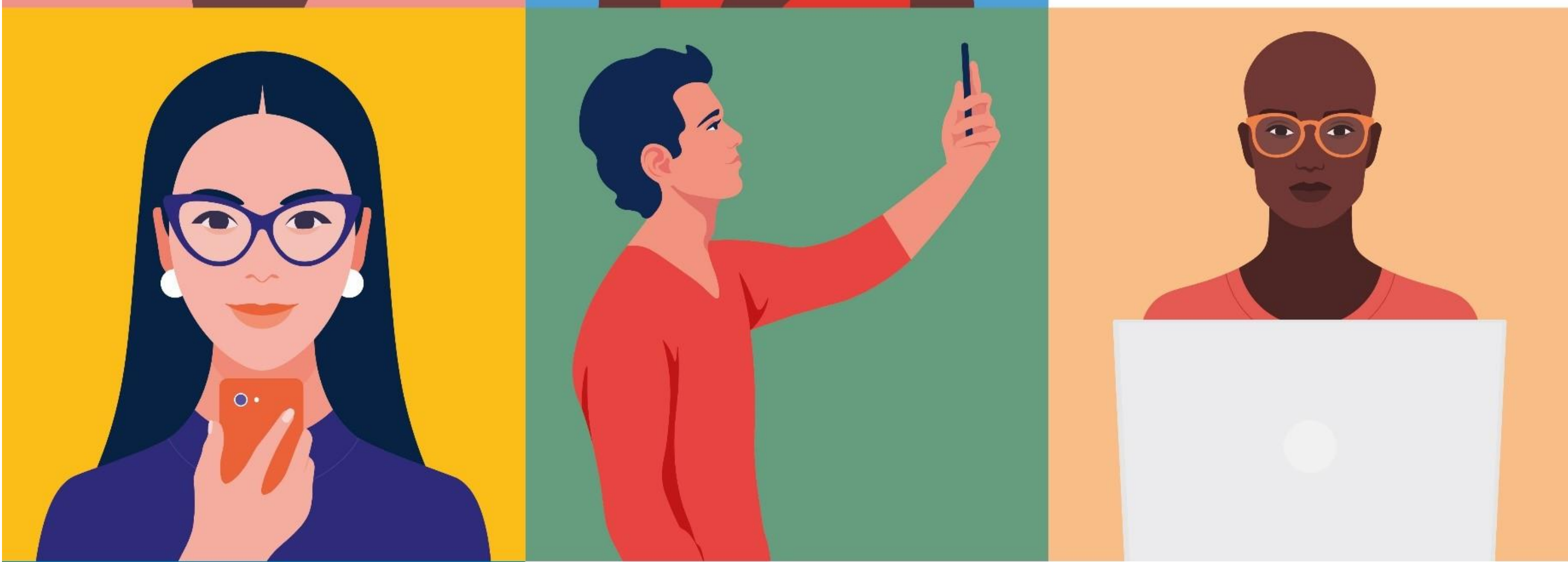
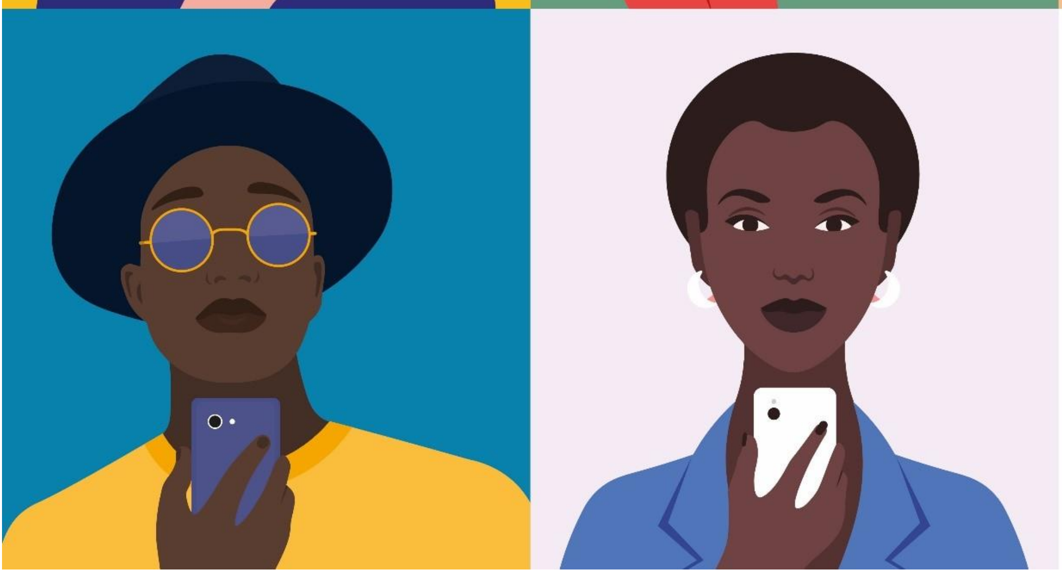
Un monde
nouveau
vous appelle





FINANCIAL REPORT 2021

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This report is not published in ESEF format and does not replace the official version of the annual financial report that will be included in the Universal Registration Document.

1.CONSOLIDATED RESULTS OF THE PAST THREE YEARS

1. CONSOLIDATED RESULTS OF THE PAST THREE YEARS

Maroc Telecom Group's consolidated financial data is summarized in the following table. Selected financial data from the three fiscal years ended December 31, 2019, 2020, and 2021, were drawn from Group consolidated financial statements prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and audited by the statutory auditors.

1.1. CONSOLIDATED RESULTS IN MOROCCAN DIRHAMS

Statement of comprehensive income

(In MAD million)	2019	2020	2021
Revenues	**36,517**	**36,769**	**35,790**
Operating expenses	28,286	24,750	24,217
Earnings from operations	**8,231**	**12,018**	**11,573**
Earnings from continuing operations	8,220	10,505	11,485
Net earnings	**3,598**	**6,289**	**6,928**
Attributable to equity holders of the parent	2,726	5,423	6,008
Earnings per share (in MAD)	**3.10**	**6.17**	**6.83**
Diluted earnings per share (in MAD)	3.10	6.17	6.83

Statement of financial position

ASSETS (in MAD million)	2019	2020	2021
Non-current assets	51,485	48,579	46,560
Current assets	13,365	14,960	15,222
Total assets	**64,851**	**63,540**	**61,782**

SHAREHOLDERS' EQUITY AND LIABILITIES (in MAD million)	2019	2020	2021
Share capital	5,275	5,275	5,275
Shareholders'equity, attributable to equity holders of the	12,069	12,721	14,914
Non-controlling interests	3,934	3,968	3,887
Shareholders'equity	16,003	16,688	18,800
Non-current liabilities	4,939	5,314	4,321
Current liabilities	43,908	41,538	38,661
Total Shareholders' equity and liabilities	**64,851**	**63,540**	**61,782**

1.2. CONSOLIDATED RESULTS IN EUROS

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

For 1 euro	2019	2020	2021
The closing rate at the balance sheet	10.7495	10.9081	10.5238
Average rate used for the income statement	10.7928	10.8258	10.6761

The above table shows the average dirham/euro conversion rates used in preparing the financial statements for fiscal years 2019, 2020 and 2021.

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

The following table shows selected financial data for Maroc Telecom Group, presented in euros at the exchange rate used in preparing the Group's consolidated statement of financial position and income statement for fiscal years 2019, 2020 and 2021.

Statement of comprehensive income

(In € millions)	2019	2020	2021
Revenues	**3,383**	**3,396**	**3,352**
Cost of purchases	2,621	2,286	2,268
Earnings from operations	**763**	**1,110**	**1,084**
Earnings from continuing operations	762	970	1,076
Net earnings	**333**	**581**	**649**
Attributable to equity holders of parent	253	501	563
Earnings per share (in Euro)	**0.29**	**0.57**	**0.64**
Diluted earnings per share (in Euro)	0.29	0.57	0.64

Statement of financial position

ASSETS (In € millions)	2019	2020	2021
Non-current assets	4,790	4,454	4,424
Current assets	1,243	1,371	1,446
TOTAL ASSETS	**6,033**	**5,825**	**5,871**

SHAREHOLDERS' EQUITY AND LIABILITIES (In € millions)	2019	2020	2021
Share capital	491	484	501
Shareholders'equity, attributable to equity holders of the	1,123	1,166	1,417
Non-controlling interests	366	364	369
Shareholders'equity	1,489	1,530	1,786
Non-current liabilities	460	487	411
Current liabilities	4,085	3,808	3,674
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**6,033**	**5,825**	**5,871**

2. OVERVIEW

2. OVERVIEW

The discussion and analysis that follow should be read in conjunction with the entire document, particularly with the audited consolidated financial statements that comprise the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity, and the notes to the financial statements for the years ended December 31, 2019, 2020, and 2021.

2.1. Scope of consolidation

As at December 31, 2021, Maroc Telecom consolidated the following companies in its financial statements :

Mauritel

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

Onatel

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

Gabon Telecom

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

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

Sotelma

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

Casanet

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

Moov Africa Côte d'Ivoire

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

Moov Africa Benin

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

Moov Africa Togo

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

Moov Africa Niger

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

Moov Africa Centrafrique

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

Moov Africa Chad

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

Moov Africa brand

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

Other non-consolidated investments

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

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

2.2. Comparison of results by geografical area

GROUP CONSOLIDATED ADJUSTED RESULTS*

(IFRS in MAD millions)	Q4 2020	Q4 2021	Change	Change at constant exchange rates (1)	2020	2021	Change	Change at constant exchange rates (1)
Revenues	9,271	**9,004**	**-2.9%**	**-1.8%**	36,769	**35,790**	**-2.7%**	**-2.0%**
Adjusted EBITDA	4,740	**4,760**	**0.4%**	**1.3%**	19,100	**18,589**	**-2.7%**	**-2.2%**
Margin (%)	*51.1%*	*52.9%*	*1.7 pt*	*1.6 pt*	*51.9%*	*51.9%*	*-0.0 pt*	*-0.1 pt*
Adjusted EBITA	2,886	**3,082**	**6.8%**	**7.5%**	11,598	**11,586**	**-0.1%**	**0.4%**
Margin (%)	*31.1%*	*34.2%*	*3.1 pt*	*3.0 pt*	*31.5%*	*32.4%*	*0.8 pt*	*0.8 pt*
Adjusted Group share of Net Income	1,475	**1,714**	**16.2%**	**16.7%**	6,001	**6,014**	**0.2%**	**0.5%**
Margin (%)	*15.9%*	*19.0%*	*3.1 pt*	*3.0 pt*	*16.3%*	*16.8%*	*0.5 pt*	*0.4 pt*
CAPEX(2)	1,417	**1,928**	**36.1%**	**37.4%**	3,448	**5,615**	**62.8%**	**64.0%**
Of which frequencies and licences	124	1			135	123		
CAPEX/revenues (excluding frequencies and licences)	13.9%	21.4%	7.5 pt	7.5 pt	9.0%	15.3%	6.3 pt	6.3 pt
Adjusted CFFO	4,498	**3,736**	**-16.9%**	**-16.3%**	15,719	**12,110**	**-23.0%**	**-22.5%**
Net debt	17,619	**14,397**	**-18.3%**	**-17.6%**	17,619	**14,397**	**-18.3%**	**-17.6%**
Net debt/EBITDA(3)	0,9x	0.7x			0.8x	0.7x		

** Details of the financial indicator adjustments are provided in Appendix 1.*

2.2.1 Comparison of financial data for fiscal years 2021 and 2020

2.2.1.1 Group Consolidated results

Customer base

The Group's customer base reached more than **74** million customers in 2021 and recorded an increase of **1.8%**, driven in particular by the growth of the subsidiaries' customer base.

Revenues

The Maroc Telecom Group generated revenues(4) of nearly MAD **36** billion in 2021, down **2.7%** (**-2.0%** at constant exchange rates(1)). The good performance of the revenues of the Moov Africa subsidiaries and Fixed Broadband in Morocco partially offset the slowdown in Mobile activities in Morocco, still impacted by the competitive and regulatory environment.

Earnings from operations before depreciation and amortization

At the end of December 2021, the adjusted earnings from operations before depreciation and amortization (EBITDA) of the Maroc Telecom Group stood at MAD **18,589** million, down **2.7%** (**-2.2%** at constant exchange rates(1)). Adjusted EBITDA margin remains high at 51.9%, stable over the year.

In the fourth quarter, the Group's adjusted EBITDA increased by **1.3%** at constant exchange rates(1) to MAD **4,760** million thanks to rigorous cost management.

Earnings from operations

At the end of 2021, the adjusted earnings from operations (EBITA)[5] of the Maroc Telecom Group stood at MAD **11, 586** million, up **0.4%** at constant exchange rates[1], thanks to lower depreciation. The adjusted EBITA margin rose by **0.8 pt** to **32.4%**.

Net Income - Group share

Group share of Net Income sharply rose (**+11.1%** at constant exchange rates [1]).

Adjusted Group share of Net Income rose by **0.5%** at constant exchange rates[1] thanks to the sharp increase in net income from the activities of the Moov Africa subsidiaries**.**

Investments

Investments[2] excluding frequencies and licences are sharply increasing to support a desire to strengthen Fixed and Mobile network infrastructures and represent **15.3%** of revenues, in line with the objective announced for the year.

Cash-Flow

Adjusted cash flows from operations (CFFO)[6] fell by **22.5%** at constant exchange rates[1], reaching MAD **12,110** million due in particular to the increase in investments.

At 31 December 2021, the consolidated net debt[7] of the Maroc Telecom Group represented **0.7** times[3] the Group's annual EBITDA.

Highlights

- On 16 December 2021, Itissalat Al-Maghrib S.A received a notice from the Rabat Commercial Court regarding a complaint filed by Wana on unbundling and is seeking compensation amounting to MAD 6,845 million. The company will use all legal means to defend its interests.

- The 2022 Finance Act in Morocco provides for a new social solidarity contribution on profits for companies with a net profit of MAD 1 million or more. The rates of this contribution will increase from 3.5% in 2021 to 5% in 2022 for Maroc Telecom.

- In Mali, under the REMACOTEM dispute (association of mobile network consumers in Mali), the Civil Court had dismissed the plaintiff in 2013, for the alleged damages suffered. On November 3, 2021, the Bamako Court of Appeal set the total amount of damages claimed by REMACOTEM from 2011 to 2020 at 2,823 million dirhams, including 933 million dirhams for Sotelma. The latter has replied through its lawyers and a hearing has been requested to annul the said judgment as well as its execution.

Events after the end of the reporting period:

- On 10 January 2022, Itissalat Al-Maghrib S.A received a report from the ANRT, pointing the partial compliance with certain injunctions in the January 17, 2020 decision. After an in-depth and detailed analysis of the aforementioned report, a response contesting the ANRT's findings was filed within the legal deadline of one month.

Dividend

At the General Meeting of Shareholders of 29 April 2022, the Supervisory Board of Maroc Telecom will propose the distribution of a dividend of MAD **4.78** per share, representing a total amount of MAD **4.2** billion.

Morocco Telecom Group's outlook for 2022

Based on recent market developments and insofar as no new major exceptional event disrupts the Group's activity, Morocco Telecom forecasts for 2022, at constant scope and exchange rates:

- **Decrease in revenues;**
- **Decrease in EBITDA;**
- **CAPEX of approximately 20% of revenues, excluding frequencies and licences**.

2.2.1.2 Activities in Morocco

(IFRS in MAD millions)	Q4 2020	Q4 2021	Change	2020	2021	Change
Revenues	5,152	**5,028**	**-2.4%**	20,881	**19,906**	**-4.7%**
Mobile	3,219	**3,072**	**-4.6%**	13,351	**12,270**	**-8.1%**
Services	3,084	2,834	-8.1%	13,009	11,684	-10.2%
Equipment	135	238	75.9%	342	586	71.1%
Fixed	2,424	**2,416**	**-0.3%**	9,517	**9,474**	**-0.5%**
Of which Fixed Data*	903	965	6.9%	3,490	3,754	7.6%
Elimination and other income	-491	-460		-1,987	-1,837	
Adjusted EBITDA	2,979	**2,972**	**-0.3%**	11,950	**11,234**	**-6.0%**
Margin (%)	*57.8%*	*59.1%*	*1.3 pt*	*57.2%*	*56.4%*	*-0.8 pt*
Adjusted EBITA	2,024	**2,110**	**4.2%**	8,079	**7,599**	**-5.9%**
Margin (%)	39.3%	42.0%	2.7 pt	38.7%	38.2%	-0.5 pt
CAPEX(2)	584	**754**	**29.1%**	1,466	**2,630**	**79.4%**
Of which frequencies and licences	0	0		0	0	
CAPEX/revenues (excluding frequencies and licences)	11.3%	15.0%	3.7 pt	7.0%	13.2%	6.2 pt
Adjusted CFFO	3,246	**2,578**	**-20.6%**	10,300	**7,179**	**-30.3%**
Net debt	11,515	**9,350**	**-18.8%**	11,515	**9,350**	**-18.8%**
Net debt/EBITDA(3)	0.9x	0.7x		0.9x	0.8x	

Revenues from the Group's activities in Morocco were down **4.7%** compared with 2020, mainly affected by the decline in the Mobile business. The momentum in Fixed Data **(+7.6%)** partially offset the fall in Mobile revenues, which continue to be impacted by competitive and regulatory constraints.

At the end of 2021, adjusted earnings from operations before depreciation and amortization (EBITDA) amounted to MAD **11,234** million, down **6.0%** compared with 2020. The adjusted EBITDA margin rate remained high at **56.4%**.

Adjusted earnings from operations (EBITA)(5) reached MAD **7,599** million, down **5.9%**. It represents an adjusted margin rate of **38.2%**.

Adjusted cash flows from operations (CFFO)(6) fell by **30.3%** to MAD **7,179** million due to the increase in investments.

* 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 background

Mobile

	Unit	2020	2021	Change
Customer base[8]	**(000)**	19,498	**19,900**	**2.1%**
Prepaid	(000)	17,181	17,538	2.1%
Postpaid	(000)	2,317	2,362	1.9%
Of which Internet 3G/4G+[9]	**(000)**	11,060	**10,633**	**-3.9%**
ARPU[10]	**(MAD/month)**	54.3	**48.7**	**-10.2%**

At the end of 2021, the Mobile customer base[8] had **19.9** million customers, up **2.1%** over one year.

Mobile revenues fell by **8.1%** compared to the same period in 2020, to MAD **12,270** million due to the fall in outgoing revenues impacted by the unfavourable regulatory and competitive contexts and the decline in incoming revenues following the decrease in national call termination rates in December 2020.

The 2021 combined ARPU[10] stood at MAD **48.7**, down **10.2%** over one year.

Fixed-Line and Internet

	Unit	2020	2021	Change
Fixed lines	**(000)**	2,008	**1,974**	**-1.7%**
Broadband Access[11]	**(000)**	1,738	**1,735**	**-0.2%**

The Fixed customer base lost **1.7%** and stood at nearly **2** million lines at the end of 2021. Broadband had **1.7** million subscribers and the expansion of the FTTH network (**+47%**) largely offset the losses of ADSL customers.

The Fixed and Internet activities generated revenues of MAD **9,474** million, relatively stable compared to 2020. The growth in Fixed Data offset the decline in voice.

2.2.1.3 International activities

Financial indicators

(IFRS in MAD millions)	Q4 2020	Q4 2021	Change	Change at constant exchange rates [1]	2020	2021	Change	Change at constant exchange rates [1]
Revenues	4,367	**4,236**	**-3.0%**	**-0.7%**	16,883	**16,912**	**0.2%**	**1.5%**
Of which Mobile services	4,031	3,928	-2.6%	-0.3%	15,507	15,626	0.8%	2.2%
Adjusted EBITDA	1,761	**1,788**	**1.6%**	**3.8%**	7,150	**7,355**	**2.9%**	**4.2%**
Margin (%)	*40.3%*	*42.2%*	*1.9 pt*	*1.9 pt*	*42.4%*	*43.5%*	*1.1 pt*	*1.1 pt*
Adjusted EBITA	861	**972**	**12.9%**	**15.1%**	3,520	**3,988**	**13.3%**	**14.8%**
Margin (%)	*19.7%*	*23.0%*	*3.2 pt*	*3.2 pt*	*20.8%*	*23.6%*	*2.7 pt*	*2.7 pt*
CAPEX[2]	832	**1,174**	**41.0%**	**43.3%**	1,982	**2,984**	**50.6%**	**52.6%**
Of which frequencies and licences	124	1			135	123		
CAPEX/revenues (excluding frequencies and licences)	16.2%	27.7%	11.5 pt	11.3 pt	10.9%	16.9%	6.0 pt	6.0 pt
Adjusted CFFO	1,252	**1,158**	**-7.5%**	**-5.3%**	5,419	**4,932**	**-9.0%**	**-7.8%**
Net debt	7,517	**5,983**	**-20.4%**	**-18.7%**	7,517	**5,983**	**-20.4%**	**-18.7%**
Net debt/EBITDA[3]	1,0x	0.8x			1,0x	0.7x		

The Group's international activities posted revenues of MAD **16,912** million, up **1.5%** at constant exchange rates[1], explained by the continuous growth in Data Mobile (**+18.8%** at constant exchange rates[1]) and Mobile Money services (**+13.1%** at constant exchange rates[1]). Excluding the decrease in termination rates, subsidiaries' revenues rose by **3.4%** at constant exchange rates[1].

In 2021, the adjusted earnings before depreciation and amortization (EBITDA) stood at MAD **7,355** million, up **2.9%** (**+4.2%** at constant exchange rates[1]). The adjusted EBITDA margin was **43.5%**, up **1.1 pt** thanks to the improvement in the gross margin rate.

During the same period, adjusted operating income (EBITA)[5] improved by **13.3%** (**+14.8%** at constant exchange rates[1]) to MAD **3,988** million, due to the increase in EBITDA.

Adjusted cash flows from operations (CFFO)[6] declined by **7.8%** at constant exchange rates[1] reaching MAD **4,932** million due to the increase in investments.

Operating indicators

	Unit	2020	2021	Change
Mobile				
Customer base (8)	**(000)**	49,226	**50,130**	
Mauritania		2,641	**2,985**	**13.0%**
Burkina Faso		9,388	**10,457**	**11.4%**
Gabon		1,632	**1,656**	**1.5%**
Mali		9,684	**8,163**	**-15.7%**
Côte d’Ivoire		10,050	**10,489**	**4.4%**
Bénin		4,682	**5,132**	**9.6%**
Togo		3,380	**2,687**	**-20.5%**
Niger		3,005	**3,212**	**6.9%**
Central African Republic		189	**210**	**11.5%**
Tchad		4,577	**5,138**	**12.3%**
Fixed-line				
Customer base	**(000)**	337	**350**	
Mauritanie		57	**57**	**0.0%**
Burkina Faso		75	**76**	**0.8%**
Gabon		25	**32**	**24.7%**
Mali		180	**186**	**3.5%**
Fixed Broadband				
Customer base (11)	**(000)**	131	**141**	
Mauritania		18	**19**	**2.9%**
Burkina Faso		14	**15**	**7.8%**
Gabon		22	**28**	**29.5%**
Mali		77	**79**	**2.7%**

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.

(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.

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.

	2020			2021		
(in MAD millions)	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	11,950	7,150	19,100	**11,234**	**7,355**	**18,589**
Dispute resolution	420		420			
Published EBITDA	12,370	7,150	19,520	**11,234**	**7,355**	**18,589**
Adjusted EBITA	8,079	3,520	11,598	**7,599**	**3,988**	**11,586**
Restructuring costs					-14	-14
Dispute resolution	420		420			
Published EBITA	8,499	3,520	12,018	**7,599**	**3,974**	**11,573**
Group share of adjusted Net Income			6,001			**6,014**
Restructuring costs						-6
Dispute resolution			469			
Contribution to the COVID-19 fund			-1,047			
Group share of published Net Income			5,423			**6,008**
Adjusted CFFO	10,300	5,419	15,719	**7,179**	**4,932**	**12,110**
Payment of licence		-143	-143		-172	-172
ANRT (National Telecommunications Regulatory Agency) fine	-3,300		-3,300			
Published CFFO	7,000	5,277	12,276	**7,179**	**4,759**	**11,938**

Appendix 2: Impact of the adoption of IFRS 16

At the end of December 2021, the impacts of the application of IFRS 16 on the main indicators of the Maroc Telecom Group were as follows:

	2020			2021		
(in MAD millions)	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	266	292	**557**	253	294	**547**
Adjusted EBITA	33	29	**62**	11	39	**50**
Group share of adjusted Net Income			**-17**			**-21**
Adjusted CFFO	266	292	**557**	253	294	**547**
Net Debt	838	801	**1,639**	766	694	**1,460**

2.2.2 Comparison of financial data for fiscal years 2020 and 2019

2.2.2.1 Group Consolidated results

Revenues

Maroc Telecom Group generated revenues of MAD 36,769 million, up 0.7% (-0.8% on a like-for-like basis). The increase in the revenues of the Moov Africa subsidiaries and Fixed Broadband in Morocco offsets the slowdown in Mobile activities in Morocco, heavily impacted by the competitive context.

In the fourth quarter alone and despite the decrease in Mobile call termination rates in Morocco in December 2020, the Group's revenues increased by 0.7% (+0.4% on a like-for-like basis), thanks to the sustained increase in the activities of the Moov Africa subsidiaries and Fixed Broadband in Morocco.

Earning from operations before depreciation and amortization

At the end of December 2020, Maroc Telecom Group's adjusted earnings from operations before depreciation and amortization (EBITDA) reached MAD 19,100 million, up 0.9% (+0.5% on a like-for-like basis). The adjusted EBITDA margin was 51.9%, up 0.1 pt (+0.7 pt on a like-for-like basis), thanks to rigorous cost management.

Earnings from operations

At the end of 2020, Maroc Telecom Group’s adjusted earnings from operations (EBITA) amounted to MAD 11,598 million, up 0.8% on a like-for-like basis, thanks to the increase in EBITDA. The adjusted EBITA margin stood at 31.5%, up 0.5 pt on a like-for-like basis.

Group share of net income

The adjusted Group share of Net Income decreased slightly by 0.4% on a like-for-like basis.

Investments

The capital expenditures excluding frequencies and licenses, down 38.3% over one year, were adapted to the context of the health crisis and focused on meeting strong demand for Fixed Internet access, extensions of Data infrastructures, and quality of service. They represent 9.0% of revenues, a level in line with the objective announced for the year.

Cash-Flow

Adjusted Cash Flow From Operations (CFFO) improved by +17.8% on a like-for-like basis, reaching MAD 15,719 million mainly due to the decrease in investments.

At 31 December 2020, Maroc Telecom Group’s consolidated net debt represented 0.8 times the Group's annual EBITDA.

2.2.2.2 Activities in Morocco

(IFRS in MAD million)	2019	2020
Revenues	21,690	**20,881**
Mobile	14,276	**13,351**
Services	14,046	13,009
Equipment	230	342
Fixed-Line	9,261	**9,517**
*O/w Data Fixed line**	3,186	**3,608**
Eliminations and other income	-1,846	-1,987
EBITDA	12,294	**11,950**
Margin (%)	56.7%	**57.2%**
Adjusted EBITA	8,294	**8,079**
Margin (%)	38.2%	**38.7%**
CAPEX(2)	3,022	**1,466**
Of which frequencies and licenses	102	0
CAPEX/Rev (excluding frequencies and licenses)	13.5%	**7.0%**
Adjusted CFFO	9,425	**10,300**
Net Debt	11,101	**11,515**
Net debt / EBITDA(3)	0.8x	**0.9x**

The Group's activities in Morocco generated revenues down 3.7% compared with 2019, affected in particular by the effects of the Covid-19 pandemic on Mobile activities and partially offset by the solid momentum of Fixed and Internet. This change was more marked in the fourth quarter of the year due in particular to the fall in national call termination prices, which has applied from December, 1st 2020.

At the end of 2020, the adjusted earnings from operations before depreciation and amortisation (EBITDA) amounted to MAD 11,950 million, down 2.8% compared with 2019. The adjusted EBITDA margin increased by 0.5 pt to a high level of 57.2%, thanks to the control of operating costs.

The adjusted earnings from operations (EBITA) reached MAD 8,079 million, down 2.6%. It represents an adjusted margin rate of 38.7%, up 0.5 pt.

Adjusted Cash Flow From Operations (CFFO) in Morocco increased by 9.3% to MAD 10,300 million due to efficient investment management adapted to the context of the crisis.

* Fixed-line data includes Internet, ADSL TV and Data services to businesses

Mobile

	Unit	2019	2020
Customer base	**(000)**	**20,054**	**19,498**
Prepaid	(000)	17,752	17,181
Postpaid	(000)	2,302	2,317
Of which 3G/4G+ Internet	**(000)**	**11,789**	**11,060**
ARPU	**(MAD/month)**	**58.3**	**54.3**

At the end of 2020, the Mobile customer base totaled 19.5 million customers, down 2.8% over one year.

Mobile revenues fell by 6.5% compared to the same period in 2019, to MAD 13,351 million impacted by the Covid-19 pandemic effects and the competitive context.

The 2020 combined ARPU stood at MAD 54.3, down 6.9% over one year.

Fixed-Line and Internet

	Unit	2019	2020
Fixed-lines	**(000)**	**1,882**	**2,008**
Broadband access[11]	**(000)**	**1,573**	**1,738**

The Fixed customer base maintained its good momentum and increased by 6.6% to 2 million lines. The Broadband customer base now has 1.7 million subscribers, up 10.4%.

The Fixed and Internet activities in Morocco continue to improve their performance and generate revenues of MAD 9,517 million, up 2.8% compared to 2019. This growth accelerated in the last three months of the year, thanks to the enthusiasm for the FTTH offers and the ADSL service.

2.2.2.3 International activities

Financial indicators

(IFRS in MAD million)	2019	2020
Revenues	16,095	**16,883**
Of which Mobile Services	*14,693*	***15,507***
EBITDA	6,629	**7,150**
Margin (%)	*41.2%*	***42.4%***
Adjusted EBITA	3,246	**3,520**
Margin (%)	*20.2%*	***20.8%***
CAPEX(2)	3,766	**1,982**
Of which frequencies and licenses	*1,316*	***135***
CAPEX/Rev (excluding frequencies and licenses)	*15.2%*	***10.9%***
Adjusted CFFO	3,927	**5,419**
Net Debt	8,748	**7,517**
Net debt / EBITDA(3)	1.3x	**1.0x**

The Group's international activities recorded revenues of MAD 16,883 million, up 1.4% on a like-for-like basis, explained by the recovery in post-lockdown activities and the growth in Data Mobile and Mobile Money services.

In 2020, the adjusted earnings from operations before depreciation and amortisation (EBITDA) amounted to MAD 7,150 million, up 7.9% (+6.5% on a like-for-like basis). The adjusted EBITDA margin was 42.4%, up 1.2 pt (+2.0 pt on a like-for-like basis). This performance comes from the improvement in the gross margin rate and rigorous cost management.

During the same period, the adjusted earnings from operations (EBITA) improved by 8.4% (+9.6% on a like-for-like basis) to MAD 3,520 million, thanks to the increase in EBITDA.

Adjusted Cash Flow From Operations (CFFO) from international activities improved by +38.4% on a like-for-like basis to MAD 5,419 million.

Operating indicators

	Unit	2019	2020
Mobile			
Customer base	**(000)**	**43,531**	**49,226**
Mauritania		2,470	2,641
Burkina Faso		8,546	9,388
Gabon		1,621	1,632
Mali		7,447	9,684
Côte d’Ivoire		8,975	10,050
Benin		4,377	4,682
Togo		3,030	3,380
Niger		2,922	3,005
Central African Republic		168	189
Chad		3,975	4,577
Fixed-Line			
Customer Base	**(000)**	**324**	**337**
Mauritania		56	57
Burkina Faso		75	75
Gabon		22	25
Mali		171	180
Fixed-Line Broadband			
Customer base	**(000)**	**116**	**131**
Mauritania		10	18
Burkina Faso		15	14
Gabon		18	22
Mali		73	77

2.3. Transition from separate financial statements to consolidated financial statements

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

The main adjustments to the presentation of the statement of comprehensive income are the :

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

3. CONSOLIDATED FINANCIAL STATEMENTS OF MAROC TELECOM GROUP

3. CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31 2019, 2020 AND 2021

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (In MAD million)	Note	2019	2020	2021
Goodwill	3	9,201	9,315	8,976
Other intangible assets	4	8,808	8,120	7,521
Property, plant, and equipment	5	31,037	28,319	27,400
Right to use the asset	34	1,630	1,592	1,371
Equity affiliates	6	0	0	0
Noncurrent financial assets	7	470	654	784
Deferred tax assets	8	339	580	508
Noncurrent assets		**51,485**	**48,579**	**46,560**
Inventories	9	321	271	318
Trade accounts receivable and other	10	11,380	11,816	12,699
Short term financial assets	11	128	130	126
Cash and cash equivalents	12	1,483	2,690	2,024
Assets available for sale		54	54	54
Current assets		**13,365**	**14,960**	**15,222**
TOTAL ASSETS		**64,851**	**63,540**	**61,782**

SHAREHOLDERS' EQUITY AND LIABILITIES (In MAD million)	Note	2019	2020	2021
Share capital		5,275	5,275	5,275
Retained earnings		4,069	2,023	3,631
Net earnings		2,726	5,423	6,008
Shareholders' equity attributable to equity holders of the parent	13	12,069	12,721	14,914
Noncontrolling interests		3,934	3,968	3,887
Shareholders' equity		**16,003**	**16,688**	**18,800**
Noncurrent provisions	14	504	521	503
Borrowings and other long-term financial liabilities	15	4,178	4,748	3,767
Deferred tax liabilities	8	258	45	50
Other noncurrent liabilities		0	0	0
Noncurrent liabilities		**4,939**	**5,314**	**4,321**
Trade accounts payable	16	23,794	24,007	23,865
Current tax liabilities		733	671	787
Current provisions	14	4,634	1,247	1,332
Borrowings and other short term financial liabilities	15	14,748	15,612	12,677
Current liabilities		**43,908**	**41,538**	**38,661**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**64,851**	**63,540**	**61,782**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In MAD million)	Note	2019	2020	2021
Revenues	17	**36,517**	**36,769**	**35,790**
Cost of purchases	18	-5,670	-5,416	-5,123
Payroll costs	19	-3,098	-3,005	-2,868
Taxes and duties	20	-3,183	-3,344	-3,447
Other operating income (expenses)	21	-5,610	-8,746	-5,303
Net depreciation, amortization, and provisions	22	-10,724	-4,240	-7,477
Earnings from operations		**8,231**	**12,018**	**11,573**
Other income and charges from ordinary activities*		-11	-1,513	-88
Income from equity affiliates	23	0	0	0
Earnings from continuing operations		**8,220**	**10,505**	**11,485**
Income from cash and cash equivalents		2	17	27
Gross borrowing costs		-756	-888	-826
Net borrowing costs		**-754**	**-871**	**-800**
Other financial income and expenses		-38	26	-77
Net financial income (expense)	24	**-792**	**-844**	**-876**
Income tax	25	-3,830	-3,372	-3,680
Net income		**3,598**	**6,289**	**6,928**
Exchange gain or loss from foreign activities		-226	134	-378
Other income and expenses		43	-14	34
Total comprehensive income for the period		**3,415**	**6,409**	**6,584**
Net income		**3,598**	**6,289**	**6,928**
Attributable to equity holders of the parent		2,726	5,423	6,008
Noncontrolling interests	26	873	866	920
Total comprehensive income for the period		**3,415**	**6,409**	**6,584**
Attributable to equity holders of the parent		2,604	5,511	5,787
Noncontrolling interests	26	811	899	797

EARNINGS PER SHARE		2019	2020	2021
Net earnings attributable to equity holders of the parent (in MAD millions)		**2,726**	**5,423**	**6,008**
Number of shares at December 31		879,095,340	879,095,340	879,095,340
Net earnings per share (in MAD)	27	**3.10**	**6.17**	**6.83**
Diluted net earnings per share (in MAD)	27	**3.10**	**6.17**	**6.83**

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

CONSOLIDATED STATEMENT OF CASH FLOW

(In MAD million)	Note	2019	2020	2021
Earnings from operations		8,231	12,018	11,573
Depreciation, amortization and other non-cash movements		10,721	2,719	7,487
Gross cash from operating activities		**18,952**	**14,738**	**19,060**
Other changes in net working capital		419	139	-1,847
Net cash from operating activities before tax		**19,372**	**14,877**	**17,213**
Income tax paid		-4,091	-3,789	-3,659
Net cash from operating activities (a)	12	**15,281**	**11,088**	**13,554**
Purchase of PP&E and intangible assets		-7,949	-4,141	-5,289
Purchases of consolidated investments after acquired cash		-1,096	0	5
Investments in equity affiliates		0	0	0
Increase in financial assets		-73	-249	-41
Disposals of PP&E and intangible assets		6	14	14
Decrease in financial assets		287	144	3
Dividends received from nonconsolidated investments		6	14	6
Net cash used in investing activities (b)		**-8,819**	**-4,219**	**-5,303**
Capital increase		0	0	0
Dividends paid by Maroc Telecom	13	-6,003	-4,870	-3,525
Dividends paid by subsidiaries to their noncontrolling interests		-838	-855	-687
Changes in equity		**-6,841**	**-5,725**	**-4,212**
Proceeds from borrowings and increase in other long-term financial liabilities		2,270	2,307	694
Payments on borrowings and decrease in other noncurrent financial liabilities		0	0	0
Proceeds from borrowings and increase in other short-term financial liabilities		2,860	1,167	1,536
Payments on borrowings and decrease in other current financial liabilities		-4,548	-2,687	-6,145
Change in net current accounts		0	0	0
Net interest paid (cash only)		-473	-626	-695
Other cash expenses (income) used in financing activities		-13	-35	-47
Change in borrowings and other financial liabilities		**96**	**125**	**-4,657**
Net cash used in financing activities (d)	12	**-6,744**	**-5,600**	**-8,869**
Translation adjustment and other noncash items (g)		**65**	**-62**	**-47**
Total cash flows (a)+(b)+(d)+(g)	12	**-217**	**1,207**	**-666**
Cash and cash equivalents at beginning of period		**1,700**	**1,483**	**2,690**
Cash and cash equivalents at end of period	12	**1,483**	**2,690**	**2,024**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In MAD millions)	Note	Share capital	Earnings and retained earnings	Other comprehensive income	**Total Group share**	Non controling interest	Total capitaux propres
Restated position at January 1, 2019		**5,275**	**10,699**	**-306**	**15,668**	**3,822**	**19,490**
Total comprehensive income for the period			**2,726**	**-122**	**2,604**	**811**	**3,415**
Change in gains and losses recognized directly in equity and recyclable in profit or loss			0	**-147**	**-147**	**-79**	**-226**
Gains and losses on translation				-147	-147	-79	-226
Change in gains and losses recognized directly in equity and recyclable in profit or loss				**25**	**25**	**18**	**43**
Actuarial difference				25	25	18	43
Actuarial gains and loses					0		0
Capital increase					0		0
Capital decrease					0		0
Share-based compensation					0		0
Change in percentage without assumption/loss of control					0		0
Change in percentage with assumption/loss of control			14		14		14
Dividends			-6,003		-6,003	-857	-6,860
Treasury stock			-1		-1		-1
Other adjustements			-213		-213	157	-56
Restated position at December 31, 2019		**5,275**	**7,222**	**-428**	**12,069**	**3,934**	**16,003**
Total comprehensive income for the period			**5,423**	**88**	**5,511**	**899**	**6,409**
Change in gains and losses recognized directly in equity and recyclable in profit or loss			0	**100**	**100**	**34**	**134**
Gains and losses on translation				100	100	34	134
Change in gains and losses recognized directly in equity and recyclable in profit or loss				**-12**	**-12**	**-2**	**-14**
Actuarial difference				-1	-1	-2	-3
Actuarial gains and loses				-11	-11	0	-11
Capital increase					0		0
Capital decrease					0		0
Share-based compensation					0		0
Change in percentage without assumption/loss of control					0		0
Change in percentage with assumption/loss of control					0		0
Dividends			-4,870		-4,870	-865	-5,735
Treasury stock					0		0
Other adjustements			11		11		11
Position at December 31, 2020		**5,275**	**7,786**	**-340**	**12,721**	**3,968**	**16,688**
Total comprehensive income for the period			**6,008**	**-221**	**5,787**	**797**	**6,584**
Change in gains and losses recognized directly in equity and recyclable in profit or loss			0	**-263**	**-263**	**-115**	**-378**
Gains and losses on translation				-263	-263	-115	-378
Revaluation differences					0		0
Revaluation differences on hedging instruments					0		0
Revaluation differences on equity instruments					0		0
Change in gains and losses recognized directly in equity and recyclable in profit or loss				**42**	**42**	**-8**	**34**
Actuarial difference				-11	-11	-8	-19
Revaluation differences on equity instruments				53	53	0	53
Capital increase					0		0
Capital decrease					0		0
Share-based compensation					0		0
Change in percentage without assumption/loss of control					0		0
Change in percentage with assumption/loss of control			0		0		0
Dividends			-3,525		-3,525	-878	-4,403
Treasury stock			-4		-4		-4
Other adjustements			-65		-65		-65
Position at December 31, 2021		**5,275**	**10,199**	**-561**	**14,914**	**3,887**	**18,800**

At December 31, 2021, Maroc Telecom's share capital comprised 879,095,340 ordinary shares. Ownership of the shares was divided as follows :

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

Reserves consist mainly of accumulated undistributed earnings from previous years, including MAD 3,073 million in undistributable reserves at December 31, 2021.

NOTE 1. ACCOUNTING PRINCIPLES AND VALUATION METHODS

Group companies are consolidated on the basis of their fiscal year ending December 31,2021 except for CMC, whose fiscal year ends March 31, 2021.

The financial statements and notes were approved by the Management Board on February 11, 2022.

1. CONTEXT FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2021 AND THE FINANCIAL STATEMENTS FOR THE YEARS 2021 AND 2020

Pursuant to regulation (EC) no.1606/2002 of July 19, 2002, concerning the adoption of international accounting standards, the consolidated financial statements of Maroc Telecom Group for the year ended December 31, 2021, were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), applicable as endorsed by the European Union (EU). For purposes of comparison, the 2021 financial statements also include financial information on 2020 and 2019.

2. COMPLIANCE WITH ACCOUNTING STANDARDS

The consolidated financial statements of Maroc Telecom SA have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations endorsed by the European Union and mandatory at December 31, 2021. The accounting standards applied to the consolidated financial statements do not differ from those issued by the International Accounting Standards Board (IASB).

2.1 Standards and interpretations applied by Maroc Telecom for fiscal year 2021

All the new standards, interpretations and amendments published by the IASB and mandatory in the European Union from January 1, 2021 have been applied.

2.1.1 Impact of application of the standards and interpretations adopted in 2021

The analyses carried out by the Group on the application of the amendment to IFRS 16 Leases on rent relief related to the Covid-19 did not reveal any significant difference between the economic terms and the terms of the contracts.

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

On July 02, 2021, the IASB published in the Official Journal the amendment to IFRS 3 Business Combinations. This draft details the treatment of goodwill and its impairment and aims to include business combinations under common control in the scope of the standard.

The Group considers that the 2022 improvements have no material impact on its consolidated financial statements.

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

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

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

3.1 Statement of comprehensive income

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

3.1.1 Earnings from operations and earnings from continuing operations

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

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

3.1.2 Financing costs and other financial income and expenses

Net financing costs comprise:

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

- Financial income received from cash investments.

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

3.2 Statement of financial position

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

3.3 Consolidated statement of cash flows

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

3.4 Use of estimates and assumptions

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

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

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

3.5 Consolidation methods

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

A list of the Group's principal subsidiaries is presented in Note 2, "Scope of consolidation at December 31, 2019, 2020, and 2021.

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

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

Full consolidation

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

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

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

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

Transaction eliminated in the consolidated financial statements

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

3.6 Business combinations

Business combinations from January 1, 2009

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

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

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

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

and

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

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

The following principles also apply to business combinations:

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

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

Goodwill is not amortized.

Business combinations prior to January 1, 2009

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

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

3.7 Foreign-currency translation

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

3.8 Translation of financial statements for foreign activities

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

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

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

3.9 Assets

3.9.1 Other intangible assets

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

The estimated useful lives are between 2 and 5 years.

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

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

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

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

3.9.2 Research and development costs

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

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

3.9.3 Property, plant, and equipment

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

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

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

Fully 98.20% of such assets had been assigned property titles at the end of December 2021. Although uncertainty over the property titles remains, the risk is limited, because the Moroccan government has guaranteed Maroc Telecom use of the transferred property as at this time, and because to date there have been no significant incidents related to this situation.

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

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

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

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

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

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

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

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

All routine maintenance and servicing costs are expensed as incurred.

3.9.4 Impairment of fixed assets

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

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

3.9.5 Accounting treatment of lease assets

The MT Group adopted IFRS 16 with effect from January 1, 2020. The application of this standard removes the IAS 17 distinction between operating leases and finance leases, and requires the recognition of almost all leases on the balance sheet with an asset representing the right-of-use of the leased asset for the duration of the lease term, in exchange for a liability in respect of the obligation to pay rent.

3.9.5.1 Definition of right-of-use

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

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

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

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

3.9.5.2 Exemptions

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

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

3.9.5.3 Separation of contract components

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

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

3.9.5.4 Definition of lease term

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

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

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

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

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

3.9.5.5 Determining the discount rate

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

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

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

3.9.5.6 Measurements

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

3.9.5.6.1 Initial measurement

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

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

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

3.9.5.6.2 Subsequent measurement

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

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

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

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

3.9.5.7 Lease modifications

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

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

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

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

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

3.9.5.8 Presentation

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

3.9.5.9 Out-of-scope contracts

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

3.9.5.10 Application to portfolios

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

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

3.9.5.11 Combining contracts

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

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

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

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

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

3.9.5.12 Deferred taxes

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

3.9.6 Financial assets

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

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

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

3.9.7 Inventories

Inventories are composed of :

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

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

3.9.8 Trade accounts receivable and other receivables

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

Trade receivables correspond to private and public receivables:

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

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

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

3.9.9 Cash and cash equivalents

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

3.10 Assets held for sale and discontinued operations

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

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

3.10.1 Financial liabilities

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

3.10.2 Borrowings

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

3.11 Provisions

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

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

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

3.12 Deferred taxes

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

Deferred tax liabilities are recognized for all taxable temporary differences:

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

and

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

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

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

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

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

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

3.13 Trade accounts payable

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

3.14 Share-based compensation

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

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

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

In 2019, 2020 and 2021 no compensation paid in shares is recognized.

3.15 Revenues

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

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

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

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

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

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

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

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

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

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

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

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

3.16 Cost of purchases

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

3.17 Other operating income and expenses

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

3.18 Net financing costs

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

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

3.19 Tax expenses

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

4. CONTRACTUAL COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

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

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

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

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

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

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

5. SEGMENT DATA

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

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

6. NET CASH POSITION

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

7. EARNING PER SHARE

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

Diluted earnings per share are calculated by dividing:

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

At December 31, 2021, there were no potentially dilutive instruments.

NOTE 2. SCOPE OF CONSOLIDATION

Company	Legal form	% Group interest	% Capital held	Consolidation method
Maroc Telecom	**SA**	**100%**	**100%**	**IG**
Avenue Annakhil Hay Riad Rabat-Maroc				
Compagnie Mauritanienne de Communication (CMC)	**SA**			
Dec 31, 21		**80%**	**80%**	**IG**
Dec 31, 20		80%	80%	IG
Dec 31, 19		80%	80%	IG
563, Avenue Roi Fayçal Nouakchott-Mauritanie				
Mauritel SA	**SA**			
Dec 31, 21		**41%**	**52%**	**IG**
Dec 31, 20		41%	52%	IG
Dec 31, 19		41%	52%	IG
Avenue Roi Fayçal Nouakchott-Mauritanie				
Onatel	**SA**			
Dec 31, 21		**61%**	**61%**	**IG**
Dec 31, 20		61%	61%	IG
Dec 31, 19		61%	61%	IG
705, AV. de la nation 01 BP10000 Ouagadougou – Burkina Faso				
Gabon Telecom	**SA**			
Dec 31, 21		**51%**	**51%**	**IG**
Dec 31, 20		51%	51%	IG
Dec 31, 19		51%	51%	IG
Immeuble 9 étages, BP 40 000 Libreville-Gabon				
Sotelma	**SA**			
Dec 31, 21		**51%**	**51%**	**IG**
Dec 31, 20		51%	51%	IG
Dec 31, 19		51%	51%	IG
ACI 2000 près du palais de sport BP-740 – Bamako, Mali				
Casanet	**SA**			
Dec 31, 21		**100%**	**100%**	**IG**
Dec 31, 20		100%	100%	IG
Dec 31, 19		100%	100%	IG
Imm Riad 1, RDC, Avenue Annakhil Hay Riad Rabat-Maroc				
Moov Africa Côte d'Ivoire	**SA**			
Dec 31, 21		**85%**	**85%**	**IG**
Dec 31, 20		85%	85%	IG
Dec 31, 19		85%	85%	IG
Plateau, Immeuble KARRAT, Avenue Botreau Roussel, Abidjan-Côte d'Ivoire				
Moov Africa Benin	**SA**			
Dec 31, 21		**100%**	**100%**	**IG**
Dec 31, 20		100%	100%	IG
Dec 31, 19		100%	100%	IG
Ilot 553, quartier Zongo Ehuzu, zone résidentielle, avenue Jean Paul 2, immeuble Etisalat, Cotonou-Bénin				
Moov Africa Togo	**SA**			
Dec 31, 21		**95%**	**95%**	**IG**
Dec 31, 20		95%	95%	IG
Dec 31, 19		95%	95%	IG
Boulevard de la Paix, Route de l'Aviation, Immeuble Moov-Etisalat - Lomé-Togo				
Moov Africa Niger	**SA**			
Dec 31, 21		**100%**	**100%**	**IG**
Dec 31, 20		100%	100%	IG
Dec 31, 19		100%	100%	IG
720 Boulevard du 15 avril Zone Industrielle, BP 13 379, Niamey-Niger				
Moov Africa Centrafrique	**SA**			
Dec 31, 21		**100%**	**100%**	**IG**
Dec 31, 20		100%	100%	IG
Dec 31, 19		100%	100%	IG
BP 2439, PK 0, Place de la République, Immeuble SOCIM, rez-de-chaussée, Bangui - Centrafrique				
Moov Africa Tchad	**SA**			
Dec 31, 21		**100%**	**100%**	**IG**
Dec 31, 20		100%	100%	IG
Dec 31, 19		100%	100%	IG
BP 6505, Avenue Charles DE GAULLE, N'Djamena-Tchad				

NOTE 3. GOODWILL

(In MAD millions)	2019	2020	2021
Mauritel	136	136	136
Onatel	1,838	1,838	1,838
Gabon Telecom	647	654	636
Sotelma	4,584	4,651	4,487
Moov Alysse* subsidiaries	1,211	1,229	1,100
Casanet	5	5	5
Moov Africa Chad	780	801	773
Total net	**9,201**	**9,315**	**8,976**

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

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

Goodwill has been calculated in accordance with IFRS 3 (revised) and is subject to impairment tests at least once a year and whenever there is an indication of impairment.

The impairment test consists of comparing the carrying amount of each CGU with its recoverable amount, for which Maroc Telecom uses the value in use. The latter is estimated on the basis of discounted cash flows, derived from individual business plans over five years.

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

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

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

- net cash flow projections are established on the basis of past performance and forecast developments. These projections are consistent with the budget and recent forecasts of the CGUs, which take into account changes in the economic, regulatory and fiscal environment (based on studies published by the IMF, Dataxis and regulatory authorities ...);
- the perpetual growth rate reflects the long-term growth rate of the economy, while taking into account differences in maturity between markets and operators ;
- the discount rate includes an additional premium for country risk, not exceeding the long-term average growth rate for the markets in which the group operates.

As of December 31, 2021, business plans and key operational assumptions have been affected by the following:

- The consequences of the Covid-19 epidemic;
- Regulatory pressure in the markets of presence;
- High competitive intensity.

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

CGU	Valuation method	Discount rate in local currency	Perpetual growth rate in local currency
Moov Africa Onatel	DCF	12.00%	1.50%
Moov Africa Sotelma	DCF	11.50%	3.00%
Moov Africa CIV	DCF	7.00%	3.00%
Moov Africa Tchad	DCF	12.00%	3.00%

The Moov Africa brand is subject to a specific impairment test using the same parameters as the CGUs.

The annual CGU impairment test led to the impairment of the goodwill of the Moov Africa RCA subsidiary at December 31, 2021.

Sensitivity analyses to a change in key financial assumptions (a change of +/- 1 basis point in the perpetual growth rate and the discount rate) and operational assumptions (a change of +/- 10% in terminal year cash flows) are performed on the recoverable amounts of the main CGUs (of which goodwill is significant), taken individually:

	Discount rate		Growth rate to infinity		Cash flow for the final year	
	Increase of 0.5 pt	Decrease of 0.5 pt	Increase of 0.5 pt	Decrease of 0.5 pt	Increase of 10%	Decrease of 10%
Onatel	-5%	6%	3%	-7%	7%	-7%
Sotelma	-7%	8%	6%	-5%	9%	-9%
Cote d'Ivoire	-12%	15%	13%	-10%	9%	-1%
Tchad	-6%	7%	5%	-4%	8%	-8%

Goodwill variation table

(in MAD million)	Beginning of period	Impairment	Translation adjustment	Reclassification	Change in scope of consolidation	End of period
2019	**8,548**	**0**	**-129**	**0**	**782**	**9,201**
Mauritel	136		0			136
Onatel	1,838					1,838
Gabon Telecom	656		-9			647
Sotelma	4,669		-86			4,584
Casanet	5					5
Moov Alysse subsidiaries	1,243		-23		-9	1,211
Millicom Chad			-11		791	780
2020	**9,201**	**0**	**104**	**10**	**0**	**9,315**
Mauritel	136		0			136
Onatel	1,838					1,838
Gabon Telecom	647		7			654
Sotelma	4,584		68			4,651
Casanet	5					5
Moov Alysse subsidiaries	1,211		18			1,229
Moov Africa Chad	780		12	10		801
2021	**9,315**	**-86**	**-253**	**0**	**0**	**8,976**
Mauritel	136		0			136
Onatel	1,838					1,838
Gabon Telecom	654		-18			636
Sotelma	4,651		-164			4,487
Casanet	5					5
Moov Alysse subsidiaries	1,229	-86	-43			1,100
Moov Africa Chad	801		-28			773

NOTE 4. OTHER INTANGIBLE ASSETS

(in MAD million)	2019	2020	2021
Software	1,442	1,093	907
Telecom license	5,682	5,344	4,822
Other intangible assets	1,685	1,683	1,791
Net total	**8,808**	**8,120**	**7,521**

The "Telecom licences" item includes the following licences:

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

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

2021

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

Intangible assets recorded a gross increase of 1,001 million dirhams relating to new acquisitions detailed as follows:

- Software investments amounting to 492 million dirhams.
- Investments in patents and trademarks amounting to 290 million dirhams in Morocco.
- Investments in telecom licences amounting to 123 million dirhams.

2020

(in MAD million)	2019	Acquisitions and additions	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2020
Gross	**25,387**	**687**	**-673**	**166**	**0**	**-35**	**25,532**
Software	9,222	287	-667	42		-46	8,838
Telecom license	9,882	124		110		0	10,116
Other intangible assets	6,283	276	-6	14		10	6,578
Amortization and impairment	**-16,578**	**-1,415**	**672**	**-92**	**0**	**2**	**-17,412**
Software	-7,780	-620	666	-28		18	-7,745
Telecom license	-4,200	-500		-52		-19	-4,772
Other intangible assets	-4,598	-295	6	-11		3	-4,895
Net total	**8,808**	**-728**	**-1**	**74**	**0**	**-33**	**8,120**

2019

(in MAD million)	2018	Acquisitions and additions	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2019
Gross	**22,752**	**2,324**	**-4**	**-236**	**644**	**-94**	**25,387**
Software	8,662	668	-4	-74	89	-119	9,222
Telecom license	8,165	1,316		-144	543	2	9,882
Other intangible assets	5,925	340		-18	12	23	6,283
Amortization and impairment	**-15,071**	**-1,382**	**3**	**134**	**-270**	**7**	**-16,578**
Software	-7,154	-624	3	54	-66	7	-7,780
Telecom license	-3,610	-447		66	-199	-10	-4,200
Other intangible assets	-4,307	-311		14	-5	10	-4,598
Net total	**7,681**	**942**	**-0**	**-102**	**374**	**-86**	**8,808**

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

NOTE 5. PROPERTY, PLANT, AND EQUIPMENT

(in MAD million)	2019	2020	2021
Land	1,637	1,659	1,653
Buildings	3,041	3,020	2,962
Technical installations, machinery and equipment	25,321	22,659	21,780
Transportation, equipment	279	242	223
Office equipment, furniture, and fittings	634	627	566
Other property, plant, and equipment	125	111	216
Net total	**31,037**	**28,319**	**27,400**

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

2021

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

Acquisitions of property, plant and equipment amounted to 4,614 million dirhams, mainly due to investments made in network infrastructure during 2021. The acquisitions of technical installations, equipment and tools are broken down as follows:

- 2,003 million dirhams in Morocco;
- 2,080 million dirhams internationally.

2020

(in MAD million)	2019	Acquisitions & dotations	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2020
Gross	**113,637**	**2,761**	**-1,147**	**483**	**0**	**23**	**115,758**
Land	1,663	14		9		1	1,686
Buildings	9,393	253	-5	15		17	9,671
Technical plant, machinery and equipment	95,601	2,186	-1,078	429		114	97,252
Transportation, equipment	781	8	-35	6		0	760
Office equipment furniture and fittings	5,948	164	-27	22		34	6,141
Other property, plant, and equipment	252	137	-2	4		-143	248
Depreciation and impairment	**-82,600**	**-5,613**	**1,142**	**-349**	**0**	**-19**	**-87,439**
Land	-26	-2		1			-27
Buildings	-6,352	-293	5	-12		1	-6,651
Technical plant, machinery, and equipment	-70,280	-5,066	1,072	-311		-9	-74,593
Transportation equipment	-502	-45	35	-5		0	-517
Office equipment, furniture, and fittings	-5,313	-199	26	-19		-9	-5,514
Other property, plant, and equipment	-127	-9	3	-2		-2	-137
Net total	**31,037**	**-2,852**	**-4**	**134**	**0**	**4**	**28,319**

2019

(in MAD million)	2018	Acquisitions & dotations	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2019
Gross	**107,145**	**4,464**	**-84**	**-816**	**3,024**	**-96**	**113,637**
Land	1,619	21	-17	-14	55	0	1,663
Buildings	9,008	264		-31	105	46	9,393
Technical plant, machinery and equipment	89,605	3,917	-53	-727	2,652	207	95,601
Transportation, equipment	792	22	-14	-10	57	-66	781
Office equipment furniture and fittings	5,720	194	0	-28	149	-87	5,948
Other property, plant, and equipment	401	46		-7	7	-196	252
Depreciation and impairment	**-75,843**	**-5,637**	**83**	**557**	**-1,921**	**161**	**-82,600**
Land	-26	-2		1			-26
Buildings	-6,027	-306	17	24	-32	-28	-6,352
Technical plant, machinery, and equipment	-64,062	-5,046	53	496	-1,729	9	-70,280
Transportation equipment	-473	-59	14	8	-48	56	-502
Office equipment, furniture, and fittings	-5,103	-219	0	25	-112	95	-5,313
Other property, plant, and equipment	-152	-6		3		29	-127
Net total	**31,301**	**-1,173**	**0**	**-260**	**1,104**	**65**	**31,037**

NOTE 6. INVESTMENTS IN EQUITY AFFILIATES

No equity interest was accounted for by the equity method in 2019, 2020 and 2021.

NOTE 7. NON-CURRENT FINANCIAL ASSETS

(in MAD million)	Note	2019	2020	2021
Unconsolidated investments	7.1	87	87	100
Other financial assets		383	567	685
Net total		**470**	**654**	**784**

At 31 December 2021, other financial assets consisted mainly of:

- security deposits in respect of the Mobile Money activity at the subsidiaries Gabon Telecom, Sotelma, Moov Africa Togo, Moov Africa Benin, and Moov Africa Chad for 629 million dirhams;
- cash blocked for borrowings for 22 million dirhams;
- loans granted in the amount of 32 million dirhams;

At December 31, 2021, the maturities of other financial assets were as follows :

(in MAD million)	Note	2019	2020	2021
Due in less than 12 months		244	437	126
Due in 1 to 5 years		105	95	557
Due in more than 5 years		33	35	2
Net total		**383**	**567**	**685**

Mobile Money deposits have been reclassified by subsidiaries from short-term to long-term due to their nature, which explains the change in the maturity trend observed.

7.1 Unconsolidated interests

2021

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

In 2021, the share of non-consolidated companies in gross value is down by 45% due mainly to the disposal of Médi1 TV shares.

2020

(in MAD million)	Percentage held	Gross value	Impairment	Carrying amount
Arabsat	NS	12		**12**
Autoroute du Maroc	NS	20	4	**16**
Thuraya	NS	10	8	**2**
Médi1 TV	8%	169	161	**9**
RASCOM	9%	45	35	**11**
Sonatel	NS	7		**7**
CMTL	25%	6	6	**0**
INMARSAT	NS	12	12	**0**
IMT/GIE	20%	0		**0**
MT Fly	100%	20	20	**0**
Hôtels de la Gare	NS	1	1	**0**
MT CASH	100%	20		**20**
Incubateur numérique Gabon	5%	0		**0**
Moov Money	100%	10		**10**
Total		**333**	**246**	**87**

2019

(in MAD million)	Percentage held	Gross value	Impairment	Carrying amount
Arabsat	NS	12		**12**
Autoroute du Maroc	NS	20	4	**16**
Thuraya	NS	10	8	**2**
Médi1 TV	8%	169	147	**23**
RASCOM	9%	45	34	**10**
Sonatel	NS	8		**8**
CMTL	25%	6	6	**0**
INMARSAT	NS	12	12	**0**
IMT/GIE	20%	1		**1**
MT Fly	100%	20	20	**0**
Hôtels de la Gare	NS	1	1	**0**
MT CASH	100%	10		**10**
Incubateur numérique Gabon	5%	0		**0**
Moov Money	100%	5		**5**
Total		**319**	**231**	**87**

NOTE 8. CHANGE IN DEFERRED TAXES

8.1 Net position

(in MAD million)	2019	2020	2021
Assets	339	580	508
Liabilities	258	45	50
Net position	**81**	**534**	**458**

8.2 Change in deferred taxes

2021

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

Deferred tax assets decreased by 72 million dirhams while deferred tax liabilities increased by 5 million dirhams compared to 2020 mainly through translation differences.

The change in the amount of deferred tax assets recognised in the income statement was -55 million, mainly due to the impact of the COVID-19 grant.

2020

(in MAD million)	2019	Charge to profit or loss	Impact on shareholders' equity	Change in scope of consolidation	Reclassifications	Translation adjustment	2020
Assets	339	372	2		-138	6	580
Liabilities	258	11	0		-224	0	45
Net position	**81**	**361**	**1**	**0**	**86**	**5**	**534**

2019

(En millions MAD)	2018	Charge to profit or loss	Impact on shareholders' equity	Change in scope of consolidation	Reclassifications	Translation adjustment	2019
Assets	224	64	-14	18	51	-5	339
Liabilities	246	4	2	7	-1	-1	258
Net position	**-23**	**60**	**-15**	**10**	**52**	**-4**	**81**

Components of deferred taxes

(in MAD million)	2019	2020	2021
Impairment deductible in later period	55	55	55
Restatement (IFRS) of revenues	-19	-26	-9
Deferred losses	62	62	62
Other	-17	443	349
Net position	**81**	**534**	**458**

NOTE 9. INVENTORIES

(in MAD million)	2019	2020	2021
Inventories	498	419	468
Impairment (-)	-177	-148	-150
Net total	**321**	**271**	**318**

Net inventories at 31 December 2021 consist mainly of inventories in Morocco, of which:

- 154 million dirhams of goods;
- 44 million dirhams of consumable materials and supplies.

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

Changes in inventories are recognised in purchases consumed.

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

NOTE 10. TRADE ACCOUNTS RECEIVABLE AND OTHER

(in MAD million)	2019	2020	2021
Trade receivables and related accounts	8,112	8,263	8,766
Other receivables and accruals	3,268	3,553	3,933
Net total	**11,380**	**11,816**	**12,699**

10.1 Trade receivables and related accounts

(in MAD million)	2019	2020	2021
Trade receivables	14,422	15,020	15,649
Gouvernment receivables	1,480	1,338	1,473
Depreciation of trade receivables (-)	-7,790	-8,095	-8,356
Net total	**8,112**	**8,263**	**8,766**

(In MAD millions)		2019	2020	2021
Account receivable (Gross)*		**15,902**	**16,357**	**17,122**
	≤1 year	4,352	4,819	4,813
	> 1 year	9,253	9,587	10,400
Provisions for impairment of trade recevaibles		**-7,790**	**-8,095**	**-8,356**
	≤1 year	-579	-1,032	-1,156
	> 1 year	-7,211	-7,063	-7,200
Trade receivable (Net)		**8,112**	**8,263**	**8,766**
	≤1 year	3,773	3,787	3,657
	> 1 year	2,042	2,524	3,201

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

Net trade receivables are up compared to 2020.

Impairment losses on trade receivables due in less than one year increased in 2020 compared with 2019 due to the global pandemic environment. In 2021, the provisioning level for trade receivables due within one year stabilised.

10.2 Other receivables and accruals

(in MAD million)	2019	2020	2021
Trade receivables, advances, and deposits	186	211	415
Employee receivables	79	82	69
Tax receivables	1,371	1,558	1,622
Other receivables	1,282	1,383	1,364
Accruals	351	319	463
Net total	**3,268**	**3,553**	**3,933**

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

In 2021, the balance of tax receivables amounted to MAD1,622 million, an increase of 4% vs.14% in 2020 explained mainly by the increase in advance payments on income tax in Morocco.

The increase in advances and deposits was recorded in particular by the international subsidiaries.

NOTE 11. SHORT-TERM FINANCIAL ASSETS

(in MAD million)	2019	2020	2021
Term deposit > 90 days			
Escrow account	126	130	126
Marketable securities			
Other short-term financial assets	**3**		
Net total	**128**	**130**	**126**

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

NOTE 12. CASH AND CASH EQUIVALENTS

(in MAD million)	2019	2020	2021
Cash	1,479	2,644	1,882
Cash equivalents	4	47	142
Cash and cash equivalents	**1,483**	**2,690**	**2,024**

Cash and cash equivalents fell by 666 million dirhams. This change is consistent with the slowdown in the rate of subscription to loans and bank overdrafts compared with 2020 combined with the active repayment of outstanding loans.

Change in cash and cash equivalents

(in MAD million)	2019	2020	2021
Net cash from operating activities	15,281	11,088	13,554
Net cash used in investing activities	-8,819	-4,219	-5,303
Net cash used in financing activities	-6,744	-5,600	-8,869
Foreign-currency translation adjustments	65	-62	-47
Change in cash and cash equivalents	**-217**	**1,207**	**-666**
Cash and cash equivalents at beginning of period	1,700	1,483	2,690
Cash and cash equivalents at end of period	1,483	2,690	2,024
Change in cash and cash equivalents	**-217**	**1,207**	**-666**

The decrease in cash and cash equivalents is explained by the general increase in investment-related disbursements following the acceleration of CAPEX projects encouraged by the easing of containment measures and the repayment of borrowings.

Net cash flow from operating activities

In 2021, net cash flow from operating activities was 13,554 million dirhams, up 2,465 million dirhams compared with 2020. This change is consistent with the post-COVID-19 economic recovery.

Net cash flow from investment activities

Net cash flow from investment activities was -5,303 million dirhams, up 1,084 million dirhams compared with 2020. This change is explained by the acceleration in CAPEX projects following the improvement in the post-pandemic economic context.

Net cash flow from financing activities

This flow is mainly due to dividend payments to shareholders for MAD4,212 million and disbursements related to debt servicing for MAD6,145 million. The main cash inflows during the period were financing debts contracted with banks for MAD666 million, as well as overdraft facilities for MAD877 million and cash loans for MAD659 million dedicated to the financing of current operations.

NOTE 13. DIVIDENDS

13.1 Dividends

(in MAD million)	2019	2020	2021
Dividends paid by subsidiaries to their noncontrolling interests			
Total (a)	**857**	**855**	**878**
Dividends paid by Maroc Telecom to its shareholders			
-Kingdom of Morocco	1,801	1,071	776
-Société de Participation dans les Télécommunications (SPT)	3,182	2,581	1,868
-Other	1,020	1,217	881
Total (b)	**6,003**	**4,870**	**3,525**
Total dividends paid (a)+(b)	**6,860**	**5,725**	**4,403**

13.2 Dividends allocated in fiscal year 2021

Dividends distributed by Maroc Telecom and its subsidiaries to their shareholders fell by 23% compared with 2020, driven by the Morocco segment.

NOTE 14. PROVISIONS

Provisions for contingencies and losses are analyzed as follows :

(in MAD million)	2019	2020	2021
Noncurrent provisions	**504**	**521**	**503**
Provisions for life annuities	15	15	15
Provisions for termination benefits	345	373	403
Provisions for disputes with third parties	123	113	78
Other provisions	20	20	8
Current provisions	**4,634**	**1,247**	**1,332**
Provisions for voluntary redundancy plan	-	-	-
Provisions for employee-related expenses	-	-	-
Provisions for disputes with third parties	4,596	1,209	1,295
Other provisions	37	38	36
Total	**5,137**	**1,768**	**1,835**

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

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

2021

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

Overall, provisions between 2020 and 2021 will remain stable and will mainly cover disputes with third parties for the operations part and retirement benefits for the subsidiaries.

2020

(in MAD million)	2019	charges	Used	change in scope of consolidation	Translation adjustment	Reversals	Reclassification	2020
Noncurrent provisions	**504**	**28**	**-94**	**0**	**5**	**0**	**78**	**521**
Provisions for life annuities	15							15
Provisions for termination benefits	345	17	-19		3		28	373
Provisions for disputes with third parties	123	3	-65		2		50	113
Other provisions	20	9	-10		0		0	20
Current provisions	**4,634**	**468**	**- 3,924**	**0**	**8**	**0**	**62**	**1,247**
Provisions for voluntary redundancy plan	0							0
Provisions for employee-related expenses	0							0
Provisions for disputes with third parties	4,596	468	- 3,924		7		62	1,209
Other provisions	37				1			38
Total	**5,137**	**496**	**- 4,018**	**0**	**13**	**0**	**140**	**1,768**

2019

(in MAD million)	2018	charges	Used	change in scope of consolidation	Translation adjustment	Reversals	Reclassification	2019
Noncurrent provisions	**464**	**108**	**-28**	**39**	**-10**	**0**	**-70**	**504**
Provisions for life annuities	16						-1	15
Provisions for termination benefits	389	13	0	6	-8		-55	345
Provisions for disputes with third parties	38	87	-20	34	-1		-15	123
Other provisions	21	8	-9		0			20
Current provisions	**1,325**	**3,574**	**-498**	**241**	**-12**	**0**	**4**	**4,634**
Provisions for voluntary redundancy plan								0
Provisions for employee-related expenses								0
Provisions for disputes with third parties	1268	3,574	-416	241	-11		-59	4,596
Other provisions	57		-82		-1		63	37
Total	**1,789**	**3,683**	**-527**	**280**	**-22**	**0**	**-66**	**5,137**

NOTE 15. BORROWINGS AND OTHER FINANCIAL LIABILITIES

15.1. Net cash position

(in MAD million)	2019	2020	2021
Bank loans due in more than one year	2,935	3,553	2,696
Lease obligation at more than 1 year	1,244	1,195	1,071
Bank loans due in less than one year	2,559	2,352	2,403
Lease obligation at less than 1 year	408	444	389
Bank overdrafts	11,780	12,816	9,885
Borrowing and other financial liabilities	**18,926**	**20,360**	**16,444**
Cash and cash equivalents	1,483	2,690	2,024
Cash held in escrow for repayment of bank loans	94	50	22
Net cash position	**-17,349**	**-17,619**	**-14,397**

(in MAD million)	2019	2020	2021
Outstanding debt and accrued interest (a)	18,926	20,360	16,444
Cash assets (b)	1,577	2,741	2,047
Net cash position (b)-(a)	**-17,349**	**-17,619**	**-14,397**

The Group's financial debt fell by 19% compared to 2020. This change can be explained by:

- The decrease in subscriptions to loans of MAD617 million;
- A MAD179 million decrease in the IFRS16 rental obligation;
- The decrease in bank overdrafts for MAD2,931 million;
- The repayment of financial debts for MAD6,145 million.

15.2. Net cash by maturity

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

2021

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

2020

(in MAD million)	< 1 an	1 à 5 ans	> 5 ans	Total
Bank loans	2,352	3,129	424	5,905
Lease obligation	444	952	243	1,639
Bank overdrafts	12,816			12,816
Borrowing and other financial liabilities	**15,612**	**4,081**	**667**	**20,360**
Cash and cash equivalents	2,690			2,690
Cash held in escrow for repayment of bank loans	50			50
Net cash position	**-12,871**	**-4,081**	**-667**	**-17,619**

2019

(in MAD million)	< 1 an	1 à 5 ans	> 5 ans	Total
Bank loans	2,560	2,469	465	5,494
Lease obligation	408	1,151	93	1,652
Bank overdrafts	11,780			11,780
Borrowing and other financial liabilities	**14,748**	**3,620**	**558**	**18,926**
Cash and cash equivalents	1,483			1,483
Cash held in escrow for repayment of bank loans	94			94
Net cash position	**-13,171**	**-3,620**	**-558**	**-17,349**

15.3 Statement of analysis

Company	loan (In MAD millions)	Currency	Maturity	2019	2020	2021
Maroc Telecom	Banks, overdrafts IAM	MAD	December-22	10,404	11,243	8,762
Maroc Telecom	IFRS 16	MAD		901	835	781
Mauritel	Loan 4G	MRO	October-22	0	98	50.6
Mauritel	ORABANK 3G	MRO	July-23			45
Mauritel	overdraft Mauritel	MRO	-	31	18	52
Mauritel	IFRS 16	MRO		38	33	34
Onatel	CREDIT SPOT BICIA B ONATEL	FCFA	April-21	125	100	
Onatel	CREDIT SPOT CBAO ONATEL	FCFA	September-21	0	68	
Onatel	CREDIT SPOT ORABANK ONATEL	FCFA	April-21	25	20	
Onatel	CREDIT SPOT WBI ONATEL	FCFA	May-21	45	19	
Onatel	CREDIT SPOT UAB ONATEL	FCFA	May-21	45	70	
Onatel	CREDIT SPOT BICIA B ONATEL	FCFA	April-22			78
Onatel	CREDIT SPOT CBAO ONATEL	FCFA	May-22			73
Onatel	CREDIT SPOT SGBF ONATEL	FCFA	May-22			64
Onatel	CREDIT SPOT ECOBANK ONATEL	FCFA	April-22			19
Onatel	EMPRUNT BICIA B 2021	FCFA	June-26			65
Onatel	Loan BICIA 2016	FCFA	August-22	50	34	16
Onatel	Loan CBAO 2015	FCFA	May-21	25	8	
Onatel	Loan SGBB 2015	FCFA	May-21	25	8	
Onatel	Loan ORABANK 2019 LTN	FCFA	December-21	83	79	
Onatel	Loan SGBF 2019 LTN	FCFA	March-26	166	155	122
Onatel	loan BABF N°E565978/1 2019 LTN	FCFA	March-26	333	310	244
Onatel	loan BABF N°E593684/1 2019 LTN	FCFA	March-26	125	116	92
Onatel	loan BABF N°A162934/1 2019 LTN	FCFA	March-26	125	116	92
Onatel	loan BABF N°E599998/1 2019 LTN	FCFA	March-26	83	78	61
Onatel	loan CBAO BURKINA 2019 LTN	FCFA	March-26	150	139	110
Onatel	loan CBAO BENIN 2019 LTN	FCFA	March-26	33	31	24
Onatel	loan CBAO NIGER 2019 LTN	FCFA	March-26	33	31	24
Onatel	loan CBAO SENEGAL 2019 LTN	FCFA	March-26	117	108	85
Onatel	Banks, overdrafts Onatel	FCFA		40	0	14
Onatel	IFRS 16	FCFA		42	58	40
Gabon Télécom	loan AFD	FCFA	December-20	2	2	2
Gabon Télécom	loan UGB (CMT 1)	FCFA	December-20	182	0	
Gabon Télécom	loan UGB (CMT 2)	FCFA	July-21	125	48	
Gabon Télécom	loan UGB (CMT 3)	FCFA	May-22		184	54
Gabon Télécom	UGB CMT 4	FCFA	February-25			166
Gabon Télécom	UGB CCT	FCFA	January-23			61
Gabon Télécom	Banks, overdrafts GT	FCFA	December-22	305	259	106
Gabon Télécom	IFRS 16	FCFA		49	57	43
Sotelma	loan BIM 10 Milliards	FCFA	June-22		128	42
Sotelma	loan DGDP/RASCOM	USD		9	9	9
Sotelma	loan BAM 7,5 Milliards	FCFA	February-23	103	75	41
Sotelma	loan BAM 5,5 Milliards	FCFA	February-23	81	58	32
Sotelma	loan BIM 6 Milliards	FCFA	November-21	100	52	0
Sotelma	loan BDM 10 Milliards	FCFA	August-21	145	65	
Sotelma	loan ECO 14 Milliards	FCFA	September-21	202	88	
Sotelma	loan ECO 10 Milliards	FCFA	August-22		148	64
Sotelma	Emprunt ECO 7,5 Milliards	FCFA	July-22			92
Sotelma	Emprunt BDM 7,5 Milliards	FCFA	July-22			92
Sotelma	Emprunt BIM 15 Milliards	FCFA	July-22			185
Sotelma	IFRS 16	FCFA		38	40	39
Sotelma	Banks, overdrafts Sotelma	FCFA	-	289	260	139
Casanet	IFRS 16	MAD		2	3	2
Moov CDI	loan SIB	EUR	January-27	268	354	306
Moov CDI	BANQUE ATLANTIQUE COTE D'IVOIRE	FCFA	April-23	524	935	657
Moov CDI	SIB ICNE	EUR	January-24	26	49	64
Moov CDI	BOA	FCFA	June-20	115		
Moov CDI	ECOBANK	FCFA	July-22	131	83	112
Moov CDI	Banks, overdrafts Moov CDI	FCFA	April-22	121	258	104
Moov CDI	IFRS 16	FCFA		343	404	378
Moov Africa Bénin	CORIS BANK	FCFA	January-25		333	330
Moov Africa Bénin	loan CAA pour construction câble ACE	FCFA	October-25	18	16	12
Moov Africa Bénin	overdrafts bancaires Moov Bénin	FCFA	January-22	151	297	222
Moov Africa Bénin	IFRS 16	FCFA		53	73	55
Moov Africa Togo	loan ECOBANK	FCFA	December-24	98	0	
Moov Africa Togo	BANQUE ATLANTIQUE TOGO	FCFA	June-24	236	150	207
Moov Africa Togo	ORABANK TOGO	FCFA	June-27		108	91
Moov Africa Togo	BIA TOGO	FCFA	June-23	219	164	98
Moov Africa Togo	BTCI TOGO	FCFA	September-22			74
Moov Africa Togo	Banks, overdrafts Togo	FCFA	March-22	278	286	338
Moov Africa Togo	IFRS 16	FCFA		18	15	15
Moov Africa Niger	CMT BOA	FCFA	March-22	63		
Moov Africa Niger	overdraft Eco DEP	FCFA	September-22	18	43	26
Moov Africa Niger	overdraft CBAO	FCFA	September-22	37	38	48
Moov Africa Niger	overdraft BAN	FCFA	September-22	65	47	56
Moov Africa Niger	loan CBAO 1	FCFA	April-20	4		
Moov Africa Niger	loan CBAO 2	FCFA	May-20	5		
Moov Africa Niger	loan CBAO 3	FCFA	September-20	15	1	
Moov Africa Niger	CMT BAN 6,5	FCFA	October-28	127	108	91
Moov Africa Niger	CMT BOA 15 Mds	FCFA		23		
Moov Africa Niger	CMT 13 Mds	FCFA	November-29	19	212	181
Moov Africa Niger	CMT BAN 5MDS	FCFA	December-22	40	47	31
Moov Africa Niger	CMT BOA 15 MDF	FCFA	December-27	223	249	202
Moov Africa Niger	CMT BOA 7MDF	FCFA	March-22		52	8
Moov Africa Niger	CMT BOA 1.9MDF	FCFA	June-25		30	24
Moov Africa Niger	CMT BIA 2.176 MDF	FCFA	October-22		35	28
Moov Africa Niger	CMT BIA 1698 MDF	FCFA	October-22		28	0
Moov Africa Niger	CMT BIA 566 MDF	FCFA	October-22		9	0
Moov Africa Niger	CMT BIA 736 MDF	FCFA	October-22		12	0
Moov Africa Niger	loan CBAO 13 MDFCA	FCFA	November-29	194		
Moov Africa Niger	CMT BAN 3,6MDF	FCFA				11
Moov Africa Niger	CMT BIA 3MDF	FCFA				32
Moov Africa Niger	CMT BIN 1MDF	FCFA				5
Moov Africa Niger	CMT BOA 8,8MDF	FCFA				141
Moov Africa Niger	overdraft BOA	FCFA	December-21	17	1	
Moov Africa Niger	overdraft ORABANK	FCFA	December-22	17	29	13
Moov Africa Niger	overdraft coris bank	FCFA	December-21		21	
Moov Africa Niger	overdraft HBANK	FCFA	December-21		12	
Moov Africa Niger	Crédit trésorerie	FCFA			5	19
Moov Africa Niger	IFRS 16	FCFA		97	57	22
Moov Africa Centrafrique	BANQUE POPULAIRE MAROCO	FCFA	December-23	32	34	22
Moov Africa Centrafrique	POOL BPMC-CBCA	FCFA	April-26	48	52	56
Moov Africa Centrafrique	loan DPA ERICSSON	USD	January-20	2		
Moov Africa Centrafrique	Banks, overdrafts RCA	FCFA	-	8	4	3
Moov Africa Tchad	IFC	FCFA	March-24	526	391	191
Moov Africa Tchad	IFRS 16	FCFA		73	64	51
Total Emprunts et autres passifs financiers				**18,926**	**20,360**	**16,444**

NOTE 16. TRADE ACCOUNTS PAYABLE

(in MAD million)	2019	2020	2021
Trade payables and related accounts	13,807	12,757	12,859
Accruals	2,860	3,274	2,994
Other payables	7,127	7,976	8,011
Total	**23,794**	**24,007**	**23,864**

Trade payables also include payables on the acquisition of fixed assets and trade payables - advances and down payments received on orders in progress.

In 2021, operating payables fell slightly. The item “Other operating payables” mainly represents tax liabilities (excluding corporation tax) for 4,215 million dirhams.

NOTE 17. REVENUES

(in MAD million)	2019	2020	2021
Morocco	21,690	20,881	19,906
Including Mobile Services	14,046	13,009	11,684
International	16,095	16,883	16,912
Including Mobile Services	14,693	15,507	15,626
Elimination of transactions between the parent company and subsidiaries	-1,268	-995	-1,028
Total consolidated revenues	**36,517**	**36,769**	**35,790**

At the end of December 2021, Maroc Telecom Group had consolidated revenues of MAD35,790 million, down 2.7% compared with 2020, mainly in Morocco.

NOTE 18. COST OF SALES

(in MAD million)	2019	2020	2021
Cost of handsets	622	628	627
Domestic and international interconnection charges	3,550	3,202	2,908
Other cost of sales	1,499	1,586	1,587
Total	**5,670**	**5,416**	**5,123**

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

Domestic and international interconnection charges decreased as a result of lower call terminations in the International segment, mainly.

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

NOTE 19. PAYROLL COSTS

(in MAD million)	2019	2020	2021
Wages	2,617	2,511	2,390
Payroll taxes	481	495	478
Wages and taxes	**3,098**	**3,005**	**2,868**
Payroll costs	**3,098**	**3,005**	**2,868**
Average headcount (in number of employees)	**10,606**	**10,242**	**9,811**

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

In 2021, the 5% decrease in payroll costs is closely linked to the decrease in Maroc Telecom's average workforce.

NOTE 20. TAXES, DUTIES, AND FEES

(in MAD million)	2019	2020	2021
Taxes and duties	951	1,023	1,017
Fees	2,231	2,321	2,429
Total	**3,183**	**3,344**	**3,447**

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

The overall level of taxes, duties and fees increased by 3% between 2020 and 2021.

NOTE 21. OTHER OPERATING INCOME AND EXPENSES

(in MAD million)	2019	2020	2021
Communication	800	637	708
Commissions	2,035	2,019	1,947
Other including:	**2,774**	**6,089**	**2,648**
Rental expenses	429	353	398
Maintenance, repair, and property-service charges	1,032	1,197	1,164
Fees	887	879	903
Postage and banking service	136	149	138
Voluntary redundancy plan	9	0	14
Other	281	3,511	31
Total	**5,610**	**8,746**	**5,303**

Communication costs increased by 11% in connection with the introduction of the new “Moov Africa” visual identity launched on 1 January 2021.

In 2021, other operating income and expenses returned to their normal level after recording a particular increase due to the expense of the regulatory penalty of 3.3 billion dirhams in Morocco in 2020.

Maintenance costs are consistent with the maintenance needs of the network.

The “Miscellaneous” item mainly includes operating foreign exchange gains and losses, transfers of operating expenses and capital gains or losses on disposals of fixed assets.

NOTE 22. DEPRECIATION, IMPAIRMENT AND PROVISIONS

The following table sets out changes in this item for the fiscal years ended December 31, 2019, 2020, and 2021:

(in MAD million)	2019	2020	2021
Depreciation and impairment of fixed assets	7,419	7,511	7,056
Net provisions and impairment	3,305	-3,272	420
Total	**10,724**	**4,240**	**7,477**

Net depreciation, amortisation, impairment and provisions amounted to 7,477 million dirhams at the end of December 2021, compared with 4,240 million dirhams at the end of December 2020. This change is due to the cancellation of the impact of the reversal of the regulator's penalty provision for Morocco amounting to 3.3 billion dirhams in 2020.

The slowdown in the acquisition of new fixed assets in 2020 due to the health context led to a decrease in depreciation on fixed assets of MAD 455 million between 2020 and 2021.

Depreciation and impairment of fixed assets

The table below shows the depreciation, amortisation and impairment charges on fixed assets of the Maroc Telecom Group for the years ended 31 December 2019, 2020 and 2021:

(in MAD million)	2019	2020	2021
Other intangible assets	1,368	1,414	1,305
Building and civil engineering	306	295	282
Technical plant and pylons	5,048	5,064	4,721
Other property, plant, and equipment	285	252	250
Right to use assets	412	487	497
Total	**7,419**	**7,511**	**7,056**

Net charges to provisions and impairment

The following table sets out the net charges to provisions and impairment of Maroc Telecom Group for the fiscal years ended December 31, 2019, 2020, and 2021:

(in MAD million)	2019	2020	2021
Impairment of trade receivables	66	267	299
Impairment of inventories	-12	-25	3
Impairment of other receivables	39	8	2
Provisions	3,213	-3,522	117
Net charges and reversals	**3,305**	**-3,272**	**420**

NOTE 23. INCOME FROM EQUITY AFFILIATES

No equity interest was accounted for by the equity method in 2019, 2020, or 2021.

NOTE 24. NET FINANCIAL INCOME OR EXPENSE

24.1 Borrowing costs

(in MAD million)	2019	2020	2021
Income from cash and cash equivalents	2	17	27
Interest expense on loans	-681	-798	-745
Interest expense on rental obligation	-76	-90	-81
Net borrowing costs	**-754**	**-871**	**-800**

The cost of net debt includes interest expense on borrowings less income from cash and cash equivalents (investment income). Since 1 January 2019, following the adoption of the new IFRS 16 standard, this indicator has also included interest charges on rental obligations. However, interest expenses on borrowings accounted for the largest share of net debt costs (93%).

Interest expenses on borrowings fell by 7%. This change is consistent with the decrease in the Group's financial debt.

24.2 Other financial income and expense

(in MAD million)	2019	2020	2021
Foreign-exchange gains and losses	13	-2	-52
Other financial income (+)	55	80	3
Other financial expenses (-)	-106	-52	-28
Other financial income and expenses	**-38**	**26**	**-77**

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

Other financial expenses fell by 46% or 24 million dirhams. The International segment generates 95% of the Group's financial expenses.

NOTE 25. TAX EXPENSE

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

Income tax includes current tax and deferred tax.

The following table shows Maroc Telecom Group's payable and deferred taxes for the years ended December 31, 2019, 2020, and 2021:

(in MAD million)	2019	2020	2021
Income tax expense	3,972	3,733	3,612
Deferred tax	-60	-361	68
Provisions for tax	-82		
Current tax	**3,830**	**3,372**	**3,680**
Consolidated effective tax rate	**36%**	**35%**	**34%**

(in MAD million)	2019	2020	2021
Net earnings	3,598	6,289	6,928
Income tax expense	3,912	3,372	3,680
Provision for tax	-82	0	0
Pretax earnings	**7,428**	**9,661**	**10,609**
Moroccan statutory tax rate	31%	31%	31%
Theoretical income tax expense	2,303	2,995	3,289
Impact of changes in tax rate	-75	-72	-77
Other differences	1,602	449	468
Effective income tax expense	3,830	3,372	3,680

Other net differences mainly include the solidarity contribution of MAD268 million and the withholding tax of MAD219 million.

The deferred tax rates of the Group are as follows:

Entity	The deffered tax rate
Maroc Telecom	31.0%
Casanet	31.0%
Mauritel	25.0%
Onatel	27.5%
Gabon Telecom	30.0%
Sotelma	30.0%
Atlantique Telecom Côte d'Ivoire	30.0%
Moov Africa Benin	30.0%
Moov Africa Togo	27.0%
Moov Africa Niger	30.0%
Moov Africa Centrafrique	30.0%
Moov Africa Chad	35.0%

NOTE 26. NONCONTROLLING INTERESTS

(in MAD million)	2019	2020	2021
Total noncontrolling interests	**873**	**866**	**920**

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

NOTE 27. EARNINGS PER SHARE

27.1 Earnings per share

(in MAD million)	2019		2020		2021	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Net earnings, Group share	2,726	2,726	5,423	5,423	6,008	6,008
Adjusted net earnings, Group share	2,726	2,726	5,423	5,423	6,008	6,008
Number of shares (millions)	879	879	879	879	879	879
Earnings per share (in MAD)	3.10	3.10	6.17	6.17	6.83	6.83

27.2 Change in the number of shares

(In share number)	2019	2020	2021
Weighted average number of shares outstanding for the period	879 095 340	879 095 340	879 095 340
Adjusted weighted average number of shares outstanding for the period	879 095 340	879 095 340	879 095 340
Potential dilutive effect of financial instruments outstanding			
Number of shares including potential dilutive effect	879 095 340	879 095 340	879 095 340

NOTE 28. SEGMENT DATA

28.1 Statement of financial position: items by geographical area

2021

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

2020

(in MAD million)	Morocco	International	Eliminations	Total groupe Maroc Telecom
Noncurrent assets	34,191	27,183	-12,795	48,579
Current assets	8,250	8,665	-1,955	14,960
Total assets	**42,442**	**35,848**	**-14,750**	**63,540**
Shareholders'equity	16,086	11,990	-11,387	16,688
Noncurrent liabilities	638	6,085	-1,409	5,314
Current liabilities	25,719	17,774	-1,955	41,538
Total shareholders'equity and liabilities	**42,442**	**35,848**	**-14,750**	**63,540**
Acquisitions of PP&E and intangible assets	1,467	1,982		**3,448**

2019

(in MAD million)	Morocco	International	Eliminations	Total groupe Maroc Telecom
Noncurrent assets	37,402	27,969	-13,886	51,485
Current assets	7,750	7,672	-2,057	13,365
Total assets	**45,152**	**35,641**	**-15,943**	**64,851**
Shareholders'equity	15,430	11,960	-11,387	16,003
Noncurrent liabilities	910	6,529	-2,499	4,939
Current liabilities	28,813	17,153	-2,057	43,908
Total shareholders'equity and liabilities	**45,152**	**35,642**	**-15,943**	**64,851**
Acquisitions of PP&E and intangible assets	3,022	3,766		**6,788**

28.2 Segment earnings by geographical area

2021

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

2020

(in MAD million)	Morocco	International	Eliminations	Total groupe Maroc Telecom
Revenues	20,881	16,883	-995	**36,769**
Earnings from operations	8,499	3,520		**12,018**
Net depreciation and impairment	434	3,806		**4,240**
Voluntary redundancy plan				**-**

2019

(in MAD million)	Morocco	International	Eliminations	Total groupe Maroc Telecom
Revenues	21,690	16,095	-1,268	**36,517**
Earnings from operations	4,994	3,237	0	**8,231**
Net depreciation and impairment	7,302	3,422		**10,724**
Voluntary redundancy plan		9		**9**

NOTE 29. RESTRUCTURING PROVISIONS

In 2019, 2020 and 2021, no provision for restructuring was recorded at group level.

NOTE 30. RELATED-PARTY TRANSACTIONS

30.1. Compensation of corporate officers, senior managers, and directors in 2019, 2020, and 2021

(in MAD million)	2019	2020	2021
Short-term benefits (1)	93	83	110
Termination benefits (2)	117	104	108
Total	**210**	**187**	**218**

30.2. Equity affiliates

In 2019, 2020 and 2021 no company is consolidated by the equity method.

30.3. Other related parties

In 2020, Maroc Telecom completed transactions mainly with Emirates Telecommunications Corporation, EDCH, Etihad Etisalat Company (Mobily), and other sister companies as part of its strategic cooperation with the Etisalat group. These various transactions can be summarized as follows:

2021

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

2020

(in MAD million)	Etisalat	EDCH	Mobily	Others
Revenues	126	13	1	0
Expenses	25	9	1	0
Receivables	39	82	0	2
Payables	34	65	0	1

2019

(in MAD million)	Etisalat	EDCH	Mobily	Others
Revenues	175	16	0	1
Expenses	39	12	1	1
Receivables	47	85	0	1
Payables	30	62	3	3

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

(2) Redundancy payments

NOTE 31. CONTRACTUAL COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

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

(in MAD million)	Total	Less than 12 months	1-5 years	>5 years
Long-term debt	**3,767**		3,232	535
Capital lease obligations	**42**	42		
Total	**3,809**	**42**	**3,232**	**535**

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

Commitments given

The commitments given include:

(in MAD million)	2019	2020	2021
Commitment given	**8,453**	**6,272**	**4,342**
Investment commitment	7,293	5,590	3,402
Outgoing commitments ans signature with banks	607	451	803
operating and financinn lease commitments	37	55	42
Sattellite rental commitments	46	104	67
Other commitments	***471***	***72***	***29***
Network maintenance contracts with Ericsson	*61*	*46*	*27*
Commitments on operating expreses	*410*	*26*	*2*
Other commitments	***0***	***0***	***0***
Recovery of guarantees given by Etisalat on the financing of the Atlantic Subsidiaries	*0*	*0*	*0*
Forward sale commitment	*0*	*0*	*0*

The variation of the commitments given is closely linked to the investments made during the year 2021.

Commitments received

The commitments received include:

(in MAD million)	2019	2020	2021
Commitments received	**1,352**	**1,286**	**1,170**
Guarantees and endorsements	1,352	1,286	1,170
Other commitments received	0	0	0
Forward purchase commitment	0	0	0
Commitment of the Moroccan State to contribute the assets of sc	0	0	0
Investment agreement *: exemption from customs duties on imports related to investments*	0	0	0

31.3. Contingent assets and liabilities

On December 16, 2021, Itissalat A-Maghrib S.A. received a summons from the Commercial Court of Rabat regarding a complaint filed by Wana on unbundling and claiming MAD 6,845 million. The case is ongoing and two hearings took place before the Commercial Court of Rabat on December 27, 2021 and February 7, 2022.

In the REMACOTEM dispute (association of mobile network consumers in Mali), the Civil Court had dismissed the plaintiff in 2013, for the alleged damages suffered. On November 3, 2021, the Bamako Court of Appeal set the total amount of damages claimed by REMACOTEM from 2011 to 2020 at 2,823 million dirhams, of which 933 million dirhams were awarded to Sotelma, a subsidiary 51% owned by Maroc Telecom. Sotelma has replied through its lawyers and a hearing has been requested to annul the said judgment and its execution.

NOTE 32. RISK MANAGEMENT

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

Credit risk:

Maroc Telecom minimises its credit risk by engaging only in credit transactions with commercial banks or financial institutions that have high credit ratings and by distributing transactions among selected institutions.

Moreover, Maroc Telecom's receivables do not have a significant concentration of credit risk, given their high dilution rate.

Maroc Telecom's commercial credit risk management policy is adapted to the type of partner. The Prepaid segment accounts for the bulk of the Group's sales and does not present any credit risk. The Post-paid segment consists of interconnection receivables, public receivables and private receivables. The interconnection receivables are reconciled and collection is based on the net position that allows the operators to settle the difference between the receivable and the debt vis-à-vis the other operators. With regard to public debt, the nature of the partners guarantees minimal credit risk. As for private receivables, the Group's practice consists of requesting payments in advance in order to support collection. These measures are coupled with restrictions and reminders that assist in the rapid recovery of this type of debt. Concerning the impairment of trade receivables, the Group applies the simplified method provided for by IFRS 9. The level of impairment is measured at inception and adjusted at each reporting date to reflect economic and economic developments. Given the measures taken upstream, the Group assumes a low credit risk and recognises potential losses over the life of the receivable based statistically on historical losses.

Currency risk:

The Maroc Telecom Group is exposed to exchange rate fluctuations insofar as the composition of its receipts and disbursements in foreign currencies differ.

Maroc Telecom receives foreign currency receipts corresponding to revenues from international operators, and makes foreign currency disbursements corresponding to the payment of international suppliers (in particular the payment of investments and the acquisition of terminals) and the settlement of the interconnection with foreign operators. These disbursements are mainly denominated in euros.

In Morocco, the share of foreign currency disbursements denominated in Euro represents 89% of all foreign currency disbursements as of December 31, 2021, which total MAD 3,894 million and are higher than the amount of foreign currency receipts which are around MAD 2,690 million in 2021.

At the international level, the share of foreign currency disbursements denominated in US dollars represented 1.2% of total foreign currency disbursements as of December 31, 2021, which totalled MAD 179 million and exceeded the amount of foreign currency receipts, which amounted to MAD 12.3 million in 2021

In addition, Maroc Telecom Group has a debt of MAD 16,444 million at December 31, 2021, compared to MAD 20,360 million at December 31, 2020, mainly denominated in Dirham and FCFA.

(in MAD million)	2019	2020	2021
Euro	268	403	
Moroccan dirham	11,307	12,081	9,545
Other (mainly CFA franc)	7,352	7,876	6,899
Current debt	**18,926**	**20,360**	**16,444**

Maroc Telecom cannot offset its disbursements and receipts in foreign currencies, as current Moroccan regulations allow it to retain only 80% of its operating revenues in foreign currencies in a foreign currency account; the remaining 20% are sold in dirhams. The result of the Maroc Telecom Group may therefore be sensitive to changes in exchange rates, particularly between the dirham and the US dollar or euro.

In 2021, the Euro depreciated by 3.09% against the Dirham (from MAD 11.2928 on December 31, 2020 to MAD 10.9438 for 1 Euro on December 31, 2021). Over the same period, the US Dollar appreciated by 5.374%, from MAD 9.1811 on December 31, 2020 to MAD 9.6745 for 1 dollar on December 31, 2021.

The subsidiaries whose currency of account is the CFA franc as well as the Mauritanian subsidiary whose currency is the ouguiya make the Group's exposure to foreign exchange risk more significant, particularly with regard to fluctuations in the exchange rates of the euro and the ouguiya against the dirham.

However, a 1% depreciation of the dirham against the euro would have the following limited impacts on the basis of the 2021 Group financial statements:

Revenues = +166 million dirhams

Operating income = +45 million dirhams

Net income attributable to owners of the parent = +17 million dirhams

At the level of Maroc Telecom and its subsidiaries, foreign currency assets consist mainly of receivables from its subsidiaries and foreign operators. Liabilities in foreign currencies consist mainly of foreign trade payables and international operators.

(in MAD million)	Euro /FCFA	USD	MRO	Total foreign currencies	MAD	Balance sheet total
Total assets	32,017	319	1,957	1	27,488	61,782
Total shareholders' equity and liabilities	-18,771	-379	-1,458	-8	-41,167	-61,782
Net position	**13,246**	**-60**	**499**	**-7**	**-13,679**	**0**

The following table shows the Company's net foreign-currency positions in euros and US dollars, and the aggregate of other currencies, at December 31, 2021:

(in million)	Euro (2)	USD (2)	Other currencies (euro equivalent*) (1)
Assets	1,314	65	14
Liabilities	-48	-26	-12
Net position	1,266	39	1
Commitments (3)			
Aggregate net position	**1,266**	**39**	**1**

* based on 1 euro = 10.5165 dirhams the Bank-Al Maghrib average rate at Dec.31, 2021.

Liquidity risk:

Maroc Telecom believes that the cash flows generated by its operations, its cash position and the funds available through its credit lines will be sufficient to cover the expenses and investments required for its operations, the servicing of its debt, the distribution of dividends and the external growth operations in progress at December 31, 2022.

Interest-risk:

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

NOTE 33. EVENTS AFTER THE END OF THE REPORTING PERIOD

33.1 HIGHLIGHTS:

On January 10, 2022, Itissalat Al-Maghrib S.A. received a report prepared by the ANRT on the implementation of the injunctions issued in Decision ANRT/CG/N°01/2020 dated January 17, 2020, which indicated partial non-compliance with five out of the 13 injunctions contained in the aforementioned decision. Following an in-depth and detailed analysis of the above-mentioned report, a response disputing the ANRT's findings was submitted within the legal time limit of one month.

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

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

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

NOTE 34: IFRS 16 AT DECEMBER 31, 2021

34.1 Right of use:

2021

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

2020

(In millions MAD)	Carrying value	Entry of assets	Depreciation/Amortization
Land	965	105	-176
Buildings	629	134	-121
Technical facilities	731	-30	-91
Transportation equipment	232	230	-99
Office equipment			
Other assets			
Total	**2,557**	**439**	**-487**

2019

(In millions MAD)	Carrying value	Entry of assets	Depreciation/Amortization
Land	977	104	-142
Buildings	372	185	-119
Technical facilities	756	422	-151
Transportation equipment	2	2	-1
Office equipment			
Other assets			
Total	**2,107**	**712**	**-412**

34.2 Rental obligation:

	2019	2020	2021
Lease-related payments	-473	-552	-535

34.3 Expenses from contracts outside the scope of IFRS 16 :

	2019	2020	2021
Leases with term ≤12 months	396	352	382
Leases with low underlying asset value	34	1	1
Leases with variable payments			
Leases with no presumed control of occupancy right			

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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

We have audited the accompanying consolidated financial statements of ITISSALAT Al MAGHRIB (IAM) S.A. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31st, 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. These consolidated financial statements show an amount of consolidated equity of MMAD 18 800 including a consolidated net profit of MMAD 6 928.

These statements were approved by the Executive Board on February 11th, 2022 in the evolving context of the health crisis of the Covid-19 epidemic, on the basis of the information available at that date.

In our opinion, the consolidated financial statements referred to in the first paragraph above, are regular, sincere and provide in all material aspects a true and fair view of the financial position of the group comprising the persons and entities of ITISSALAT AL-MAGHRIB (IAM) S.A. at December 31st, 2021, and the financial performance and cash flows for the fiscal year then ended, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for Opinion

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

Key audit matters

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

Key audit matters	Our response
Recognition of revenues from telecommunication activities Revenues in the consolidated financial statements at December 31, 2021 amounted to MAD 35,790 million. There is an inherent risk in the recognition of revenues, given the multitude of products, the complexity of information systems and the impact of changes in pricing models (pricing structures, incentive systems, rebates, etc.). The application of revenue recognition accounting standards involves a number of key judgments and estimates. As a result, we consider revenue from telecommunications activities as a key issue in our audit. Revenue recognition methods are detailed in note 3.15 of the consolidated financial statements.	With the assistance of our IT (Information Technology) specialists, we reviewed the key processes and controls implemented by IAM S.A., including the IT systems used for revenue recognition purposes. In particular, we have : - Gained an understanding of the general control environment, including IT, implemented by the company; - Identified and assessed the key controls implemented by the company and relevant to our audit; - Tested the operating effectiveness of the relevant controls, in particular on the application systems involved in the process of generating, evaluating and accounting revenues; Performed analytical procedures and tested a sample of manual entries as of December 31, 2021.

Valuation of goodwill	
As part of its development, the Group has been led to carry out external growth operations and to recognize several goodwills. This goodwill, which corresponds to the difference between the price paid and the fair value (market value) of the assets and liabilities acquired, are described in note 3 to the consolidated financial statements. Each year, management ensures that the carrying amount of the goodwill attached to each cash-generating unit (CGU), shown in the balance sheet at December 31, 2021, in the amount of MAD 8 976 million, does not exceed its recoverable amount and does not present a risk of impairment. The terms of the impairment test and details of the assumptions used are described in note 3. The recoverable amount is determined by reference to the value in use calculated on the basis of the present value of the cash flows expected from the group of assets comprising it. The determination of the recoverable amount of goodwill is based on management's judgment, particularly assumptions of future income of concerned CGU and the discount rate applied to cash flow projections. We therefore considered the valuation of goodwill as a key point of the audit.	We examined the compliance of the methodology used by the Group with the applicable accounting standards. We also performed a review of the procedures related to impairement tests of goodwill and verified in particular that: the completeness of the elements making up the carrying amount of each CGUs tested and the consistency of the methods used to determine this amount with the cash flow projections used to determine value in use; the reasonableness of the cash flow projections and the reliability of the estimates by examining the main reasons for differences between forecasts and actual results; the consistency of these cash flow projections with management's latest estimates; the consistency of the growth rate used for the projected cash flows with market analyses; the calculation of the discount rate applied to the cash flows expected from each CGU; and management's sensitivity analysis of value in use to changes in the main assumptions used. Finally, we have verified that Note 3 provides appropriate disclosures.

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

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

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

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

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

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

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

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

Casablanca, February 16th, 2022

The Statutory auditors

DELOITTE AUDIT	**COOPERS AUDIT MAROC S.A**
French original signed by	**French original signed by**
Sakina Bensouda-Korachi	**Abdelaziz Almechatt**
Partner	**Partner**

4. STATUTORY FINANCIAL STATEMENTS

4. STATUTORY FINANCIAL STATEMENTS

Year ended 12/31/2021

ASSETS (in MAD thousands)	GROSS	EXERCICE Amortization and provisions	NET	PREVIOUS EXERCICE NET 12/31/2020
CAPITALIZED COSTS (A)	**1,500,000**	**600,000**	**900,000**	**1,200,000**
.Start-up costs	0	0	0	0
.Deferred costs	1,500,000	600,000	900,000	1,200,000
.Bond redemption premiums	0	0	0	0
INTANGIBLE ASSETS (B)	**12,362,796**	**10,386,134**	**1,976,662**	**2,080,595**
.Research and development costs	0	0	0	0
.Patents, trademarks, and similar rights	12,004,593	10,315,686	1,688,907	1,885,946
.Goodwill	70,447	70,447	0	119
.Other intangible assets	287,755	0	287,755	194,531
PROPERTY, PLANT, AND EQUIPMENT (C)	**74,026,964**	**58,984,523**	**15,042,441**	**15,738,026**
.Land	961,935	0	961,935	955,383
.Buildings	8,233,912	5,573,690	2,660,222	2,771,028
.Technical plant, machinery, and equipment	58,155,243	48,458,854	9,696,389	10,367,432
.Vehicles	278,936	100,524	178,411	195,441
.Office equipment, furniture, and fittings	5,002,554	4,674,147	328,408	404,395
.Other property, plant, and equipment	11,048	0	11,048	11,048
.Work in progress	1,383,336	177,308	1,206,028	1,033,300
FINANCIAL ASSETS (D)	**12,771,564**	**387,418**	**12,384,146**	**12,215,950**
.Long-term loans	812,669	0	812,669	649,437
.Other financial receivables	4,190	0	4,190	4,084
.Equity investments	11,954,705	387,418	11,567,287	11,562,429
.Other investments and securities	0	0	0	0
UNREALISED FOREIGN EXCHANGE LOSSES (E)	**31,913**	**0**	**31,913**	**1,378**
.Decrease in long-term receivables	31,913	0	31,913	1,378
.Increase in long-term debt	0	0	0	0
TOTAL I (A+B+C+D+E)	**100,693,237**	**70,358,075**	**30,335,162**	**31,235,949**
INVENTORIES (F)	**212,335**	**117,183**	**95,153**	**100,865**
.Merchandise	157,401	103,605	53,796	46,893
.Raw materials and supplies	54,934	13,578	41,356	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)	**16,913,545**	**8,976,661**	**7,936,884**	**7,783,775**
.Trade payables, advances and deposits	13,247	0	13,247	11,046
.Accounts receivable and related accounts	15,528,541	8,652,428	6,876,113	6,271,041
.Employees	3,708	0	3,708	3,771
.Tax receivable	794,372	0	794,372	560,205
.Shareholders' current accounts	0	0	0	0
.Other receivables	551,513	324,234	227,279	912,969
.Accruals	22,165	0	22,165	24,743
MARKETABLE SECURITIES (H)	**131,859**	**0**	**131,859**	**131,611**
UNREALIZED FOREIGN EXCHANGE LOSSES (I) (current items)	**55,133**	**0**	**55,133**	**35,510**
TOTAL II (F+G+H+I)	**17,312,872**	**9,093,844**	**8,219,028**	**8,051,761**
CASH AND CASH EQUIVALENTS	**173,515**	**0**	**173,515**	**554,212**
.Checks	0	0	0	0
.Bank deposits	171,349	0	171,349	551,555
.Petty cash	2,166	0	2,166	2,657
TOTAL III	**173,515**	**0**	**173,515**	**554,212**
TOTAL GENERAL I+II+III	**118,179,624**	**79,451,918**	**38,727,705**	**39,841,922**

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SHAREHOLDERS' EQUITY AND LIABILITIES (in MAD thousands)		Year ended 12/31/2021 EXERCICE	EXERCICE NET 12/31/2020
SHAREHOLDERS' EQUITY	**(A)**	**16,722,339**	**14,603,256**
Share capital (1)		5,274,572	5,274,572
Less: capital subscribed and not paid-in		0	0
Paid-in capital		0	0
Additional paid-in capital		0	0
Revaluation difference		0	0
Statutory reserve		527,457	527,457
Other reserves		5,276,257	2,552,808
Retained earnings (2)		0	0
Unallocated income (2)		0	0
Net income of the year (2)		5,644,052	6,248,419
QUASI-EQUITY	**(B)**	**0**	**0**
Investment subsidies		0	0
Regulated provisions		0	0
DEBENTURE BONDS	**(C)**	**1,494**	**6,874**
Debenture bonds		0	0
Other long-term debt		1,494	6,874
PROVISIONS	**(D)**	**44,248**	**14,710**
Provisions for contingencies		31,913	1,378
Provisions for losses		12,336	13,332
UNREALIZED FOREIGN EXCHANGE GAINS	**(E)**	**0**	**3,784**
Increase in long-term receivables		0	3,784
Decrease in long-term debt		0	0
	TOTAL I (A+B+C+D+E)	**16,768,081**	**14,628,624**
CURRENT LIABILITIES	**(F)**	**12,446,563**	**13,026,067**
Accounts payable and related accounts		6,174,176	6,700,916
Trade receivables, advances and down payments		78,995	82,047
Payroll costs		946,902	1,050,832
Social security contributions		91,786	85,582
Tax payable		2,959,742	2,912,001
Shareholders' current accounts		1	1
Other payables		408,425	430,523
Accruals		1,786,536	1,764,165
OTHER PROVISIONS FOR CONTINGENCIES AND LOSSES	**(G)**	**871,251**	**1,055,726**
UNREALIZED FOREIGN EXCHANGE GAINS (Current items)	**(H)**	**63,953**	**80,725**
	Total II (F+G+H)	**13,381,768**	**14,162,517**
BANK OVERDRAFTS		**8,577,856**	**11,050,780**
Discounted bills		0	0
Treasury loans		0	0
Bank loans and overdrafts		8,577,856	11,050,780
	Total III	**8,577,856**	**11,050,780**
TOTAL GENERAL I+II+III		**38,727,705**	**39,841,922**

STATEMENT OF COMPREHENSIVE INCOME (EXCLUSIVE OF VAT)

From 01/01/2021 to 12/31/2021

(in MAD thousands)	OPERATIONS Current year	OPERATIONS Previous year	FISCAL YEAR TOTAL	TOTALS 12/31/2020
I- OPERATING INCOME	19,659,201	0	19,659,201	21,096,060
Sales of goods	384,447	0	384,447	424,294
Sales of manufactured goods and services rendered	18,748,690	0	18,748,690	19,864,933
Operating revenues	19,133,137	0	19,133,137	20,289,226
Change in inventories	0	0	0	0
Company-constructed assets	0	0	0	0
Operating subsidies	0	0	0	0
Other operating income	30,039	0	30,039	25,433
Operating write-backs: expense transfers	496,025	0	496,025	781,401
TOTAL I	**19,659,201**	**0**	**19,659,201**	**21,096,060**
II- OPERATING EXPENSES	12,394,348	18	12,394,366	12,846,696
Cost of goods sold	572,636	0	572,636	554,477
Raw materials and supplies	3,078,241	0	3,078,241	3,115,886
Other external expenses	2,596,903	18	2,596,921	2,537,575
Taxes (except corporate income tax)	311,185	0	311,185	286,362
Payroll, costs	1,954,514	0	1,954,514	2,108,018
Other operating expenses	2,233	0	2,233	2,540
Operating allowances for amortization	3,308,841	0	3,308,841	3,502,875
Operating allowances for provisions	569,794	0	569,794	738,963
TOTAL II	**12,394,348**	**18**	**12,394,366**	**12,846,696**
III- OPERATING INCOME I-II	**7,264,853**	**-18**	**7,264,835**	**8,249,364**
IV- FINANCIAL INCOME	2,000,173	0	2,000,173	1,417,233
Income from equity investments and other financial investments and other financial investments	1,301,627	0	1,301,627	942,932
Foreign exchange gains	429,524	0	429,524	294,632
Interest and other financial income	71,358	0	71,358	106,866
Financial write - backs: expense transfers	197,664	0	197,664	72,803
TOTAL IV	**2,000,173**	**0**	**2,000,173**	**1,417,233**
V- FINANCIAL EXPENSES	1,049,198	0	1,049,198	667,653
Interest and loans	321,231	0	321,231	348,950
Foreign exchange losses	274,705	0	274,705	267,044
Other financial expenses	11,097	0	11,097	775
Financial allowances	442,165	0	442,165	50,884
TOTAL V	**1,049,198**	**0**	**1,049,198**	**667,653**
VI- FINANCIAL INCOME IV - V	**950,975**	**0**	**950,975**	**749,580**
VII- ORDINARY INCOME III + VI	**8,215,828**	**-18**	**8,215,810**	**8,998,945**
VIII- EXTRAORDINARY INCOME	**327,212**	**190**	**327,403**	**5,129,926**
Proceeds from disposal of fixed assets	13,880	0	13,880	4,901
Subsidies received	0	0	0	0
Write-backs of investment subsidies	0	0	0	0
Other extraordinary income	112,087	190	112,277	71,604
Extraordinary write-backs: expense transfers	201,245	0	201,245	5,053,421
TOTAL VIII	**327,212**	**190**	**327,403**	**5,129,926**
IX- EXTRAORDINARY EXPENSES	937,470	7,464	944,934	5,584,073
Net book value of disposed assets	171,941	0	171,941	3,578
Subsidies granted	0	0	0	0
Other extraordinary expenses	272,791	7,464	280,255	5,005,080
Regulated provisions	0	0	0	0
Extraordinary allowances for depreciation and provisions	492,738	0	492,738	575,415
TOTAL IX	**937,470**	**7,464**	**944,934**	**5,584,073**
X- EXTRAORDINARY INCOME VIII - IX	**-610,257**	**-7,274**	**-617,531**	**-454,147**
XI- INCOME BEFORE TAX VII + X	**7,605,571**	**-7,292**	**7,598,279**	**8,544,797**
XII- CORPORATE INCOME TAX	**1,954,226**	**0**	**1,954,226**	**2,296,379**
XIII- NET INCOME XI - XII	**5,651,345**	**-7,292**	**5,644,052**	**6,248,419**

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 fiscal years:

in MAD million	2019	2020	2021	Variation 21/20
Revenues	20,979	20,289	**19,133**	**-5.7%**
Operating income	8,131	8,249	**7,265**	**-11.9%**
Financial income	943	750	**951**	**26.9%**
Corporate income tax	-2,389	-2,296	**-1,954**	**-14.9%**
Non-current income	-3,426	-454	**-618**	**-36.0%**
Net income	3,259	6,248	**5,644**	**-9.7%**
Investments	2,903	1,353	**2,524**	**86.5%**

Key elements of the income statement

Revenues

Maroc Telecom's revenues in 2021 will amount to MAD19,133 million, down 5.7% compared to 2020.

Operating income and net income

Operating income at 31 December 2021 was MAD 7,265 million, down 11.9% compared with 2020, mainly due to the fall in revenues.

Financial income grew by 26.9% to MAD 951 million compared with MAD 750 million in 2020. This change was mainly due to higher revenues from subsidiaries.

Non-current income fell by 36% to MAD -618 million compared with MAD -454 million in 2020. This change was due mainly to the recognition of the exit of the Médi 1 SAT shares.

With a pre-tax profit of MAD 7,598 million and corporate income tax expense of MAD 1,954 million, net income was MAD 5,644 million, down 9.7%.

Balance sheet

At December 31, 2021, the balance sheet total reached MAD 38,728 million, a 2.8% fall compared with the previous financial year.

Assets and their compenents

(Assets in MAD million)	NET			Change 21/20
	2019	2020	2021	
Nil-value assets	-	1,200	900	-25.0%
Intangible assets	2,305	2,081	1,977	-5.0%
Property, plant and equipment	17,688	15,738	15,042	-4.4%
Long-term investments	13,422	12,216	12,384	1.4%
Translation difference - assets	21	1	32	NS
Total net non-current assets	**33,436**	**31,236**	**30,335**	**-2.9%**
Current assets	**7,856**	**8,052**	**8,219**	**2.1%**
Cash - assets	**214**	**554**	**174**	**-68.7%**
Total assets	**41,505**	**39,842**	**38,728**	**-2.8%**

Net non-current assets were MAD 30,335 million at 31 December 2021, compared with MAD 31,236 million the previous financial year. They represented 78% of total assets and fell by 2.9% compared with 2020.

Intangible assets were MAD 1,977 million in 2021, compared with MAD 2,081 million in 2020.

Net property, plant and equipment fell by 4.4%, from MAD 15,738 million in 2020 to MAD 15,042 million in 2021.

Long-term investments assets were MAD 12,384 million in 2021, compared with MAD 12,216 million in 2020.

Current assets excluding investments (except assets relating to price adjustments) were MAD 8,219 million in 2021, compared with MAD 8,052 million in 2020, an increase of 2.1% mainly due to the increase in receivables.

Net cash, including investments (except cash relating to price adjustments), was MAD -8,404 million at 31 December 2021, compared with MAD -10,497 million at 31 December 2020.

Liabilities and their components

(Liabilities in MAD million)	NET			Change 21/20
	2019	2020	2021	
Shareholders' Equity	13,225	14,603	16,722	14.5%
of which net profit for the fiscal year	3,259	6,248	5,644	-9.7%
Financing borrowings	7	7	1	-78.3%
Long Term provisions for risks and losses	35	15	44	NS
Translation difference - liabilities	0	4	0	-
Total Permanent Funds	13,267	14,629	**16,768**	**14.6%**
Current liabilities	18,000	14,163	**13,382**	**-5.5%**
Cash and cash equivalents - liabilities	10,238	11,051	**8,578**	**-22.4%**
Total liabilities	41,505	39,842	**38,728**	**-2.8%**

Taking into account the profit for the year of MAD5,644 million and an asset write-off of MAD900 million, the net position at December 31, 2021 amounted to MAD15,822 million, compared with MAD13,403 million in 2020.

At December 31, 2021, current liabilities amounted to MAD13,382 million, compared with MAD14,163 million in 2020. This change is mainly due to the decrease in debts.

STATUTORY AUDITORS' GENERAL REPORT YEAR ENDED DECEMBER 31, 2021
AUDIT OF STATUTORY FINANCIAL STATEMENTS

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

Opinion

In accordance with the terms of our appointment by your General meetings, we have audited the accompanying financial statements of ITISSALAT AL-MAGHRIB (IAM) S.A., including the statement of financial position concerning the year ended December 31, 2021, the statement of revenues and losses, the statement of operating data, the statement of cash flows, and the additional disclosures (ETIC).These financial statements show shareholders' equity and reserves of MAD 16 722 339 thousand and net profit of MAD 5 644 052 thousand.

These statements were approved by the Executive Board on February 11th, 2022 in the evolving context of the health crisis of the Covid-19 epidemic, on the basis of the information available at that date.

In our opinion, the financial statements referred to in the first paragraph above are regular, sincere and give a true and fair view of ITISSALAT ALMAGHRIB (IAM) S.A.'s assets, liabilities, and financial position at December 31st, 2021, and of its operations for the year then ended, in accordance with the accounting principles generally accepted in Morocco.

Basis for Opinion

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

Key audit matters

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

Key audit matters	Our response
Recognition of revenues from telecommunication activities Revenues in the financial statements at December 31, 2021 amounted to MAD 19 133 137 thousand. There is an inherent risk in the recognition of revenues, given the multitude of products and services, the complexity of information systems and the impact of changes in pricing models (pricing structures, incentive systems, discounts, etc.). The application of recognition accounting standards to telecommunications revenues is complex and involves a number of key judgments and estimates. As a result, we consider revenues from telecommunications activities as a key issue in our audit. The methods used to recognize revenue are detailed in Statement A1 of ETIC- Supplementary Information Statements (SIFS).	With the assistance of our IT (Information Technology) specialists, we reviewed the key processes and controls implemented by IAM S.A., including the IT systems used for revenue recognition purposes. In particular, we have: - Gained an understanding of the general control environment, including IT, implemented by the company; - Identified and assessed the key controls implemented by the company and relevant to our audit; - Tested the operating effectiveness of the relevant controls, in particular on the application systems involved in the process of generating, evaluating and accounting revenues; - Performed analytical procedures and tested a sample of manual entries as of December 31, 2021.

Valuation of investments	Our work consisted mainly in reviewing the valuation process of investments and figures used. We particularly:
Investments in subsidiaries and affiliates, shown in the balance sheet at December 31, 2021 for a net amount of MAD 11 567 287 thousand. They are recognized at their acquisition date at cost and depreciated on the basis of their present value. As indicated in note A1-4 of the ETIC, present value is estimated by management by reference to the share of equity that the shares represent, adjusted when necessary to take into account, in particular, their perspectives of development and earnings. The estimate of the present value of these securities requires management to exercise its judgment in selecting the items to be considered depending on the equity interests concerned, which may correspond to historical data (i.e shareholders' equity) and/or forecasts (i.e profitability perspectives), as the case may be. In this context, we considered that the valuation of the equity investments was a key point of the audit.	obtained cash flow and operating forecasts for the activities of the entities concerned and assess their consistency with the forecasts resulting from the most recent strategic plans prepared by senior management; verified the consistency of the assumptions used with the economic environment at the closing and preparation dates of the financial statements; compared forecasts for previous periods with corresponding actual results in order to assess the achievement of past objectives; Verified that the shareholders' equity used is consistent with the financial statements of the entities, and that any adjustments made to this equity are based on documentary evidence.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Specific controls and information

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

Casablanca, February 16th, 2022

The Statutory auditors

DELOITTE AUDIT	**COOPERS AUDIT MAROC S.A**
French original signed by	**French original signed by**
Sakina Bensouda-Korachi	**Abdelaziz Almechatt**
Partner	**Partner**

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