signature of a memorandum of understanding between the Central African Republic and Gabon for the implementation of free roaming between the two countries (for a period of 30 days up to a maximum of 300 minutes);
- In Chad, abolition of the surcharge on international traffic coming from the G5 Sahel sub-region and CEMAC, and exemption of Mobile Money revenues from the excise duty of 18%.

March 2021

- The regulatory authorities of ECOWAS member countries plan to agree on a shared strategy to complete the effective implementation of the Free Roaming regulation in the area;

- In Togo, the regulator decided on the principles applicable to retail offers (display of prices, alignment of the period of validity of top-ups with the life of the SIM card, etc.);
- In Mauritania, notification of the ministerial order setting out the terms and conditions for the renewal of the Moov Mauritel 3G license;
- In Benin, SONATEL was awarded the delegated management of the Société Béninoise des Infrastructures Numériques (SBIN) for five years;
- In Chad, the regulator kept the Mobile call termination rate at FCFA 15/min and the SMS termination rate at FCFA 3.

April 2021

- In Morocco, Maroc Telecom introduced a new catalog of smart devices focused on the themes of Home Security, Home Comfort and Health & Fitness;
- In Côte d'Ivoire, entry into the market of a new Mobile Money operator called Wave.

May 2021

- In Morocco, launch by Maroc Telecom of a new IAM unlimited voice option (for national landlines and Mobiles) at MAD 59/month, valid for the residential Maitrisés, Particuliers and Libertés packages;
- In Morocco, Maroc Telecom added another hour to the MAD 100 *2 Pass to offer 5 GB + 3 hours;
- In Morocco, launch by Maroc Telecom of a new rewards brochure for converting Fidelio Mobile points into Pass Data (20 points = 2 GB; 50 points = 5 GB);
- In Morocco, introduction of ten new LTE destinations for Maroc Telecom travelers: Andorra, Greenland, Guam, Isle of Man, Guinea Bissau, Northern Mariana Islands, El Salvador, Tajikistan, Trinidad & Tobago, and Ukraine;
- In Morocco, adoption of the decision authorizing Wi-Fi 6E from June 2021;
- In Mauritania, adoption of the bill on Mobile Money activity by the Council of Ministers;
- In Togo, adoption of a decree limiting the number of SIM cards to three per subscriber of Mobile electronic communications services.

June 2021

- In Morocco, launch by Maroc Telecom, via its e-shop, of the sale of contract-free smartphones;
- In Morocco, launch by Maroc Telecom of the assistance service via WhatsApp for Fixed-line and Business Internet customers;
- In Morocco, launch by Maroc Telecom of a FTTH and ADSL sponsorship operation;
- In Morocco, cancellation of the option to convert Fidelio points into equipment following a decision by the Agence Nationale de Réglementation des Télécommunications (ANRT);
- In Mauritania, deactivation at the request of the regulator within the context of customer identification, of any SIM card that has not been used within 24 hours of its activation and restriction of the sale of new SIM-only packages to the operators' own networks;
- In Burkina Faso, launch by competitors of Moov Africa Burkina (GVA and Orange) of the FTTH service in Ouagadougou;
- In Mauritania, granting of the Fixed-line authorization to Moov Mauritel by the National Regulatory Council, with effect from April 11, 2021, for a period of ten years.



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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^{ème} étage, La Marina Casablanca, Maroc

First appointed by the general meeting of 26 April 2016, his mandate was renewed at the general meeting of 23 April 2019 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 2021.

Coopers Audit, représenté 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 the 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 1st TO JUNE 30th, 2021

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 2021. These interim consolidated financial statements show an amount of consolidated equity of MMAD 15.476 including a consolidated net profit of MMAD 3.275. These interim financial statements were closed by the Board of Directors on July 16th, 2021 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, 2021, and its financial position and assets according to International Accounting Standards IAS/IFRS, as adopted by the European Union.

Casablanca, 26th, July 2021

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 1st TO JUNE 30th, 2021

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 related to the period from January 1st to June 30th, 2021. Those interim financial statements, which show a total equity of MAD 14.114.835 thousand including a net profit of MAD 3.036.751 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 16th, 2021 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, 2021, in accordance with Generally Accepted Accounting Principles in Morocco.

Casablanca, July 26th, 2021

The Statutory Auditors

Deloitte Audit

Sakina BENSOUA KORACHI

Partner

Abdelaziz ALMECHATT

Abdelaziz ALMECHATT

Partner



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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.

(IFRS in MAD million)	Q2-2020	Q2-2021	Change	Change at constant exchange rates ⁽¹⁾	H1-2020	H1-2021	Change	Change at constant exchange rates ⁽¹⁾
Revenues	9,014	8,866	-1.6%	-0.8%	18,323	17,780	-3.0%	-2.9%
Adjusted EBITDA	4,809	4,599	-4.4%	-3.6%	9,603	9,160	-4.6%	-4.6%
Margin (%)	53.3%	51.9%	-1.5 pt	-1.5 pt	52.4%	51.5%	-0.9 pt	-0.9 pt
Adjusted EBITA	2,922	2,825	-3.3%	-2.6%	5,836	5,571	-4.5%	-4.4%
Margin (%)	32.4%	31.9%	-0.6 pt	-0.6 pt	31.8%	31.3%	-0.5 pt	-0.5 pt
Group share of adjusted Net Income	1,410	1,359	-3.6%	-3.4%	3,006	2,832	-5.8%	-5.8%
Margin (%)	15.6%	15.3%	-0.3 pt	-0.4 pt	16.4%	15.9%	-0.5 pt	-0.5 pt
CAPEX⁽²⁾	659	1,697	157.7%	158.1%	1,186	2,115	78.4%	78.3%
Of which frequencies & licenses	0	0			0	0		
CAPEX/revenues (excl.frequencies & licenses)	7.3%	19.1%	11.8 pt	11.7 pt	6.5%	11.9%	5.4 pt	5.4 pt
Adjusted CFFO	4,206	2,797	-33.5%	-32.8%	7,099	5,478	-22.8%	-22.7%
Net Debt	18,659	14,908	-20.1%	-20.0%	18,659	14,908	-20.1%	-20.0%
Net Debt/EBITDA⁽³⁾	0.9x	0.8x			0.9x	0.8x		

Customer base

The number of customers of the Group stood at nearly 74 million at the end of June 2021, up by 7.5% year-on-year, driven by sustained growth of the subsidiaries' customer bases (+11.1%).

Revenues

For the six months of 2021, the Maroc Telecom Group generated consolidated revenues⁽⁴⁾ of MAD 17,780 million, down by 3.0% (-2.9% at constant exchange rates⁽¹⁾). The decline in the Mobile business in Morocco was partly offset by the strong growth momentum in Fixed Broadband in Morocco and the activities of the Moov Africa subsidiaries.

In the second quarter of 2021, consolidated revenues are almost stable (-0.8% at constant exchange rates⁽¹⁾) thanks mainly to the performance of the subsidiaries over the same period (+4.7% at constant exchange rates⁽¹⁾).

Earnings from operations before depreciation and amortization

In the first half of 2021, adjusted operating income before depreciation and amortization (EBITDA) for the Maroc Telecom Group reached MAD 9,160 million, down by 4.6% at constant exchange rates⁽¹⁾. The EBITDA decrease in Morocco is partially offset by EBITDA growth in the Moov Africa subsidiaries. The adjusted EBITDA margin remained at a high of 51.5%.

Earnings from operations

For the first six months of 2021, adjusted consolidated earnings from operations (EBITA)⁽⁵⁾ of the Maroc Telecom Group reached MAD 5,571 million, down by 4.5% (-4.4% at constant exchange rates⁽¹⁾) showing a trend similar to that of EBITDA. The operating margin was 31.3%.

Net Income - Group share

At the end of June 2021, adjusted Group share of net income fell by 5.8% at constant exchange rates⁽¹⁾ to MAD 2,832 million.

Investments

Investments⁽²⁾ excluding frequencies and licences amounted to MAD 2,115 million, up by 78.3% year on year at constant exchange rates⁽¹⁾. Focused mainly on strengthening infrastructures to support traffic and customer base growth, they represent 11.9% of the Group's revenues.

Cash flow

Adjusted net cash flow from operations (CFFO)⁽⁶⁾ came to MAD 5,478 million, down by 22.8% from the same period in 2020 (-22.7% at constant exchange rates⁽¹⁾), mainly due to the fall in EBITDA and the increase in investments.

At the end of June 2021, consolidated Net Debt⁽⁷⁾ of the Group was down by 20.1%, at MAD 14,908 million. It represents 0.8 time its annualised EBITDA⁽³⁾.

Appointments to the Management Board and to the Supervisory Board

The Supervisory Board, meeting on Thursday 18 February 2021, noted the expiry of the Management Board members terms on 1 March 2021 and decided to renew the terms of office of Mr Abdeslam AHIZOUNE as Chairman of the Management Board and Messieurs Brahim BOUDAUD, Hassan RACHAD, François VITTE and Abdelkader MAAMAR as members of the Management Board for a further two (2) years, i.e. until 1 March 2023.

Moreover, at its meeting of 22 April 2021, the Supervisory Board co-opted two (2) new members:

- Mr Jassem Mohamed Bu Ataba ALZAABI, who replaced Mr Obaid Bin Humaid AL TAYER for the remainder of his term of office, i.e. until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ending 31 December 2024;
- Mr Kamal SHEHADI, who replaced Mr Saleh AL ABDOOLI for the remaining duration of his term of office, i.e. until the end of the Ordinary General Meeting called to approve the financial statements for the financial year ending 31 December 2021.

It should also be noted that Mr Jassem Mohamed Bu Ataba ALZAABI was also elected Vice-Chairman of the Supervisory Board on the same occasion.

The Ordinary General Meeting of 30 April 2021 approved the co-optation of Mr Luis ENRIQUEZ as a member of the Supervisory Board.

2.1.1 MOROCCO

(IFRS in MAD millions)	Q2 2020	Q2 2021	Change	H1 2020	H1 2021	Change
Revenues	5,124	4,884	-4.7%	10,524	9,774	-7.1%
Mobile	3,234	3,018	-6.7%	6,779	5,985	-11.7%
Services	3,205	2,891	-9.8%	6,637	5,766	-13.1%
Equipment	29	127	339.1%	142	218	54.0%
Fixed-Line	2,408	2,332	-3.1%	4,727	4,702	-0.5%
Of which Fixed Data*	894	928	3.8%	1,707	1,838	7.7%
Elimination and other income	-518	-466	-	-981	-913	
Adjusted EBITDA	3,008	2,718	-9.7%	5,980	5,390	-9.9%
Margin (%)	58.7%	55.6%	-3.1 pt	56.8%	55.1%	-1.7 pt
Adjusted EBITA	2,046	1,780	-13.0%	4,037	3,524	-12.7%
Margin (%)	39.9%	36.4%	-3.5 pt	38.4%	36.1%	-2.3 pt
CAPEX⁽²⁾	281	1,092	288.5%	564	1,299	130.4%
Of which frequencies and licences	0	0		0	0	
CAPEX/revenues (excluding frequencies and licences)	5.5%	22.3%	16.9 pt	5.4%	13.3%	7.9 pt
Adjusted CFFO	2,636	1,516	-42.5%	4,256	2,737	-35.7%
Net debt	11,891	9,888	-16.8%	11,891	9,888	-16.8%
Net debt/EBITDA⁽³⁾	0.9x	0,9x		0.9x	0,9x	

* Fixed Data includes the Internet, TV on ADSL and Data services to companies. A calculation method has been changed for an element of the Fixed Data affecting the history

Revenues in Morocco fell by 7.1% in the first half of 2021 to MAD 9,774 million. The Mobile business, particularly prepaid Data, continues to suffer from competition and the regulatory environment, partially offset by Fixed Data which is still booming up 7.7%.

Adjusted operating income before depreciation and amortization (EBITDA) reached MAD 5,390 million, down by 9.9% from the first half of 2020. The adjusted EBITDA margin remains high at 55.1%.

Adjusted earnings from operations (EBITA)⁽⁵⁾ amounted to MAD 3,524 million, down 12.7% year on year due to the fall in EBITDA. The adjusted EBITA margin came to 36.1%.

In the first six months of 2021, adjusted net cash flow from operations (CFFO)⁽⁶⁾ in Morocco reached MAD 2,737 million, down by 35.7%, due to the EBITDA decrease and the acceleration in investments, which reached 13.3% of revenues.

2.1.1.1 Mobile

	Unit	H1 2020	H1 2021	Change
Customer base⁽⁸⁾	(000)	19,572	19,633	0.3%
Prepaid	(000)	17,234	17,303	0.4%
Postpaid	(000)	2,338	2,329	-0.4%
Of which Internet 3G/4G+⁽⁹⁾	(000)	11,764	10,979	-6.7%
ARPU⁽¹⁰⁾	(MAD/month)	55.1	48.8	-11.4%

At 30 June 2021, the Mobile customer base⁽⁸⁾ reached 19.6 million customers, up by 0.3% in one year driven by the prepaid customer base, which gained 1.7% over the second quarter.

As a result of the combined effect of the fall in outgoing and incoming revenues, Mobile revenues lost 11.7% compared to the same period in 2020, reaching MAD 5,985 million. The decline in incoming revenues is mainly due to the decrease in national call terminations rates. The regulatory and competitive environment continues to weigh on outgoing services revenues, particularly in the prepaid data segment.

The combined ARPU⁽¹⁰⁾ was MAD 48.8 for the first six months of 2021, down by 11.4% compared with the same period in 2020.

2.1.1.2 Fixed-line and Internet

	Unit	H1 2020	H1 2021	Change
Fixed line	(000)	1,979	1,999	1.0%
High Speed Access⁽¹¹⁾	(000)	1,689	1,745	3.3%

The Fixed-line customer base improved by 1.0% year-on-year and recorded nearly 2 million lines at the end of June 2021. The broadband customer base⁽¹¹⁾ grew by 3.3% to 1.7 million subscribers.

Revenues from Fixed-line and Internet activities fell slightly by 0.5%. The 7.7% growth in Data revenues partially offset the decline in Voice.

2.1.2 INTERNATIONAL

2.1.2.1 Financial indicators

(IFRS in MAD millions)	Q2 2020	Q2 2021	Change	Change at constant exchange rates ⁽¹⁾	H1 2020	H1 2021	Change	Change at constant exchange rates ⁽¹⁾
Revenues	4,111	4,223	2.7%	4.7%	8,318	8,515	2.4%	2.5%
<i>Of which Mobile services</i>	3,736	3,896	4.3%	6.2%	7,595	7,859	3.5%	3.6%
Adjusted EBITDA	1,800	1,882	4.5%	6.5%	3,623	3,771	4.1%	4.2%
<i>Margin (%)</i>	43.8%	44.6%	0.8 pt	0.8 pt	43.6%	44.3%	0.7 pt	0.7 pt
Adjusted EBITA	877	1,045	19.2%	21.5%	1,798	2,046	13.8%	14.1%
<i>Margin (%)</i>	21.3%	24.7%	3.4 pt	3.4 pt	21.6%	24.0%	2.4 pt	2.4 pt
CAPEX⁽²⁾	378	605	60.3%	61.1%	622	816	31.2%	31.2%
<i>Of which frequencies and licences</i>	0	0	-	-	0	0	-	-
<i>CAPEX/revenues (excluding frequencies and licences)</i>	9.2%	14.3%	5.1 pt	5.0 pt	7.5%	9.6%	2.1 pt	2.1 pt
Adjusted CFFO	1,570	1,281	-18.4%	-16.6%	2,843	2,741	-3.6%	-3.4%
Net debt	8,206	5,986	-27.1%	-26.8%	8,206	5,986	-27.1%	-26.8%
Net debt/EBITDA⁽³⁾	1.1x	0.7x	-	-	1.1x	0.7x	-	-

At the end of June 2021, the Group's international activities generated revenues of MAD 8,515 million, up by 2.4% (+2.5% at constant exchange rates⁽¹⁾), thanks to the growth in Mobile Data (+15.4%) and Mobile Money services (+28.4%).

In the first half of 2021, adjusted earnings from operations before depreciation and amortization (EBITDA) came to MAD 3,771 million, up by 4.1% (+4.2% at constant exchange rates⁽¹⁾). The adjusted EBITDA margin amounted to 44.3%, i.e. a gain of 0.7 pt at constant exchange rates⁽¹⁾ due to the continuous improvement in the gross margin rate and control of operating expenses.

Over the same period, adjusted earnings from operations (EBITA)⁽⁵⁾ amounted to MAD 2,046 million, up by 13.8% (+14.1% at constant exchange rates⁽¹⁾), thanks mainly to the increase in adjusted EBITDA and the decrease in depreciation and amortization charges. The adjusted EBITA margin reached 24.0%, up by 2.4 pt at constant exchange rates⁽¹⁾.

Adjusted CFFO⁽⁶⁾ from international activities was down by 3.4% at constant exchange rates⁽¹⁾ at MAD 2,741 million, mainly due to increased investments to upgrade infrastructure to support traffic and customer base growth.

2.1.2.2 Operational indicators

	Unit	H1 2020	H1 2021	Change
Mobile				
Customer base⁽⁸⁾	(000)	44,721	49,717	
Mauritania		2,400	2,706	12.8%
Burkina Faso		8,930	9,954	11.5%
Gabon		1,413	1,710	21.0%
Mali		7,909	9,341	18.1%
Côte d'Ivoire		9,231	10,014	8.5%
Benin		4,339	4,893	12.8%
Togo		3,108	2,955	-4.9%
Niger		2,979	3,078	3.3%
Central African Republic		184	217	17.9%
Chad		4,227	4,849	14.7%
Fixed				
Customer base	(000)	330	346	
Mauritania		58	58	0.2%
Burkina Faso		75	76	1.3%
Gabon		23	30	26.9%
Mali		175	183	4.7%
Fixed Broadband				
Customer base⁽¹¹⁾	(000)	126	138	
Mauritania		18	20	14.0%
Burkina Faso		14	15	7.6%
Gabon		20	24	22.9%
Mali		75	78	4.6%

Notes :

- (1) Constant MAD/Ouguiya/CFA Franc exchange rate.
- (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.
- (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 Mauritania, Burkina Faso and Mali.

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 2020			H1 2021		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	5,980	3,623	9,603	5,390	3,771	9,160
Published EBITDA	5,980	3,623	9,603	5,390	3,771	9,160
Adjusted EBITA	4,037	1,798	5,836	3,524	2,046	5,571
Exceptional items:						
Restructuring costs					-13	-13
Published EBITA	4,037	1,798	5,836	3,524	2,033	5,557
Adjusted Net Income – Group share			3,006			2,832
Exceptional items:						
Restructuring costs						-6
Contribution to the COVID-19 fund			-1,038			
Published Net Income – Group share			1,969			2,827
Adjusted CFFO	4,256	2,843	7,099	2,737	2,741	5,478
Exceptional items:						
Payment of licence		-107	-107		-25	-25
Restructuring costs					-13	-13
ANRT fine	-3,300		-3,300			
Published CFFO	956	2,736	3,692	2,737	2,703	5,440

Appendix 2: Impact of the IFRS 16

At the end of June 2021, 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		
	Morocco	International	Group
Adjusted EBITDA	127	147	274
Adjusted EBITA	8	20	29
Adjusted net income – Group share			-8
Adjusted CFFO	127	147	274
Net debt	789	655	1,444

2.2 RELATED-PARTY TRANSACTIONS

Under the terms of Article 95 et seq. of Moroccan Law No. 17-95 concerning Limited Liability 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.

Accordingly, the regulated agreements signed in the first half of fiscal year 2021, and the agreements signed in previous years that continued in effect during the first half of fiscal year 2021, 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 IN THE FIRST HALF OF 2021

None.

2.2.2 AGREEMENTS CONCLUDED IN PREVIOUS FINANCIAL YEARS AND WHICH CONTINUED TO BE EXECUTED DURING THE FIRST HALF OF THE FINANCIAL YEAR 2021

▪ **Brand licensing agreements**

Effective January 26, 2015, Maroc Telecom became the majority shareholder of Atlantique Telecom Côte d'Ivoire, Etisalat Bénin, Atlantique Telecom Togo, Atlantique Telecom Niger, Atlantique Telecom Gabon (an entity absorbed by Gabon Telecom on June 29, 2016 with effect from January 1, 2016) and Atlantique Telecom 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**

Effective January 26, 2015, Maroc Telecom became the majority shareholder of Atlantique Telecom Côte d'Ivoire, Etisalat Bénin, Atlantique Telecom Togo, Atlantique Telecom Niger, Atlantique Telecom Gabon (an entity absorbed by Gabon Telecom on June 29, 2016, with effect from January 1, 2016) and Atlantique Telecom 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**

Effective January 26, 2015, Maroc Telecom became the majority shareholder of Atlantique Telecom Côte d'Ivoire, Etisalat Bénin, Atlantique Telecom Togo, Atlantique Telecom Niger, Atlantique Telecom Gabon (an entity absorbed by Gabon Telecom on June 29, 2016, with effect from January 1, 2016) and Atlantique Telecom 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 BOUDAUD 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.

Effective May 14, 2014, Etisalat became the reference shareholder of Maroc Telecom via SPT, and the members of the joint management bodies are Jassem Mohamed Bu Ataba Alzaabi, Mohammad Hadi AL HUSSAINI, Hatem DOWIDAR, Mohammed Saif AL SUWAIDI, Luis ENRIQUEZ and Kamal SHEHADI.

- **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 BOUDAUD.

- **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 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.

▪ **Agreement with the royal Moroccan Athletics Federation (Fédération Royale Marocaine d'Athlétisme / FRMA)**

The agreement between Maroc Telecom and FRMA, of which Mr. Abdeslam AHIZOUNE is also Chairman, expired in December 2018.

At its meeting of December 7, 2018, the Supervisory Board renewed the agreement for a maximum period of three (3) years and a maximum amount of three million dirham (MAD 3,000,000) a year.

▪ **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 BOUDAOUD, Hassan RACHAD, François VITTE and Abdelkader MAAMAR.

2.3 GROWTH OUTLOOK

This section contains information regarding the Company's objectives for fiscal-year 2021.

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 2020 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 2021, on a like-for-like basis:

- Decrease in revenues;
- Decrease in EBITDA;
- CAPEX of maximum 15% of revenues, excluding frequencies and licences



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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 millions of MAD)	12/31/2020	06/30/2021
Noncurrent assets	48,579	46,577
Current assets	14,960	16,062
Total assets	63,540	62,639
SHAREHOLDERS' equity and liabilities (in millions of MAD)	12/31/2020	06/30/2021
Share capital	5,275	5,275
Equity attributable to equity holders of the parents	12,721	11,813
Minority interests	3,968	3,662
Total shareholders' equity	16,688	15,476
Noncurrent liabilities	5,314	4,679
Current liabilities	41,538	42,484
Total shareholders' equity and liabilities	63,540	62,639

Income statement for the first-halves of 2021 et 2020

(In millions of MAD)	H1-2020	H1-2021
Consolidates revenues	18,323	17,780
Operating expenses	12,487	12,223
Earnings from operations	5,836	5,557
Earnings from continuing operations	4,323	5,557
Earnings for the period	2,401	3,275
Earnings attributable to equity holders of the parents	1,969	2,827
Earnings per share (in MAD)	2.24	3.22
Diluted earnings per share (in MAD)	2.24	3.22

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.

Casanet

Casanet 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. Casanet has been fully consolidated by Maroc Telecom since January 1, 2011.

Moov Africa Côte d'Ivoire

On January 26, 2015, Maroc Telecom acquired an 85% stake in the capital of 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.

At the end of June 2021, the MT Group is no longer a shareholder of Médi1 TV. The value of these shares has been derecognised.

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 2021 and 2020:

<i>(In millions of MAD)</i>	Note	H1-2020	H1-2021
Revenues	7	18,323	17,780
Cost of purchases		-2,699	-2,562
Payroll costs		-1,464	-1,524
Taxes and duties		-1,616	-1,688
Other operating income and expenses		-5,949	-2,640
Net depreciation, amortization and provisions		-759	-3,809
Earnings from operations		5,836	5,557
Other income and charges from ordinary activities		-1,513	0
Earnings from continuing operations		4,323	5,557
Income from cash and cash equivalents		7	6
Gross borrowings costs		-423	-397
Net borrowing costs		-416	-391
Other financial income (expense)		-16	-65
Net financial income (expense)		-432	-456
Income tax expense	6	-1,490	-1,826
Net earnings		2,401	3,275
Exchange gain or loss from foreign activities		138	-275
Other income and expenses		-2	53
Total comprehensive income for the period		2,537	3,053
Net earnings		2,401	3,275
Attributable to equity holders of the parents		1,969	2,827
Minority interests		432	448
Total comprehensive income for the period		2,537	3,053
Attributable to equity holders of the parents		2,062	2,693
Minority interests		475	359
EARNINGS PER SHARE			
Net earnings - group share (in millions of MAD)		1,969	2,827
<i>Numbers of shares at June 30</i>		<i>879,095,340</i>	<i>879,095,340</i>
Earnings per share (in MAD)		2.24	3.22
Diluted earnings per share (in MAD)		2.24	3.22

* The amount shown under "Other income and expenses from ordinary activities" in 2020 corresponds to the Group's Covid19 donations.

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 2021 and 2020

Revenues

The following table shows the breakdown of revenues for the first-halves of 2021 and 2020.

<i>(In millions of MAD)</i>	H1-2020	H1-2021
Morocco	10,524	9,774
<i>o/w Mobile services</i>	6,637	5,766
International	8,318	8,515
<i>o/w Mobile services</i>	7,595	7,859
Eliminations	- 518	- 509
Total consolidated revenues	18,323	17,780

At the end of June 2021, Maroc Telecom's consolidated revenues amounted to MAD17,780 million, down 3.0% 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 2021 and 2020.

<i>(In millions of MAD)</i>	H1-2020	H1-2021
Revenues	18,323	17,780
Cost of purchases	2,699	2,562
% of revenues	14.7%	14.4%
Payroll costs	1,464	1,524
% of revenues	8.0%	8.6%
Taxes and duties	1,616	1,688
% of revenues	8.8%	9.5%
Other operating income (expenses)*	5,949	2,640
% of revenues	32.5%	14.8%
Net depreciation, amortization, impairment and provisions**	759	3,809
% of revenues	4.1%	21.4%
Total operating expenses	12,487	12,223
% of revenues	68.1%	68.7%

* The amount for H1 2020 includes the cost of the ANRT's fine, which amounts to MAD3,300 million.

** The H1 2020 amount includes the reversal of the provision for the ANRT fine that was recognised in the MT Group's accounts in 2019.

➤ Cost of purchases

Between the first half of 2020 and the first half of 2021, the Group's purchases decreased by 5.1% due mainly to lower traffic.

➤ Personnel expenses

In the first half of 2021, the Group's personnel expenses are up by 4.1% compared to the first half of 2020. This increase is partly linked to the voluntary departure plan of the Onatel subsidiary.

➤ Taxes and duties

Taxes and duties amounted to MAD1,688 million, up 4.4% compared to 2020. The increase affected international subsidiaries and was mainly due to higher contributions paid to regulatory authorities in certain countries.

➤ Other operating income and expenses

Other operating income and expenses decreased from MAD 5,949 million in H1 2020 to MAD 2,640 million in H1 2021, 2020 including the impact of the ANRT fine in Morocco (MAD 3.3 billion).

Operating profit

The Group's consolidated operating profit at 30 June 2021 was 5,557, up 29% on the first half of 2020.

Net financial income

In the first half of 2021, the financial result is almost stable. However, the cost of net financial debt decreased by 25 million thanks to the debt control efforts made by the Group's entities.

Tax expense

The tax charge is down 7% on a like-for-like basis* compared to the first half of 2020 in line with the lower pre-tax profit in the first half of 2021.

Net income

At the end of June 2021, the Group recorded net income of MAD 3,275 million, up 36% compared to the first half of 2020, which was impacted by the Covid19 donation paid by the Group.

Noncontrolling interests

Minority interests, reflecting the rights of shareholders other than Maroc Telecom in the earnings of consolidated entities, amounted to MAD448 million in first-half 2021, compared with MAD432 million in first-half 2020.

Net income (Group share)

At the end of June 2021, the Group's share of net income amounted to MAD 2,827 million.

Net earnings per share

Earnings per share reached MAD 3.22 in the first half of 2021, compared with MAD 2.24 in the first half of 2020 (impacted by the Covid19 contribution), i.e. a 44% increase.

Cash and cash equivalents

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

*Comparable basis means the cancellation of the impact of exceptional items in 2020, i.e. the ANRT fine and the Covid19 donation.

➤ Cash flows

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

<i>(In millions of MAD)</i>	H1-2020	H1-2021
Net cash from operating activities (a)	2,248	6,279
Net cash used in investing activities (b)	-2,397	-2,745
Net cash used in financing activities (c)	894	-3,680
Foreign currency translation adjustments (d)	42	-69
Change in cash and cash equivalents (a)+(b)+(c)+(d)	788	-215
Cash and cash equivalents at beginning of period	1,483	2,690
Cash and cash equivalents at end of period	2,271	2,475

➤ Net cash flow from operating activities

At June 30, 2021, net cash provided by operating activities amounted to MAD6,279 million, compared with MAD7,060 million on a comparable basis* at June 30, 2020, in line with the economic crisis.

➤ Net cash flow from investing activities

Net cash used in investing activities increased as a result of the acceleration of CAPEX projects encouraged by the easing of containment measures.

➤ Net cash flow from financing activities

At June 30, 2021, net cash flows from financing activities decreased by MAD 4,574 million due to payments of financial debts especially in Morocco.

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>	H1-2020	H1-2021
Morocco	564	1,299
International	622	816
Total	1,186	2,115

➤ Investments in Morocco

Investments in Morocco recorded a 130% growth at the end of June 2021, from MAD 564 million to MAD 1,299 million, 2020 impacted by the restrictive measures related to Covid19 (Containment and closure of borders). In 2021, the pace of investment in Morocco is more sustained as the country's pandemic situation improves.

*Comparable basis means the cancellation of the impact of exceptional items in 2020, i.e. the ANRT fine and the Covid19 donation.

➤ International investments

Investments made by the Group's subsidiaries in the first half of 2021 increased by 31% compared to the first half of 2020. MT Group is continuing to deploy its international investment policy in order to achieve broader coverage and better quality of service.

Financial resources

In the first half of 2021, Maroc Telecom's net debt amounted to MAD14,908 million compared with MAD17,619 million at end-December 2020, down by 20%.

<i>(In millions of MAD)</i>	12/31/2020	06/30/2021
Outstanding debt and accrued interests (a)	20,360	17,400
Cash*(b)	2,690	2,475
Cash held for repayment of bank loans (c)	50	17
Net debt (a) - (b) - (c)	17,619	14,908

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

3.3 CONSOLIDATES FINANCIAL STATEMENTS AND NOTES

Consolidated statement of financial position at June 30, 2021 and at December 31, 2020

ASSETS (in millions of MAD)	Note	12/31/2020	06/30/2021
Goodwill		9,315	9,135
Other intangible assets		8,120	7,657
Property, plant and equipment		28,319	27,103
Right to use the asset		1,592	1,460
Noncurrent financial assets		654	640
Deferred tax assets		580	583
Noncurrent assets		48,579	46,577
Inventories		271	322
Trade accounts receivable and other		11,816	13,083
Short-term financial assets		130	128
Cash and cash equivalents	4	2,690	2,475
Assets available for sale		54	54
Current assets		14,960	16,062
TOTAL ASSETS		63,540	62,639
SHAREHOLDERS' EQUITY AND LIABILITIES (in millions of MAD)		12/31/2020	06/30/2021
Share capital		5,275	5,275
Retained earnings		2,023	3,712
Net earnings		5,423	2,827
Equity attributable to equity holders of the parents		12,721	11,813
Minority interests		3,968	3,662
Total shareholders' equity		16,688	15,476
Noncurrent provisions		521	520
Borrowings and other long-term financial liabilities	4	4,748	4,114
Deferred tax liabilities		45	45
Other noncurrent liabilities		-	-
Noncurrent liabilities		5,314	4,679
Trade accounts payable		24,007	27,203
Current tax liabilities		671	708
Current provisions		1,247	1,286
Borrowings and other short-term financial liabilities		15,612	13,286
Current liabilities		41,538	42,484
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		63,540	62,639

Statement of comprehensive income for the six-month period ended June 30, 2021

<i>(In millions of MAD)</i>	Note	H1-2020	H1-2021
Revenues	7	18,323	17,780
Cost of purchases		-2,699	-2,562
Payroll costs		-1,464	-1,524
Taxes and duties		-1,616	-1,688
Other operating income and expenses		-5,949	-2,640
Net depreciation, amortization and provisions		-759	-3,809
Earnings from operations		5,836	5,557
Other income and charges from ordinary activities		-1,513	0
Earnings from continuing operations		4,323	5,557
Income from cash and cash equivalents		7	6
Gross borrowings costs		-423	-397
Net borrowing costs		-416	-391
Other financial income (expense)		-16	-65
Net financial income (expense)		-432	-456
Income tax expense	6	-1,490	-1,826
Net earnings		2,401	3,275
Exchange gain or loss from foreign activities		138	-275
Other income and expenses		-2	53
Total comprehensive income for the period		2,537	3,053
Net earnings		2,401	3,275
Attributable to equity holders of the parents		1,969	2,827
Minority interests		432	448
Total comprehensive income for the period		2,537	3,053
Attributable to equity holders of the parents		2,062	2,693
Minority interests		475	359
EARNINGS PER SHARE			
Net earnings - group share (in millions of MAD)		1,969	2,827
<i>Numbers of shares at June 30</i>		<i>879,095,340</i>	<i>879,095,340</i>
Earnings per share (in MAD)		2.24	3.22
Diluted earnings per share (in MAD)		2.24	3.22

* Corresponds to the Group's Covid19 donations

Consolidated statement of cash flows for the first half of 2021 and 2020

(In millions of MAD)	Note	H1-2020	H1-2021
Earnings from operations		5,836	5,557
Depreciations, depreciation and other adjustments		-759	3,806
Gross cash from operating activities		5,077	9,364
Other changes in net working capital		-616	-1,192
Net cash from operating activities before taxes		4,461	8,172
Tax paid		-2,213	-1,893
Net cash from operating activities (a)		2,248	6,279
Purchase of PP&E and intangible assets		-2,287	-2,735
Increase in financial assets		-157	-24
Disposals of PP&E and intangible assets		6	3
Decrease in financial assets		41	1
Dividends received from nonconsolidated investments		0	11
Net cash used in investing activities (b)		-2,397	-2,745
Capital increase			
Dividends paid to shareholders	3	0	0
Dividends paid by subsidiaries to their noncontrolling interests		-431	-330
Changes in equity		-431	-330
Borrowings and increase in other long-term financial liabilities		2,449	361
Borrowings and increase in other long-term financial liabilities			
Changes in net current accounts		-680	-3,156
Changes in current accounts receivable/financial creditors			
Net interests paid (Cash only)		-392	-477
Other cash expenses (income) used in financing activities		-52	-78
Changes in borrowings and other financial liabilities		1,326	-3,349
Net cash used in financing activities (d)		894	-3,680
Effect of foreign currency adjustments (g)		42	-69
Total cash flows (a+b+d+g)		788	-215
Cash and cash equivalents at beginning of period		1,483	2,690
Cash and cash equivalents at end of period		2,271	2,475

Statement of changes in consolidated equity at June 30, 2021 and December 31, 2020

(in MAD million)	Share capital	Other comprehensive income	Other comprehensive income	Total Group share	Non controlling interest	Total capitaux propres
Position at January 1, 2021	5,275	7,222	-428	12,069	3,934	16,003
Total comprehensive income for the period		1,969	93	2,062	475	2,537
<i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i>			95	95	44	138
Gains and losses on translation			95	95	44	138
<i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i>			-2	-2	0	-2
Actuarial differences				0		0
Revaluation differences				0		0
Revaluation differences on hedging instruments				0		0
Revaluation differences on equity instruments			-2	-2	0	-2
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		-4,870		-4,870	-867	-5,737
Treasury stock		9		9		9
Other adjustments		6		6	0	5
Position at June 30, 2020	5,275	4,335	-335	9,275	3,542	12,817
Total comprehensive income for the period		3,454	-5	3,449	423	3,872
<i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i>		0	5	5	-9	-4
Revaluation differences			5	5	-9	-4
<i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i>			-10	-10		-10
Actuarial differences			-1	-1		-1
Revaluation differences			-11	-11		-11
Revaluation differences on hedging instruments				0	-2	-2
Revaluation differences on equity instruments			2	2	-2	0
Capital increase				0	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		0	2	3
Treasury stock		-9		-9		-9
Other adjustments		5		5	0	5
Position at December 31, 2020	5,275	7,786	-340	12,721	3,968	16,688
Total comprehensive income for the period		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
Revaluation differences			-186	-186	-89	-275
<i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i>				0		0
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 ownership interest without gain/loss of control				0		0
Change in ownership interest 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
Position at June 30, 2021	5,275	7,012	-474	11,813	3,662	15,476

At June 30, 2021, 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

- The Group's customer base grew by 7.5% to nearly 74 million customers;
- Almost stable consolidated revenues (-0.8% at constant exchange rates*) in the second quarter of 2021;
- Group EBITDA margin held at a high level of 51.5%;
- Strong performance of the Moov Africa subsidiaries, whose revenues increased by 4.7% at constant exchange rates* in the second quarter of 2021;
- Sustained growth in Fixed Line broadband in Morocco (+7.7%);
- Net income - Group share up +43.6% (-5.8% on a like-for-like basis and including adjustments);
- Acceleration of the Group's investments, focused on strengthening Fixed and Mobile networks infrastructures and improving quality of service;
- Net debt down 20.0% at constant exchange rates* to the low level of 0.8x 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 2021 are identical to those used for the year ended 31 December 2020, 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, 2021 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 2020 consolidated financial statements.

The interim consolidated financial statements at June 30, 2021, together with the notes thereto, were approved by Maroc Telecom's Executive Board on July 16, 2021.

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

Note 2. Scope of consolidation at June 30, 2021 and December 31, 2020

Company	Legal form	% Group interest	% Capital held	Consolidation method
Maroc Telecom Avenue Annakhil Hay Riad Rabat-Maroc	SA	100%	100%	FC
Compagnie Mauritanienne de Communication (CMC) 30 June 2021 31 december 2020 563, Avenue Roi Fayçal Nouakchott-Mauritanie	SA	80% 80%	80% 80%	FC FC
Mauritel SA 30-juin-21 31-déc-20 Avenue Roi Fayçal Nouakchott-Mauritanie	SA	41% 41%	52% 52%	FC FC
Onatel 30 June 2021 31 december 2020 705, AV. de la nation 01 BP10000 Ouagadougou – Burkina Faso	SA	61% 61%	61% 61%	FC FC
Gabon Telecom 30 June 2021 31 december 2020 Immeuble 9 étages, BP 40 000 Libreville-Gabon	SA	51% 51%	51% 51%	FC FC
Sotelma 30 June 2021 31 december 2020 ACI 2000 près du palais de sport BP-740 – Bamako, Mali	SA	51% 51%	51% 51%	FC FC
Casanet 30 June 2021 31 december 2020 Imm Riad 1, RDC, Avenue Annakhil Hay Riad Rabat-Maroc	SA	100% 100%	100% 100%	FC FC
Moov Africa Côte d'Ivoire 30 June 2021 31 december 2020 Plateau, Immeuble KARRAT, Avenue Botreau Roussel – Abidjan – Côte d'Ivoire	SA	85% 85%	85% 85%	FC FC
Moov Africa Bénin 30 June 2021 31 december 2020 Ilot 553, quartier Zongo Ehuzu, zone résidentielle, avenue Jean Paul 2, immeuble Etisalat, Cotonou - Bénin	SA	100% 100%	100% 100%	FC FC
Moov Africa Togo 30 June 2021 31 december 2020 Boulevard de la Paix, Route de l'Aviation, Immeuble Moov-Etisalat – Lomé - Togo	SA	95% 95%	95% 95%	FC FC
Moov Africa Niger 30 June 2021 31 december 2020 720 Boulevard du 15 avril Zone Industrielle, BP 13 379, Niamey-Niger	SA	100% 100%	100% 100%	FC FC
Moov Africa Centrafrique 30 June 2021 31 december 2020 Bangui, BP 2439, PK 0, Place de la République, Immeuble SOCIM, rez-de-chaussée, Bangui-Centrafrique	SA	100% 100%	100% 100%	FC FC
Moov Africa Chad 30 June 2021 31 december 2020 N'Djamena, BP 6505, Avenue Charles DE GAULLE, N'Djamena-Chad	SA	100% 100%	100% 100%	FC FC

Note 3. Dividends

<i>(In millions of MAD)</i>	H1-2020	H1-2021
Dividends received from equity affiliates to their minority shareholder (a)		
Total (a)	867	665
Dividends distributed by Maroc Telecom to its shareholders (b)		
Kingdom of Morocco	1,461	776
Etisalat	2,581	1,868
Others	828	881
Total (b)	4,870	3,525
Total dividends distributed (a) + (b)	5,737	4,190

At June 30, 2021, Maroc Telecom had not yet paid any dividends, which totaled MAD3,525 million and were classified as current liabilities.

Dividends paid by subsidiaries to their minority shareholders amounted to MAD665 million.

Note 4. Borrowings and other financial liabilities at June 30, 2021 and December 31, 2020

<i>(In millions of MAD)</i>	12/31/2020	06/30/2021
Borrowings due less than one year	3,553	3,056
Rental obligation at +1 year	1,195	1,058
Borrowings due more than one year	2,352	2,403
Rental obligation at -1 year	444	386
Facilities and overdrafts	12,816	10,498
Borrowings and financial liabilities	20,360	17,400
Cash	2,690	2,475
Blocked cash	50	17
Net debt	17,619	14,908

Maroc Telecom's net debt fell from MAD17,619 million at December 31, 2020 to MAD14,908 million at June 30, 2021. MAD14,908 million at June 30, 2021 due to the repayment of bank loans.

4.1. BREAKDOWN OF NET DEBT BY MATURITY

Half year ended June 30, 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	2,699	356	5,458
Rental obligation	386	797	261	1,444
Facilities and overdrafts	10,498			10,498
Borrowings and financial liabilities	13,286	3,497	617	17,400
Cash	2,475			2,475
Blocked cash	17			17
Net debt	10,794	3,497	617	14,908

Full December 31, 2020

<i>(In millions of MAD)</i>	Due less than 1 year	1 to 5 years	Due more than 5 years	TOTAL
Borrowings	2,352	3,129	424	5,905
Rental obligation	444	952	243	1,639
Facilities and overdrafts	12,816			12,816
Borrowings and financial liabilities	15,612	4,081	667	20,360
Cash	2,690			2,690
Blocked cash	50			50
Net debt	12,871	4,081	667	17,619

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>	12/31/2020	06/30/2021
Morocco	11,888	10,041
International	8,471	7,359
Borrowings and other financial liabilities	20,360	17,400

Note 5. Restructuring expenses at June 30, 2021 and December 31, 2020

None.

Note 6. Income tax payable for the first half of 2021 and 2020

<i>(In millions of MAD)</i>	H1-2020	H1-2021
Income tax	1,495	1,840
Deferred taxes	-5	-13
Tax provisions		
Current tax	1,490	1,826
Consolidated effective tax rate *	38.3%	35.8%

* Income taxes / income before taxes

The tax charge at 30 June 2021 was down 7% on a comparable basis* compared to the first half of 2020. This change is linked to the decrease in pre-tax earnings impacted by the health crisis and economic context.

The effective tax rate was 35.8% in the first half of 2021.

Note 7. Segment data for the first six-month periods of 2021 and 2020

Segment earnings by geographical area

First half of 2021

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

First half of 2020

<i>(In millions MAD)</i>	Morocco	International	Eliminations	Total
Revenues	10,524	8,318	-518	18,323
Earnings from operations	4,038	1,798		5,836
Net depreciation and impairment of assets**	-1,129	1,887		759
Voluntary redundancy plan				

*Comparable basis means the cancellation of the impact of exceptional items in 2020, i.e. the ANRT fine and the Covid19 donation.

** Net provisions for H1 2020 in Morocco include the impact of the reversal of the ANRT fine provision that was recognised in the MT Group's accounts in 2019.

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, 2021

(In millions of MAD)	Total	< 1 year	1 to 5 years	> 5 years
Long-term debts	4,114		3,497	617
Capital lease obligations	-			
Operating leases *	32	32		
Irrevocable purchase obligations	-			
Other long-term commitments	-			
Total	4,146	32	3,497	617

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

8.2. CONTINGENT LIABILITIES

None.

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

(In millions of MAD)	12/31/2020	06/30/2021
Commitments given	6,272	5,692
<i>Investment commitment</i>	5,590	4,966
<i>Downstream commitments and signature with banks</i>	451	551
<i>Operating and financing lease commitments</i>	55	32
<i>Satellite rental commitments</i>	104	87
Other commitments	72	56
<i>Network maintenance contracts with Ericsson</i>	46	44
<i>Commitments on operating expenses</i>	26	12
Other commitments	0	0
<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)	12/31/2020	06/30/2021
Commitments received	1,286	1,209
<i>Guarantees and endorsements</i>	1,286	1,209
<i>Other commitments received</i>		
<i>Forward purchase commitment</i>		
<i>Commitment of the Moroccan State to contribute the assets of social works</i>		
Investment agreement: exemption from customs duties on imports related to investments		

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.

Note 9. Subsequent events

None.

Note 10. IFRS 16

10.1- ASSET-CLASS-BASED USAGE RIGHTS AT JUNE 30, 2021:

<i>(In millions MAD)</i>	<i>Carrying value</i>	<i>Asset entry</i>	<i>Depreciation/Amortization</i>
Land	579	48	-89
Buildings	366	32	-61
Technical facilities	403	47	-69
Transportation equipment	111	4	-26
Office equipment			
Other assets			
Total	1,460	131	-246

10.2- IMPACT OF LEASE OBLIGATIONS :

	H1-2021
Interest expense	41
Lease-related payments	349

10.3- OCCUPANCY EXPENSES OUTSIDE THE SCOPE OF IFRS 16 :

	H1-2021
Leases with term ≤12 months	193
Leases with low underlying asset value	1
Leases with variable payments	
Leases with no presumed control of occupancy right	
Total	193

3.4 STATUTORY FINANCIAL STATEMENTS

At 06/30/2021

ASSETS (In MAD thousand)	Gross	Amortization and provisions	NET	PREVIOUS EXERCICE NET 12/31/2020
CAPITALIZED COSTS (A)	1,500,000	450,000	1,050,000	1,200,000
.Start-up costs	0	0	0	0
.Deferred costs	1,500,000	450,000	1,050,000	1,200,000
.Bond redemption premiums	0	0	0	0
INTANGIBLE ASSETS (B)	12,272,971	10,196,354	2,076,617	2,080,595
.Research and development costs	0	0	0	0
.Patents, trademarks, and similar rights	11,911,961	10,125,907	1,786,054	1,885,946
.Goodwill	70,447	70,447	0	119
.Other intangible assets	290,563	0	290,563	194,531
PROPERTY, PLANT, AND EQUIPMENT (C)	72,902,603	57,609,175	15,293,428	15,738,026
.Land	955,383	0	955,383	955,383
.Buildings	8,165,834	5,453,253	2,712,581	2,771,028
.Technical plant, machinery, and equipment	56,711,151	47,242,804	9,468,348	10,367,432
.Vehicles	279,237	92,242	186,995	195,441
.Office equipment, furniture, and fittings	4,970,204	4,612,553	357,650	404,395
.Other property, plant, and equipment	11,048	0	11,048	11,048
.Work in progress	1,809,747	208,323	1,601,424	1,033,300
FINANCIAL ASSETS (D)	12,800,223	32,298	12,767,925	12,215,950
.Long-term loans	871,328	0	871,328	649,437
.Other financial receivables	4,190	0	4,190	4,084
.Equity investments	11,924,705	32,298	11,892,406	11,562,429
.Other investments and securities	0	0	0	0
UNREALISED FOREIGN EXCHANGE LOSSES (E)	22,983	0	22,983	1,378
.Decrease in long-term receivables	22,983	0	22,983	1,378
.Increase in long-term debt	0	0	0	0
TOTAL I (A+B+C+D+E)	99,498,780	68,287,827	31,210,953	31,235,949
INVENTORIES (F)	251,529	109,745	141,784	100,865
.Merchandise	192,746	95,947	96,798	46,893
.Raw materials and supplies	58,784	13,797	44,986	53,971
.Work in progress	0	0	0	0
.Intermediary and residual goods	0	0	0	0
.Finished goods	0	0	0	0
CURRENT RECEIVABLES (G)	17,288,083	8,792,466	8,495,617	7,783,775
.Trade payables, advances and deposits	31,089	0	31,089	11,046
.Accounts receivable and related accounts	15,198,627	8,469,145	6,729,482	6,271,041
.Employees	3,702	0	3,702	3,771
.Tax receivable	613,643	0	613,643	560,205
.Shareholders' current accounts	0	0	0	0
.Other receivables	1,159,278	323,322	835,957	912,969
.Accruals	281,743	0	281,743	24,743
MARKETABLE SECURITIES (H)	131,451	0	131,451	131,611
UNREALIZED FOREIGN EXCHANGE LOSSES (I)	62,740	0	62,740	35,510
(current items)				
TOTAL II (F+G+H+I)	17,733,804	8,902,211	8,831,593	8,051,761
CASH AND CASH EQUIVALENTS	148,587	0	148,587	554,212
.Checks	0	0	0	0
.Bank deposits	145,892	0	145,892	551,555
.Petty cash	2,694	0	2,694	2,657
TOTAL III	148,587	0	148,587	554,212
TOTAL GENERAL I+II+III	117,381,170	77,190,038	40,191,132	39,841,922

SHAREHOLDERS' EQUITY AND LIABILITIES (In MAD thousand)		EXERCICE	EXERCICE NET 12/31/2020
SHAREHOLDERS' EQUITY	(A)	14,114,835	14,603,256
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		5,276,055	2,552,808
Retained earnings		0	0
Unallocated income		0	0
Net income of the year		3,036,751	6,248,419
QUASI-EQUITY	(B)	0	0
Investment subsidies		0	0
Regulated provisions		0	0
DEBENTURE BONDS	(C)	6,874	6,874
Debenture bonds		0	0
Other long-term debt		6,874	6,874
PROVISIONS	(D)	36,314	14,710
Provisions for contingencies		22,983	1,378
Provisions for losses		13,332	13,332
UNREALIZED FOREIGN EXCHANGE GAINS	(E)	241	3,784
Increase in long-term receivables		241	3,784
Decrease in long-term debt		0	0
TOTAL I (A+B+C+D+E)		14,158,264	14,628,624
CURRENT LIABILITIES	(F)	15,680,814	13,026,067
Accounts payable and related accounts		6,219,116	6,700,916
Trade receivables, advances and down payments		59,588	82,047
Payroll costs		955,598	1,050,832
Social security contributions		85,513	85,582
Tax payable		3,079,415	2,912,001
Shareholders' current accounts		3,408,843	1
Other payables		211,942	430,523
Accruals		1,660,799	1,764,165
OTHER PROVISIONS FOR CONTINGENCIES AND LOSSES	(G)	1,090,889	1,055,726
UNREALIZED FOREIGN EXCHANGE GAINS (Current items)	(H)	85,654	80,725
Total II (F+G+H)		16,857,357	14,162,517
BANK OVERDRAFTS		9,175,511	11,050,780
Discounted bills		0	0
Treasury loans		0	0
Bank loans and overdrafts		9,175,511	11,050,780
Total III		9,175,511	11,050,780
TOTAL GENERAL I-II+III		40,191,132	39,841,922

(In MAD thousand)

	OPERATIONS		TOTAL OF THE YEAR	TOTAL AT 06/30/2020
	Specific to the year	Previous exercise		
I- OPERATING INCOME	9,738,537	0	9,738,537	10,462,497
Sales of goods	190,603	0	190,603	236,501
Sales of manufactured goods and services rendered	9,290,203	0	9,290,203	9,945,947
Operating revenues	9,480,806	0	9,480,806	10,182,448
Change in inventories	0		0	0
Company-constructed assets	0		0	0
Operating subsidies	0		0	0
Other operating income	16,179	0	16,179	15,229
Operating write-backs: expense transfers	241,552	0	241,552	264,819
TOTAL I	9,738,537	0	9,738,537	10,462,497
II- OPERATING EXPENSES	6,321,438	0	6,321,438	6,539,657
Cost of goods sold	317,817	0	317,817	283,042
Raw materials and supplies	1,513,503	0	1,513,503	1,566,885
Other external expenses	1,250,548	0	1,250,548	1,277,213
Taxes (except corporate income tax)	130,353	0	130,353	122,186
Payroll, costs	1,069,546	0	1,069,546	1,026,235
Other operating expenses	2,233	0	2,233	2,540
Operating allowances for amortization	1,675,144	0	1,675,144	1,750,998
Operating allowances for provisions	362,294	0	362,294	510,558
TOTAL II	6,321,438	0	6,321,438	6,539,657
III- OPERATING INCOME I-II	3,417,100	0	3,417,100	3,922,839
IV- FINANCIAL INCOME	1,422,016	0	1,422,016	1,209,790
Income from equity investments and other financial investments and other financial investments	966,490	0	966,490	942,932
Foreign exchange gains	218,893	0	218,893	133,477
Interest and other financial income	38,970	0	38,970	60,578
Financial write - backs: expense transfers	197,664	0	197,664	72,803
TOTAL IV	1,422,016	0	1,422,016	1,209,790
V- FINANCIAL EXPENSES	399,155	0	399,155	350,650
Interest and loans	165,065	0	165,065	168,188
Foreign exchange losses	137,326	0	137,326	128,626
Other financial expenses	11,041	0	11,041	824
Financial allowances	85,723	0	85,723	53,012
TOTAL V	399,155	0	399,155	350,650
VI- FINANCIAL INCOME IV - V	1,022,861	0	1,022,861	859,140
VII- ORDINARY INCOME III + VI	4,439,961	0	4,439,961	4,781,979
VIII- EXTRAORDINARY INCOME	88,433	0	88,433	3,446,388
Proceeds from disposal of fixed assets	2,089	0	2,089	116
Subsidies received	0	0	0	0
Write-backs of investment subsidies	0	0	0	0
Other extraordinary income	29,885	0	29,885	44,915
Extraordinary write-backs: expense transfers	56,460	0	56,460	3,401,357
TOTAL VIII	88,433	0	88,433	3,446,388
IX- EXTRAORDINARY EXPENSES	531,345	0	531,345	5,023,128
Net book value of disposed assets	169,752	0	169,752	90
Subsidies granted	0	0	0	0
Other extraordinary expenses	136,940	0	136,940	4,901,907
Regulated provisions	0	0	0	0
Extraordinary allowances for depreciation and provisions	224,654	0	224,654	121,132
TOTAL IX	531,345	0	531,345	5,023,128
X- NON-CURRENT INCOME VIII - IX	-442,912	0	-442,912	-1,576,740
XI- PRE-TAX INCOME VII + X	3,997,049	0	3,997,049	3,205,239
XII- CORPORATE INCOME TAX	960,299	0	960,299	724,511
XIII- NET INCOME XI - XII	3,036,751	0	3,036,751	2,480,728
XIV- TOTAL REVENUES (I+IV+VIII)	11,248,987	0	11,248,987	15,118,674
XV- TOTAL EXPENSES (II+V+IX+XII)	8,212,236	0	8,212,236	12,637,946
XVI- NET INCOME (total income - total expenses)	3,036,751	0	3,036,751	2,480,728

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>	H1 2019	H1 2020	H1 2021	Change 21/20
Revenues	10,323	10,182	9,481	-6.9%
Operating income	3,987	3,923	3,417	-12.9%
Financial income	982	859	1,023	19.1%
Income tax expense	-1,234	-725	-960	+32.5%
Non-current income	25	-1,577	-443	+71.9%
Net income	3,761	2,481	3,037	+22.4%
Investments	820	508	1,245	145.2%

Key elements of the income statement

Revenues

Maroc Telecom's revenues for the first half of 2021 amounted to MAD9.481 billion, down 6.9% compared to the first half of 2020.

Operating income and net income

Earnings from operations fell from MAD 3.923 billion to MAD 3.417 billion, down 12.9% compared to the first half of 2020. This variation is mainly due to the decrease in revenues.

Financial income rose by 19.1% to MAD 1,023 million compared to MAD 859 million in the first half of 2020. This evolution is mainly due to the reversal of the provision for depreciation of Medi1 Sat shares.

Non-current income for the first half of 2021 amounted to MAD -443 million compared with MAD -1,577 million for the first half of 2020. This change is mainly due to the recognition of the full amount of Itissalat Al-Maghrib's contribution to the Covid 19 special fund in the first half of 2020.

This donation was spread as a deferred charge over several years at the end of 2020 in accordance with the provisions of Article 247 bis of the Amending Finance Act 2020.

Thus, with the deferral of Itissalat Al-Maghrib's contribution to the Covid fund, non-current earnings at June 30, 2020 would amount to MAD -227 million on a comparable basis.

With a pre-tax income of MAD 3,997 million and a corporate income tax of MAD 960 million, net income amounted to MAD 3,037 million, up 22.4% and down 11% on a comparable basis.

Balance sheet

At June 30, 2021, the balance sheet total reached MAD 40,191 million, marking an increase of 0.9% compared to the previous year.

Breakdown of assets

(Assets in MAD million)	NET			Change 21/20
	2019	2020	H1-2021	
Non-valued fixed assets	-	1,200	1,050	-12.5%
Intangible assets	2,305	2,081	2,077	-0.2%
Property, plant and equipment	17,688	15,738	15,293	-2.8%
Long-term investments	13,422	12,216	12,768	4.5%
Translation difference - loss	21	1	23	NS
Total net non-current assets	33,436	31,236	31,211	-0.1%
Current assets	7,856	8,052	8,832	9.7%
Cash assets	214	554	149	-73.2%
Total assets	41,505	39,842	40,191	0.9%

Net fixed assets amounted to MAD 31,211 million at June 30, 2021, compared to MAD 31,236 million in the previous year. It represents 78% of total assets and decreased by 0.1% compared to 2020.

Net intangible assets amounted to MAD 2,077 million in June 2021, compared to MAD 2,081 million in 2020.

Net tangible assets decreased by 2.8% from MAD15,738 million in December 2020 to MAD15,293 million in June 2021.

Net financial assets amounted to MAD12,768 million in June 2021, compared with MAD12,216 million in 2020 following the recapitalisation of subsidiaries.

Current assets excluding investments (except for those relating to price adjustments) amounted to MAD8,832 million in June 2021, compared with MAD8,052 million in 2020, an increase of 9.7% 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 (except for those related to price adjustments), amounted to MAD -9,027 million at June 30, 2021, compared with MAD -10,497 million at December 31, 2020.

Liabilities and their components

(Liabilities in MAD million)	NET			Change 21/20
	2019	2020	H1-2021	
Shareholders' Equity	13,225	14,603	14,115	-3.3%
including net profit for the fiscal year	3,259	6,248	3,037	NS
Financial borrowings	7	7	7	0.0%
Long-term provisions for risks and losses	35	15	36	-
Translation difference - profit	0	4	0	-
Total permanent funds	13,267	14,629	14,158	-3.2%
Current liabilities	18,000	14,163	16,857	19.0%
Cash liabilities	10,238	11,051	9,176	-17.0%
Total liabilities	41,505	39,842	40,191	0.9%

Taking into account the profit for the period of MAD3,037 million and the allocation of a dividend of MAD3.5 billion, shareholders' equity at June 30, 2021 amounted to MAD14,115 million, compared with MAD14,603 million in 2020.

At June 30, 2021, current liabilities amounted to MAD16,857 million, compared to MAD14,163 million in 2020, an increase of 19% mainly due to the recognition of dividends payable during the second half of the year.

Cash and cash equivalents decreased by 17% to MAD9,176 million, compared with MAD11,051 million in 2020.



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