

**Maroc
Telecom**



HALF-YEAR RESULTS

2022



HIGHLIGHTS



INCREASE IN GROUP
CUSTOMER BASE



+1.9%

HIGH LEVEL OF
GROUP CAPEX
MAINTAINED



21.2%
of revenues

INCREASE IN
GROUP ADJUSTED
EBITDA



+0.5%⁽¹⁾

GROWTH IN
ADJUSTED NET
INCOME
GROUP SHARE



+1.7%⁽¹⁾

CONTINUED REVENUE
GROWTH OF THE
MOOV AFRICA
SUBSIDIARIES



+1.6%⁽²⁾

SUSTAINED GROWTH
IN FIXED DATA
REVENUES IN MOROCCO

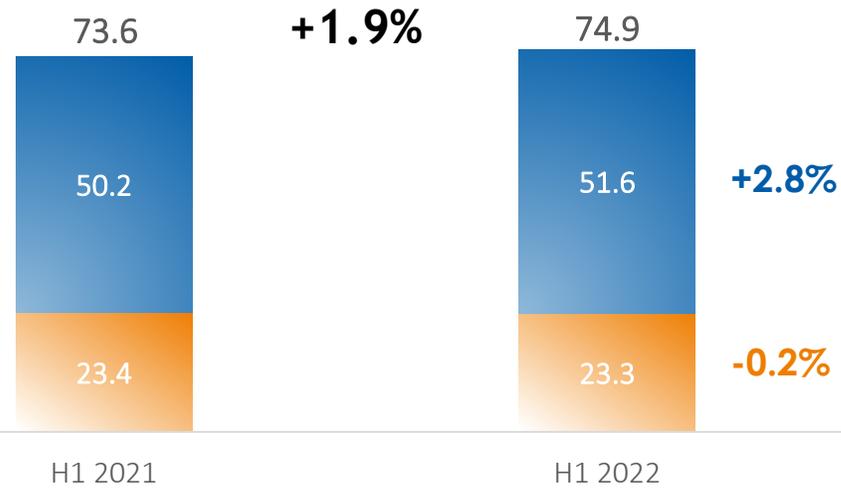


+7.3%

(1) At constant exchange rates

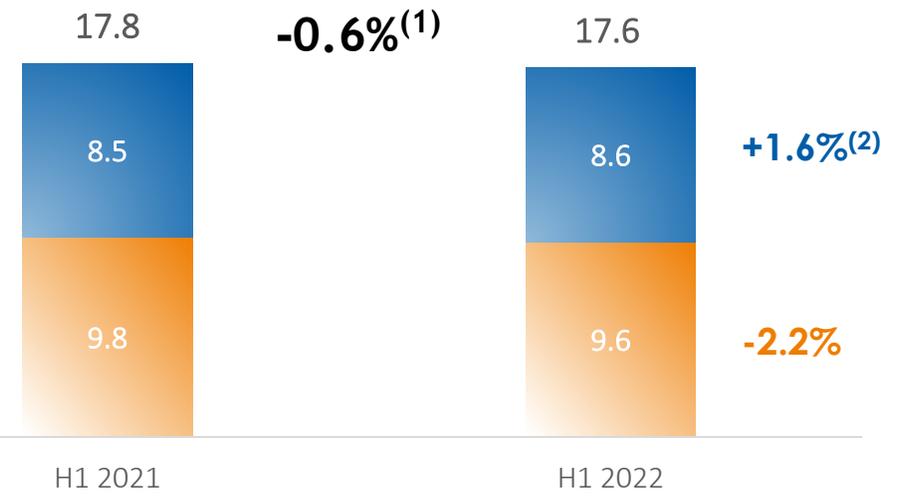
(2) +2.8% excluding the reduction in call termination rates and at constant exchange rates

Customer base growth (millions)



International
Morocco

Slight decline in consolidated revenues (MAD billions)



Group customer base up nearly 2% to 74.9 million driven by growth in subsidiary customer bases

Increased revenues from the Moov Africa subsidiaries driven by Data (+29%⁽¹⁾), partly offsetting the fall in Morocco revenues

(1) At constant exchange rates

(2) +2.8% excluding the reduction in call termination rates and at constant exchange rates

MOROCCO

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

—
Wana legal proceedings on local loop unbundling pending at the Rabat Commercial Court;

—
Maintenance of levels of Mobile termination asymmetry in favor of competitors and regulatory constraints on IAM's retail offerings, including an economic environment advantageous to competitors.

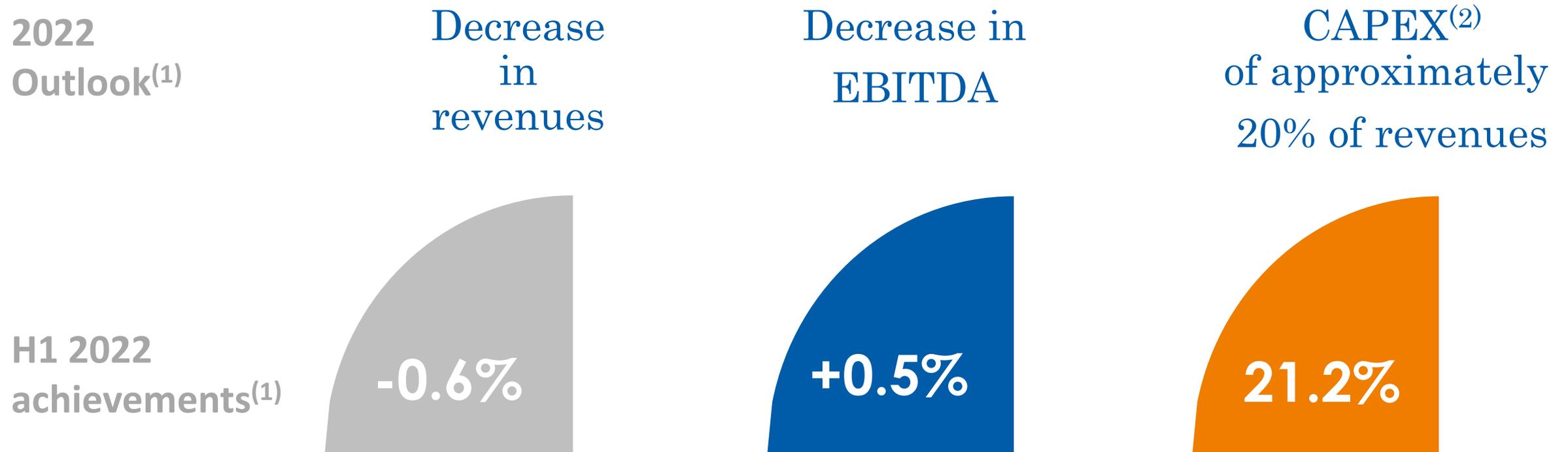
SUBSIDIARIES

Reduction in Mobile termination rates in Mauritania, Côte d'Ivoire, Gabon, Togo and Niger;

—
Pressure from the authorities regarding customer identification and quality of service obligations;

—
Continued high levels of sector contributions;

—
Decisions to regulate retail prices in Benin and Internet prices in Chad;



(1) At constant scope and exchange rates
(2) Excluding frequencies and licenses

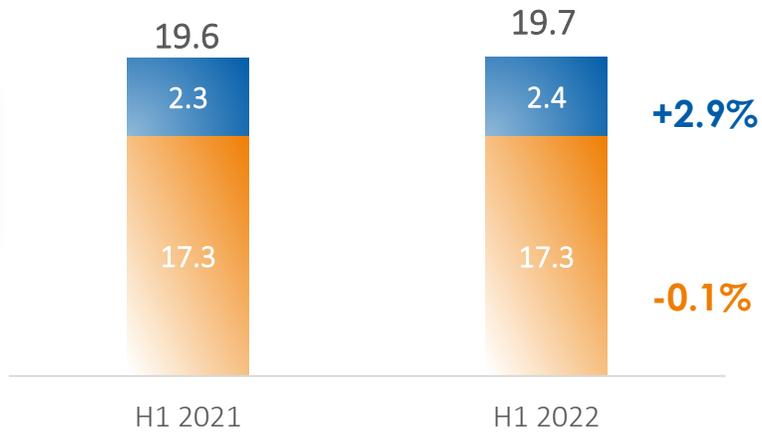
BUSINESS REVIEW



Mobile customer base (millions)

+0.3%

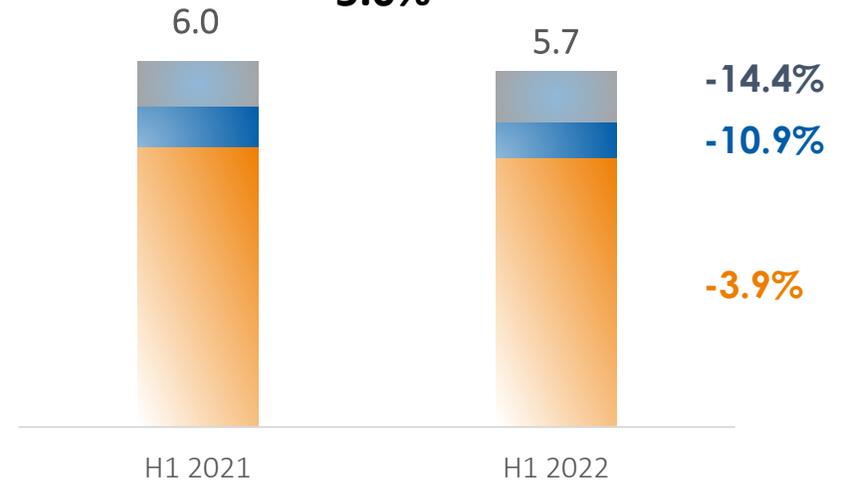
Postpaid
Prepaid



Mobile revenues (MAD billions)

-5.0%

Equipment
Incoming revenues
Outgoing revenues

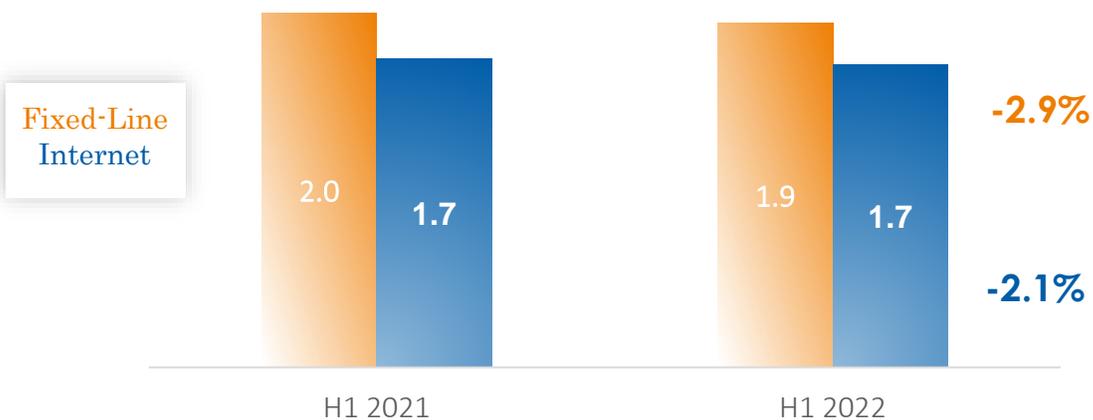


Mobile customer base growth (+0.3%) driven by the Postpaid segment

Slowdown in the decline in Mobile revenues despite a persistently challenging competitive and regulatory environment

Decline in ARPU (-6.7%) to MAD 45.5 per month

Fixed-Line and Internet customer bases⁽¹⁾
(millions)



Fixed-Line and Internet revenues
(MAD billions)



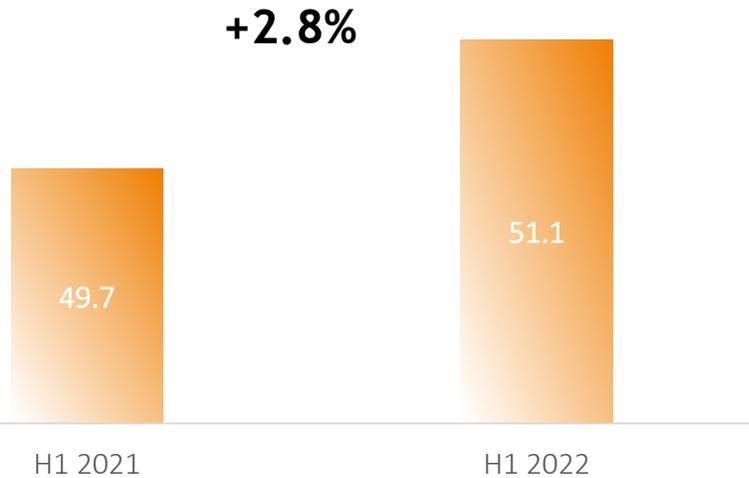
Strong performance by Fixed Data, which is driving Fixed revenues and offsetting the decline in Voice.

Growth in the FTTH customer base (+45%)

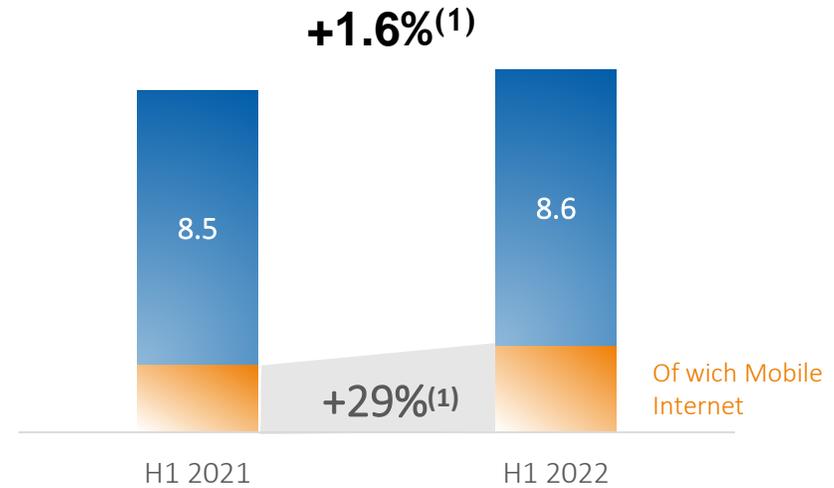
(1) Including low speed, leased lines and FTTH

(2) Fixed data includes Internet, ADSL TV and Data services to companies.

Mobile customer base
(millions)



Revenues
(MAD billions)



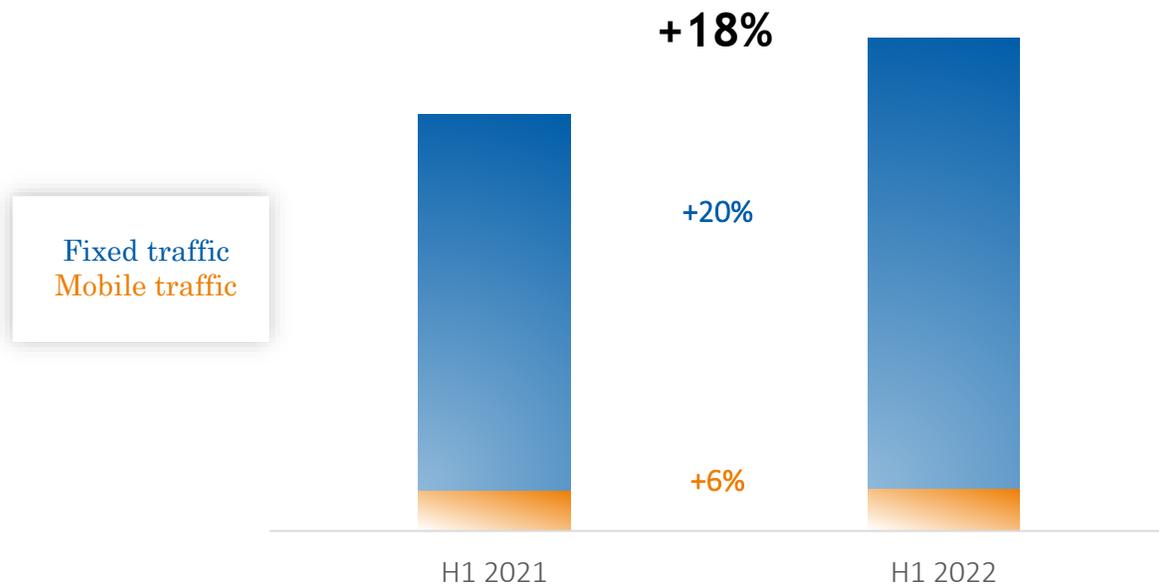
Strong growth in the Mobile customer base (+2.8%)

2.8%⁽¹⁾ revenue growth among the Moov Africa subsidiaries, excluding the reduction in call termination rates

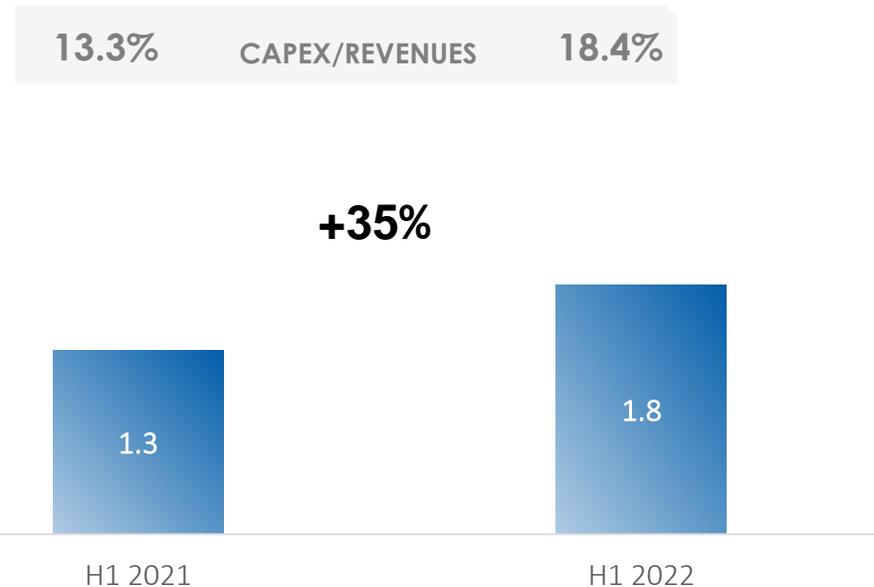
Sustained growth of 29%⁽¹⁾ in Mobile Data offsetting the decline in incoming international traffic

(1) At constant exchange rates

Change in Data traffic



CAPEX (MAD billions)

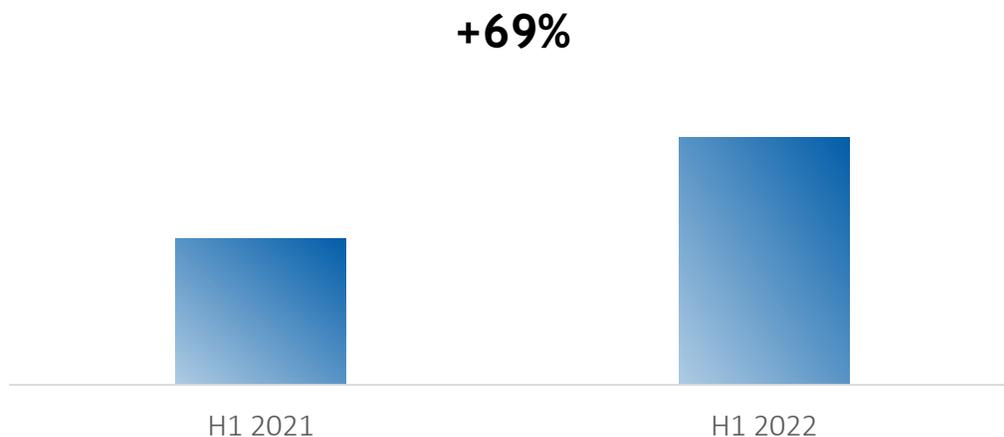


Data traffic growth of 18% driven by the change in Fixed-line Broadband usage

Fixed Data traffic up 20% year-on-year driven by growth in the FTTH customer base

CAPEX was devoted to capacity and 4G coverage extensions and the densification of the FTTH network

Change in Mobile Data traffic



CAPEX⁽¹⁾ (MAD billions)

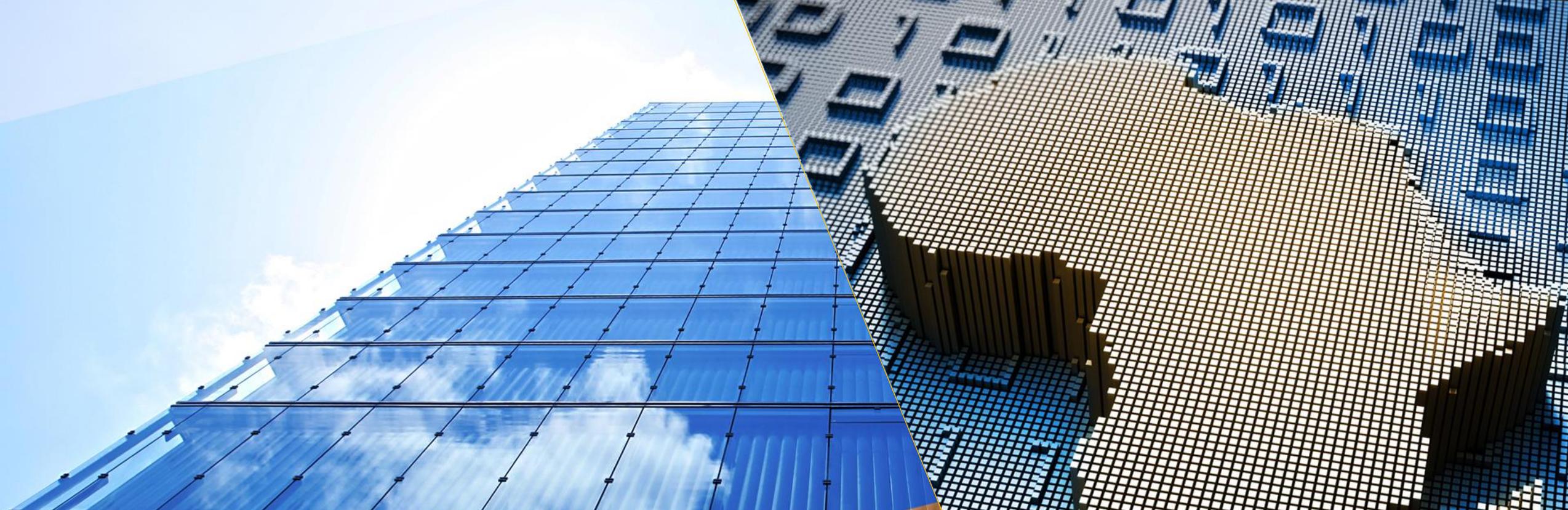


The subsidiaries' Mobile Data traffic was up 69% driven by a major extension program on Mobile networks.

CAPEX was also used for infrastructure upgrades to facilitate traffic and customer growth, plus international bandwidth extensions.

After Gabon, Burkina Faso and Mali, FTTH networks have been developed in Mauritania, Côte d'Ivoire and Chad.

(1) At constant exchange rates and excluding frequencies and licenses



FINANCIAL REVIEW



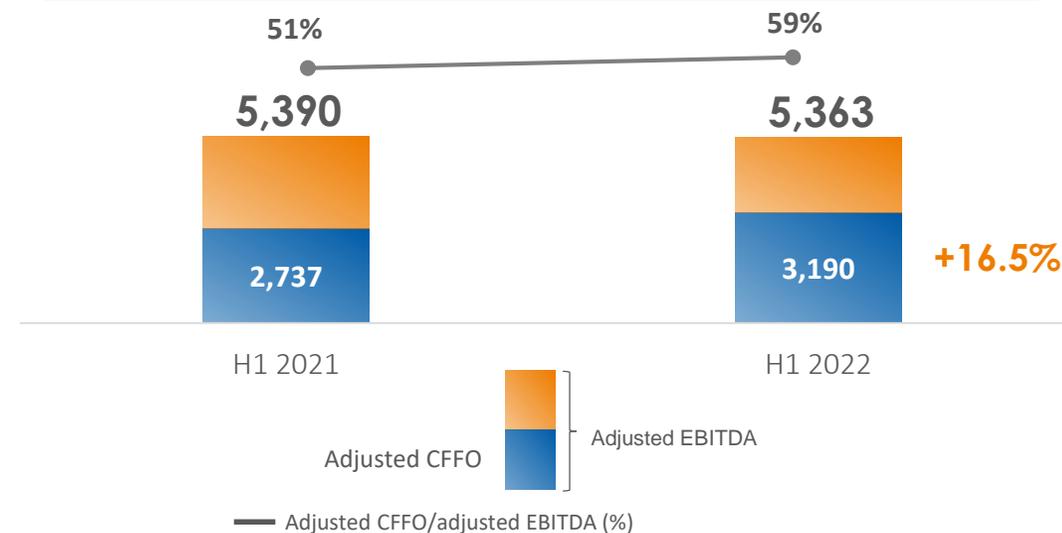
MAD million	H1 2021	H1 2022	Change
Revenues	9,774	9,561	-2.2%
Adjusted EBITDA ⁽¹⁾	5,390	5,363	-0.5%
Margin (%)	55.1%	56.1%	1.0 pt
Adjusted EBITA ⁽¹⁾	3,524	3,626	2.9%
Margin (%)	36.1%	37.9%	1.9 pt
CAPEX	1,299	1,758	35.4%
Of which licences and frequencies	0	0	
CAPEX / Revenues (excluding licences and frequencies)	13.3%	18.4%	5.1 pt
Adjusted CFO ⁽¹⁾	2,737	3,190	16.5%
% Adjusted EBITDA ⁽¹⁾	50.8%	59.5%	8.7 pt
Net debt	9,888	6,522	-34.0%
Net debt/EBITDA ⁽²⁾	0.9x	0.6x	

(1) See Appendix 2
 (2) Excluding IFRS 16

Improvement in adjusted EBITDA margin (%)



Improved cash generation despite substantial investment plans (MAD millions)



MAD million	H1 2021	H1 2022	Change	Change at constant exchange rates
Revenues	8,515	8,552	0.4%	1.6%
Adjusted EBITDA ⁽¹⁾	3,771	3,808	1.0%	2.0%
Margin (%)	44.3%	44.5%	0.2 pt	0.2 pt
Adjusted EBITA ⁽¹⁾	2,046	2,115	3.3%	4.1%
Margin (%)	24.0%	24.7%	0.7 pt	0.6 pt
CAPEX	816	1,962	140.3%	143.2%
Of which licences and frequencies	0	0		
CAPEX / Revenues (excluding frequencies and licences)	9.6%	22.9%	13.4 pt	13.4 pt
Adjusted CFO ⁽¹⁾	2,741	2,136	-22.1%	-21.4%
% Adjusted EBITDA ⁽¹⁾	72.7%	56.1%	-16.6 pt	-16.7 pt
Net debt	5,986	6,013	0.5%	2.3%
Net debt/EBITDA ⁽²⁾	0.7x	0.7x		

(1) See Appendix 2

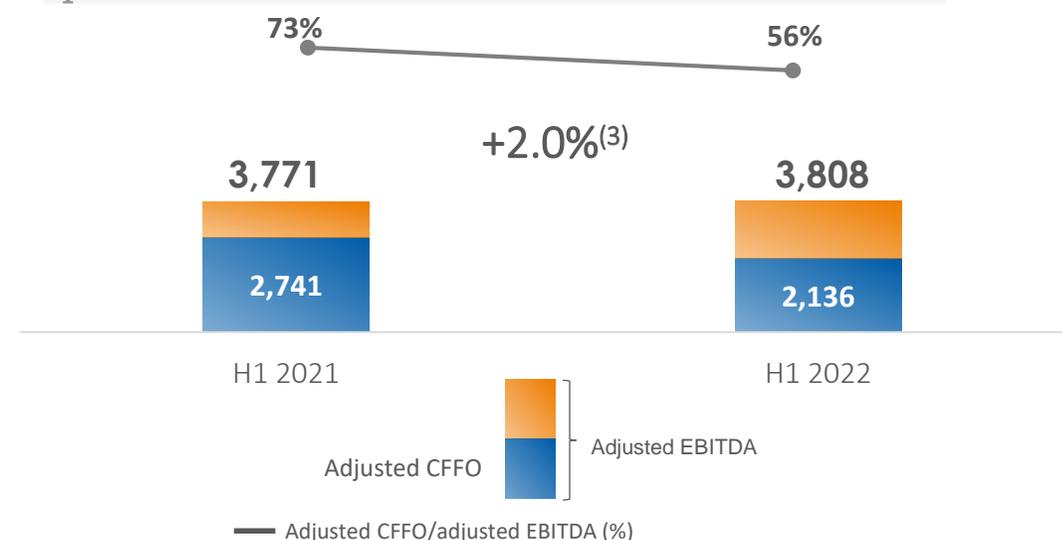
(2) Excluding IFRS 16

(3) At constant exchange rates

Improvement in adjusted EBITDA margin (%)

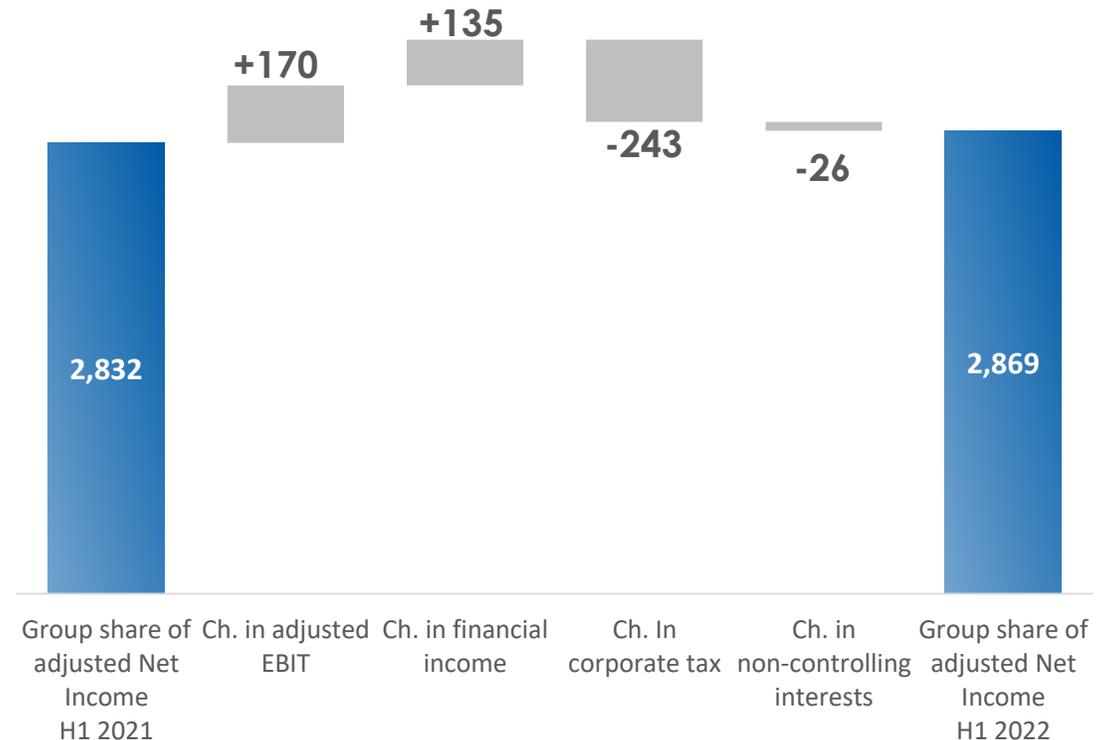


Cash generation impacted by large investment plans (MAD millions)



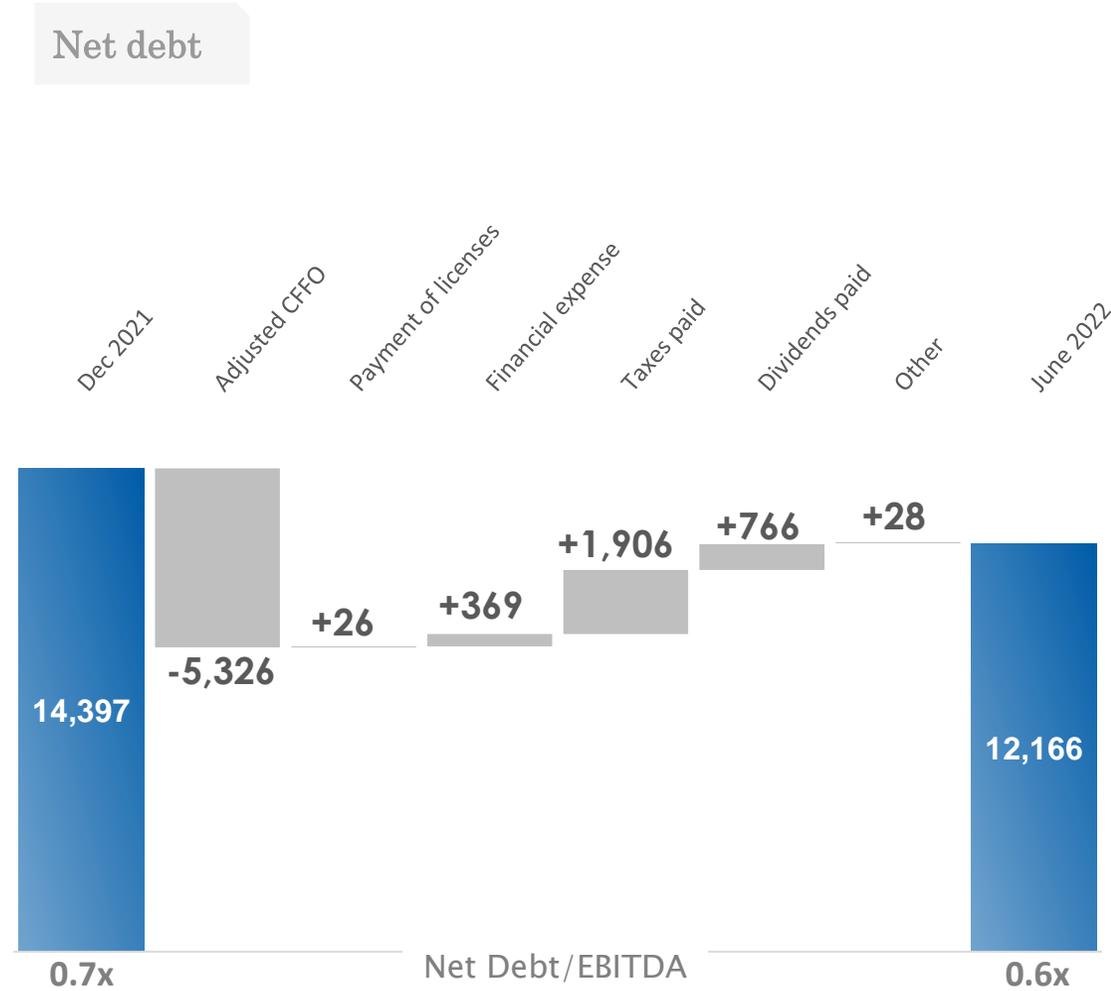
MAD million	H1 2021	H1 2022	Change	Change at constant exchange rates
Revenues	17,780	17,568	-1.2%	-0.6%
Adjusted EBITDA ⁽¹⁾	9,160	9,171	0.1%	0.5%
Margin (%)	51.5%	52.2%	0.7 pt	0.6 pt
Adjusted EBITA ⁽¹⁾	5,571	5,740	3.0%	3.3%
Margin (%)	31.3%	32.7%	1.3 pt	1.2 pt
Financial result	-456	-321	-29.5%	
Corporation tax	-1,830	-2,073	13.3%	
Minority interests	-452	-478	5.6%	
Group Share of adjusted Net Income	2,832	2,869	1.3%	1.7%
Margin (%)	15.9%	16.3%	0.4 pt	0.4 pt

Group Share of adjusted Net Income (MAD millions)



(1) See Appendix 2

MAD million	H1 2021	H1 2022	Change	Change at constant exchange rates
Adjusted EBITDA ⁽¹⁾	9,160	9,171	0.1%	0.5%
CAPEX	2,115	3,720	75.9%	77.0%
Including licences and frequencies	0	0		
CAPEX / Revenues (excluding frequencies and licences)	11.9%	21.2%	9.3 pt	9.3 pt
Adjusted CFO ⁽¹⁾	5,478	5,326	-2.8%	-2.5%
% EBITDA	59.8%	58.1%	-1.7 pt	-1.8 pt
Financial expenses	-555	-369	-33.5%	
Taxes paid	-1,893	-1,906	0.7%	
Adjusted CFAIT ⁽¹⁾	3,030	3,051	0.7%	
% EBITDA	33.1%	33.3%	0.2 pt	
Net debt	14,908	12,166	-18.4%	-17.7%
Net debt/EBITDA ⁽²⁾	0.8x	0.6x		

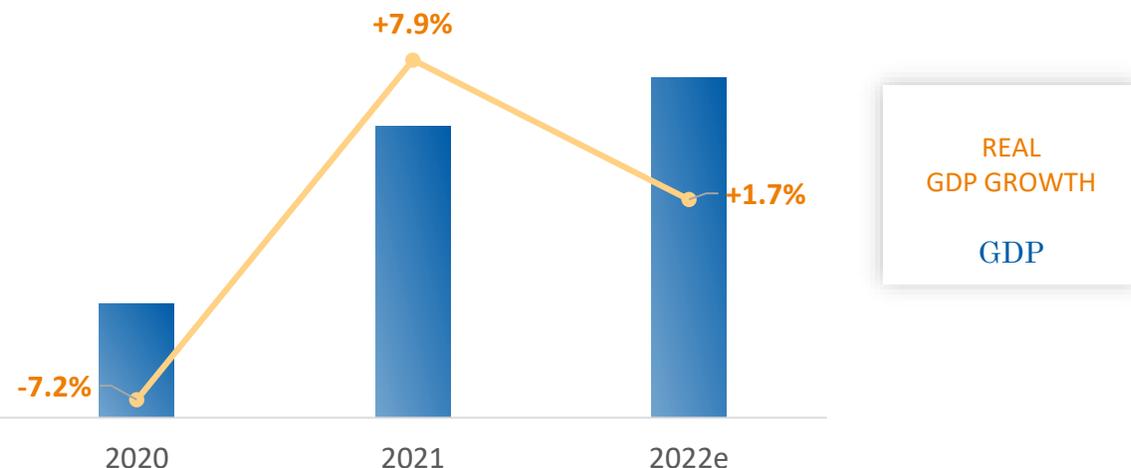


(1) See Appendix 2
 (2) Excluding IFRS 16

APPENDICES

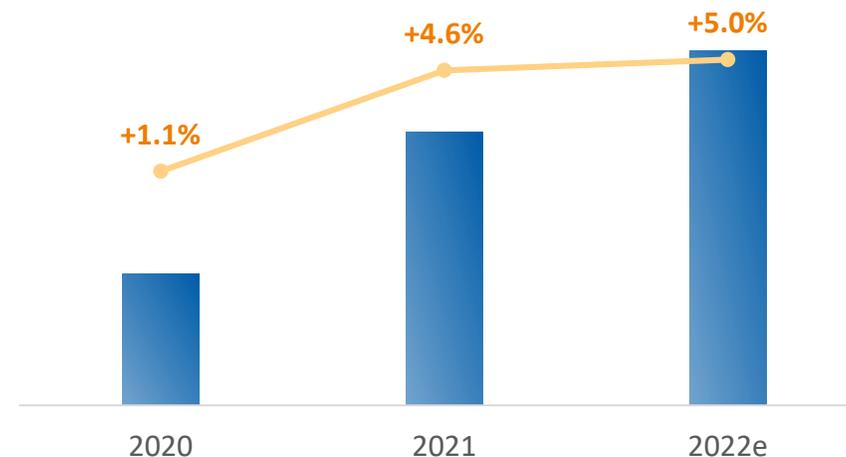


Morocco⁽¹⁾



In the first half of 2022, the Moroccan economy was subject to an uncertain international environment marked by extreme pressure on commodity prices and disruptions to supply chains following the aggravation of the conflict in Ukraine.

International⁽²⁾



In 2022, growth in the region has been undermined by the war in Ukraine, weakening it at a time when countries have little or no room for maneuver. Soaring oil and food prices are heightening food security concerns in the region.

(1) Ministry of Economy and Finance

(2) IMF data – April 2022

Appendix 2 / Transition from adjusted financial indicators to published financial indicators

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

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

Appendix 4 / Presence of the Maroc Telecom Group

	MOROCCO	MAURITANIA	BURKINA FASO	GABON	MALI	CÔTE D'IVOIRE	BENIN	TOGO	NIGER	CENTRAL AFRICAN REPUBLIC	CHAD
Year of acquisition		2001	2006	2007	2009	2015	2015	2015	2015	2015	2019
Percentage held		52%	61%	51%	51%	85%	100%	95%	100%	100%	100%
Population (million)	36.7	4.3	22.1	2.2	21.5	28.4	12.8	8.7	26.1	5.0	17.4
GDP (\$bn)	133.1	9.3	19.6	22.5	19.3	73.0	18.4	8.7	15.6	2.6	12.9
Mobile penetration	143%	111%	115%	131%	109%	150%	97%	68%	58%	38%	56%
Mobile market share (fleet)	38%	56%	42%	51%	40%	26%	43%	44%	23%	11%	55%
Competitive position	1/3	1/3	2/3	1/2	2/3	3/3	2/2	2/2	3/4	3/4	1/2
2G/3G technology											
4G technology											

Forward-looking statements

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