

H1 2023 CONSOLIDATED RESULTS

Half-year results beat targets:

- » **Consolidated revenues growth accelerated by 4.7%** driven mainly by activities in Moov Africa subsidiaries (+8.5%);
- » **Strong growth in revenues from Mobile Data (+28.3%) and Mobile Money (+11.8%)** at Moov Africa subsidiaries;
- » **Decline in ADSL revenues (-12.4%)** due to the decrease in the ADSL customer base, **offset by growth in FTTH revenues**, in Morocco;
- » **Decline in Mobile Data revenues (-2.5%)** in Morocco;
- » **Group EBITDA up 4.5%**, driven by a **9.3%** improvement in EBITDA at Moov Africa subsidiaries;
- » **Adjusted net income Group share up 2.3%**.

Outlook for 2023 unchanged, at constant scope and exchange rates:

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

Maroc Telecom Group continues to grow its revenues, and exceeds its targets for the first half of 2023. This demonstrates the soundness of its fundamentals and its capacity to cope with increased competitive pressure in the markets in which it operates.

The Group's strategy based on the search for value, both in Morocco and internationally, relies on the quality of its networks and services, meeting the expectations of its customers, and enables it to maintain its leadership in a difficult environment.

The Group's performance, combined with tight cost control, contributes to ensure sustained profitability.

Maroc Telecom adopts a proactive approach, with notably a solid investment program, to respond to market developments and growing needs and usage of its customers.

Group adjusted consolidated results*:

(IFRS in MAD millions)	Q2 2022	Q2 2023	Change	Change at constant exchange rates ⁽¹⁾	H1 2022	H1 2023	Change	Change at constant exchange rates ⁽¹⁾
Revenues	8,798	9,306	5.8%	3.4%	17,568	18,399	4.7%	2.2%
Adjusted EBITDA	4,655	4,943	6.2%	4.1%	9,171	9,580	4.5%	2.3%
<i>Margin (%)</i>	52.9%	53.1%	0.2 pt	0.4 pt	52.2%	52.1%	-0.1 pt	0.0 pt
Adjusted EBITA	2,928	3,161	8.0%	6.1%	5,740	6,052	5.4%	3.4%
<i>Margin (%)</i>	33.3%	34.0%	0.7 pt	0.9 pt	32.7%	32.9%	0.2 pt	0.4 pt
Adjusted net income - Group share	1,371	1,408	2.6%	1.3%	2,869	2,935	2.3%	1.2%
<i>Margin (%)</i>	15.6%	15.1%	-0.5 pt	-0.3 pt	16.3%	16.0%	-0.4 pt	-0.2 pt
CAPEX⁽²⁾	2,583	2,091	-19.1%	-21.1%	3,720	2,945	-20.8%	-22.9%
<i>Of which frequencies and licenses</i>	0	0			0	0		
<i>CAPEX/Revenues (excluding frequencies and licenses)</i>	29.4%	22.5%	-6.9 pt	-6.9 pt	21.2%	16.0%	-5.2 pt	-5.2 pt
Adjusted CFO	2,175	1,637	-24.7%	-26.7%	5,326	5,037	-5.4%	-7.5%
Net debt	12,166	15,733	29.3%	27.1%	12,166	15,733	29.3%	27.1%
Net debt/EBITDA⁽³⁾	0.6x	0.7x			0.6x	0.8x		

* Adjustments to financial indicators are set out in Appendix 1.

▶ Customer base

At June 30, 2023, the Group's customer base was nearly **75** million, a modest **0.5%** decrease year-on-year.

▶ Revenues

At end-June 2023, Maroc Telecom Group achieved consolidated revenues⁽⁴⁾ of MAD **18,399** million, an increase of **4.7%** (**+2.2%** at constant exchange rates⁽¹⁾) driven by increases in both international business up **8.5%** (**+3.3%** at constant exchange rates⁽¹⁾) and business in Morocco (**+1.2%**).

▶ Earnings from operations before depreciation and amortization

In the first half of 2023, consolidated adjusted earnings from operations before depreciation and amortization (EBITDA) for the Maroc Telecom Group came to MAD **9,580** million, up **4.5%** (**+2.3%** at constant exchange rates⁽¹⁾), thanks to improved revenues, the favorable impact of lower Mobile termination rates in some subsidiaries, and tight control of operating costs.

Adjusted EBITDA margin stood stable at the high level of **52.1%**, stable year-on-year.

▶ Earnings from operations

Consolidated adjusted earnings from operations (EBITA)⁽⁵⁾ for the first six months of 2023 totaled MAD **6,052** million, up **5.4%** (**+3.4%** at constant exchange rates⁽¹⁾). The adjusted EBITA margin was **32.9%**, up by **0.4** pt at constant exchange rates⁽¹⁾.

▶ **Net income Group share**

Adjusted net income Group share for first half 2023 amounted to MAD **2,935** million, up **2.3%** (**+1.2%** at constant exchange rates⁽¹⁾).

▶ **Investments**

CAPEX⁽²⁾ excluding frequencies and licenses amounted to MAD **2,945** million representing **16.0%** of Group revenues, in line with its annual outlook.

▶ **Cash flow**

Adjusted net cash flows from operations (CFFO)⁽⁶⁾ amounted to MAD **5,037** million, down **5.4%** versus the first half of 2022 (**-7.5%** at constant exchange rates⁽¹⁾).

As of June 30, 2023, Group consolidated net debt⁽⁷⁾ was MAD **15,733** million, representing **0.8** times annualized EBITDA⁽³⁾.

Group business review:

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

Morocco

(IFRS in MAD millions)	Q2 2022	Q2 2023	Change	H1 2022	H1 2023	Change
Revenues	4,805	4,897	1.9%	9,561	9,680	1.2%
Mobile	2,868	2,905	1.3%	5,684	5,738	0.9%
Services	2,795	2,679	-4.1%	5,497	5,370	-2.3%
Equipments and other revenues	73	226	207.7%	187	368	97.0%
Fixed	2,383	2,439	2.3%	4,778	4,825	1.0%
Of which Fixed Data*	987	1,080	9.4%	1,973	2,136	8.3%
Elimination and other income	-446	-447		-901	-883	
Adjusted EBITDA	2,753	2,791	1.4%	5,363	5,417	1.0%
Margin (%)	57.3%	57.0%	-0.3 pt	56.1%	56.0%	-0.1 pt
Adjusted EBITA	1,887	1,931	2.3%	3,626	3,684	1.6%
Margin (%)	39.3%	39.4%	0.2 pt	37.9%	38.1%	0.1 pt
CAPEX⁽²⁾	1,032	1,012	-2.0%	1,758	1,428	-18.8%
Of which frequencies and licenses	0	0		0	0	
CAPEX/Revenues (excluding frequencies and licenses)	21.5%	20.7%	-0.8 pt	18.4%	14.7%	-3.6 pt
Adjusted CFFO	1,271	749	-41.1%	3,190	2,810	-11.9%
Net debt	6,522	8,730	33.9%	6,522	8,730	33.9%
Net debt/EBITDA⁽³⁾	0.5x	0.7x		0.6x	0.8x	

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

In the first half of 2023, revenues in Morocco rose by **1.2%** versus the same period in 2022, to MAD **9,680** million. Fixed Data revenues continue to benefit from the FTTH boom, offsetting the decline in the Mobile services and ADSL.

Adjusted earnings from operations before depreciation and amortization (EBITDA) came to MAD **5,417** million, up **1.0%** from the first half of 2022. The adjusted EBITDA margin remains high at **56.0%**.

Adjusted earnings from operations (EBITA)⁽⁵⁾ amounted to MAD **3,684** million, up **1.6%** year-on-year. The adjusted EBITA margin came to **38.1%**.

First half 2023 adjusted cash flows from operations (CFFO)⁽⁶⁾ decreased by **11.9%** to MAD **2,810** million.

Mobile

	Unit	6/30/2022	6/30/2023	Change
Customer base⁽⁸⁾	(000)	19,682	19,581	-0.5%
Prepaid	(000)	17,285	17,121	-1.0%
Postpaid	(000)	2,397	2,460	2.6%
Of which Internet 3G/4G+⁽⁹⁾	(000)	10,334	11,084	7.3%
ARPU⁽¹⁰⁾	(MAD/month)	45.5	45.6	0.1%

During the first half of 2023, the Mobile customer base⁽⁸⁾ was **19.6** million customers, driven by the postpaid segment, which expanded by **2.6%**.

Mobile revenues increased **0.9%** versus first half 2022 to MAD **5,738** million.

Blended ARPU⁽¹⁰⁾ was MAD **45.6** for the first six months of 2023, up slightly year-on-year (**+0.1%**).

Fixed-line and Internet

	Unit	6/30/2022	6/30/2023	Change
Fixed-line	(000)	1,942	1,853	-4.6%
Broadband access⁽¹¹⁾	(000)	1,709	1,632	-4.5%

The Fixed-line customer base stand at almost **1.9** million lines as of June 30, 2023. The Broadband⁽¹¹⁾ customer base represents **1.6** million subscribers, with a substantial increase in the FTTH customer base (**+43%**).

Revenues from Fixed-line & Internet increased **1.0%** in the first half of 2023, driven by **8.3%** growth in the Data revenues offsetting decrease in Voice activities.

International

Financial indicators

(IFRS in MAD millions)	Q2 2022	Q2 2023	Change	Change at constant exchange rates ⁽¹⁾	H1 2022	H1 2023	Change	Change at constant exchange rates ⁽¹⁾
Revenues	4,271	4,686	9.7%	4.8%	8,552	9,280	8.5%	3.3%
<i>Of which Mobile services</i>	3,954	4,336	9.7%	4.7%	7,914	8,574	8.3%	3.1%
Adjusted EBITDA	1,902	2,151	13.1%	8.1%	3,808	4,163	9.3%	4.1%
<i>Margin (%)</i>	44.5%	45.9%	1.4 pt	1.4 pt	44.5%	44.9%	0.3 pt	0.3 pt
Adjusted EBITA	1,041	1,230	18.2%	12.8%	2,115	2,368	12.0%	6.5%
<i>Margin (%)</i>	24.4%	26.3%	1.9 pt	1.9 pt	24.7%	25.5%	0.8 pt	0.8 pt
CAPEX⁽²⁾	1,551	1,079	-30.4%	-33.8%	1,962	1,517	-22.7%	-26.5%
<i>Of which frequencies and licenses</i>	0	0			0	0		
<i>CAPEX/Revenues (excluding frequencies and licenses)</i>	36.3%	23.0%	-13.3 pt	-13.4 pt	22.9%	16.3%	-6.6 pt	-6.6 pt
Adjusted CFFO	905	888	-1.8%	-6.5%	2,136	2,227	4.2%	-0.9%
Net debt	6,013	7,251	20.6%	16.1%	6,013	7,251	20.6%	16.1%
Net debt/EBITDA⁽³⁾	0.7x	0.8x			0.7x	0.8x		

First half 2023, International revenues rose **8.5%** to MAD **9,280** million (**+3.3%** at constant exchange rates⁽¹⁾), driven by strong performances from Mobile Data up **28.3%** (**+22.1%** at constant exchange rates⁽¹⁾) and Mobile Money up **11.8%** (**+7.1%** at constant exchange rates⁽¹⁾). Excluding the decrease in termination rates, subsidiaries' revenues were up **3.5%** at constant exchange rates⁽¹⁾.

First half 2023 adjusted earnings from operations before depreciation and amortization (EBITDA) came to MAD **4,163** million, up **9.3%** (**+4.1%** at constant exchange rates⁽¹⁾). The adjusted EBITDA margin was **44.9%**, up by **0.3 pt** due to continuous improvement in the gross margin rate and tight control of operating expenses.

First half 2023 adjusted earnings from operations (EBITA)⁽⁵⁾ amounted to MAD **2,368** million, up **12.0%** (**+6.5%** at constant exchange rates⁽¹⁾), mainly due to the increase in adjusted EBITDA. Boosted by this performance, the adjusted EBITA margin rose **0.8 pt** to **25.5%**.

Adjusted cash flows from operations (CFFO)⁽⁶⁾ increased **4.2%** (**-0.9%** at constant exchange rates⁽¹⁾), to MAD **2,227** million.

Operational indicators

	Unit	6/30/2022	6/30/2023	Change
Mobile Customer base⁽⁸⁾	(000)	51,101	50,966	
Mauritania		2,726	2,692	-1.2%
Burkina Faso		10,870	11,148	2.6%
Gabon		1,484	1,450	-2.3%
Mali		9,157	8,730	-4.7%
Côte d'Ivoire		10,247	9,511	-7.2%
Benin		5,367	5,475	2.0%
Togo		2,666	2,855	7.1%
Niger		2,975	2,968	-0.2%
Central African Republic		215	198	-7.8%
Chad		5,394	5,939	10.1%
Fixed-line customer base	(000)	358	372	
Mauritania		57	44	-22.9%
Burkina Faso		76	75	-1.2%
Gabon		36	50	40.1%
Mali		189	204	7.4%
Fixed Broadband customer base⁽¹¹⁾	(000)	150	177	
Mauritania		19	22	18.5%
Burkina Faso		16	18	13.2%
Gabon		32	47	45.6%
Mali		83	90	8.8%

Notes:

- (1) Constant MAD/ouguiya/CFA franc exchange rate.
- (2) Capital expenditure corresponds to acquisitions of property, plant and equipment and intangible assets recognized during the period.
- (3) The net debt/EBITDA ratio excludes the impact of IFRS 16, and takes into account the annualization of EBITDA.
- (4) Maroc Telecom consolidates in its financial statements Casanet and the Moov Africa subsidiaries in Mauritania, Burkina Faso, Gabon, Mali, Côte d'Ivoire, Benin, Togo, Niger, Central African Republic and Chad.
- (5) EBITA corresponds to operating profit before amortization of intangible assets related to business combinations, impairment of goodwill and other intangible assets related to business combinations and other income and expenses related to financial investment transactions and transactions with shareholders (except when they are recognized directly in equity).
- (6) CFFO comprises the net cash flows from operating activities before taxes as presented in the cash flow statement, as well as dividends received from associates and non-consolidated equity interests. It also includes net capital expenditure, which corresponds to net cash outflows on acquisitions and disposals of property, plant and equipment and intangible assets.
- (7) Borrowings and other current and non-current liabilities less cash (and cash equivalents) including cash blocked for bank loans.
- (8) The active customer base consists of prepaid customers who have made or received a voice call (excluding calls from the public telecommunication network operator concerned or its Customer Relations Centers) or sent an SMS/MMS or who have used the Data services (excluding exchanges of technical data with the public telecommunication network operator concerned) in the past three months, and non-terminated postpaid customers.
- (9) The active customer base of the 3G and 4G+ Mobile Internet includes holders of a postpaid subscription contract (whether or not coupled with a voice offer) and holders of a prepaid subscription to the Internet service who have carried out at least one recharge during the past three months or whose credit is valid and who have used the service during this period.
- (10) ARPU (average revenues per user) is defined as revenues generated by incoming and outgoing calls and data services net of promotions, excluding roaming and equipment sales, divided by the average number of users in the period. This is the blended ARPU of the prepaid and postpaid segments.
- (11) The broadband customer base includes ADSL, FTTH and leased connections and also includes CDMA in Mali.

Important Warning:

Forward-looking statements. *This press release contains forward-looking statements and items of a forward-looking nature relating to the financial position, results of operations, strategy and outlook of Maroc Telecom and the impacts of certain operations. Although Maroc Telecom believes that these forward-looking statements are based on reasonable assumptions, they do not constitute guarantees as to the future performance of the company. Actual results may be very different from forward-looking statements due to a number of known or unknown risks and uncertainties, most of which are beyond our control, including the risks described in public documents filed by Maroc Telecom with the Moroccan Capital Market Authority (www.ammc.ma) 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.*

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

*** SPT is a Moroccan company controlled by Etisalat.**

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

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

<i>(MAD millions)</i>	H1 2022			H1 2023		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	5,363	3,808	9,171	5,417	4,163	9,580
Published EBITDA	5,363	3,808	9,171	5,417	4,163	9,580
Adjusted EBITA	3,626	2,115	5,740	3,684	2,368	6,052
Restructuring costs		-2	-2			
ANRT decision	-2,451		-2,451			
Published EBITA	1,175	2,112	3,287	3,684	2,368	6,052
Adjusted net income - Group share			2,869			2,935
Restructuring costs			-1			
ANRT decision			-2,451			
IS revising						-50
Published net income - Group share			417			2,885
Adjusted CFFO	3,190	2,136	5,326	2,810	2,227	5,037
Payment of license		-26	-26			
Restructuring costs		-2	-2			
Published CFFO	3,190	2,108	5,297	2,810	2,227	5,037

Appendix 2: Impact of the adoption of IFRS 16

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

<i>(MAD millions)</i>	H1 2022			H1 2023		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	129	131	261	134	157	291
Adjusted EBITA	8	21	29	10	25	35
Adjusted net income - Group share			-4			-4
Adjusted CFO	129	131	261	134	157	291
Net debt	737	651	1,387	781	818	1,599

Consolidated statement of financial position

ASSETS (in MAD million)	31/12/2022	6/30/2023
Goodwill	9,389	9,169
Other intangible assets	7,696	7,450
Property, plant, and equipment	29,283	28,897
Right to use the asset	1,387	1,528
Non-current financial assets	1,656	2,450
Deferred tax assets	445	412
Non-current assets	49,857	49,906
Inventories	484	562
Trade accounts receivable and other	13,160	14,304
Short-term financial assets	103	106
Cash and cash equivalents	1,872	1,286
Assets available for sale	54	0
Current assets	15,673	16,257
TOTAL ASSETS	65,530	66,163
LIABILITIES AND EQUITY (in MAD million)	31/12/2022	6/30/2023
Share capital	5,275	5,275
Retained earnings	5,870	6,462
Net earnings	2,750	2,885
Shareholders' equity, attributable to equity holders of the parent	13,895	14,621
Non-controlling interests	4,107	3,540
Shareholders' equity	18,002	18,162
Non-current provisions	585	584
Borrowings and other long-term financial liabilities	4,325	4,133
Deferred tax liabilities	83	189
Other non-current liabilities	0	0
Non-current liabilities	4,992	4,906
Trade accounts payable	26,228	28,266
Current tax liabilities	1,179	807
Current provisions	1,209	1,110
Borrowings and other short-term financial liabilities	13,920	12,913
Current liabilities	42,535	43,095
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	65,530	66,163

Statement of comprehensive income

(in MAD millions)	06/30/2022	06/30/2023
Revenues	17,568	18,399
Cost of purchases	-2,373	-2,576
Payroll costs	-1,539	-1,607
Taxes and duties	-1,670	-1,783
Other operating income (expenses)	-2,712	-2,956
Net depreciation, amortization and provisions*	-5,988	-3,595
Earnings from operations	3,287	5,883
Other income and charges from ordinary activities	0	0
Earnings from ordinary activities	3,287	5,883
Income from cash and cash equivalents	9	21
Gross borrowings costs	-317	-408
Net borrowing costs	-308	-387
Other financial income and expenses	-13	-3
Net financial income (expense)	-321	-391
Income tax expense	-2,072	-2,148
Net income	894	3,345
Exchange gain or loss from foreign activities	61	-330
Other income and expenses	0	0
Total comprehensive income for the period	955	3,015
Net income	894	3,345
Attributable to equity holders of the parent	417	2,885
Non-controlling interests	477	460

Earnings per share	6/30/2022	6/30/2023
Net income - Group share (in MAD millions)	417	2,885
Number of shares at June 30	879,095,340	879,095,340
Earnings per share (in MAD)	0.47	3.28
Diluted earnings per share (in MAD)	0.47	3.28

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

Consolidated statement of cash flows

(in MAD millions)	H2 2022	H2 2023
Earnings from operations*	3,287	5,883
Depreciation, amortization and other non-cash movements*	5,988	3,593
Gross cash from operating activities	9,276	9,477
Other changes in net working capital	-1,018	-1,400
Net cash flows from operating activities before taxes	8,257	8,077
Income tax paid	-1,906	-2,517
Net cash flows from operating activities (a)	6,351	5,560
Acquisitions of property, plant and equipment and intangible assets	-2,961	-3,204
Increase in financial assets	0	-395
Disposals of property, plant and equipment and intangible assets	0	2
Decrease in financial assets	35	68
Dividends received from non-consolidated investments	1	0
Net cash used in investing activities (b)	-2,925	-3,529
Capital increase	0	0
Dividends paid by Maroc Telecom	0	0
Dividends paid by subsidiaries to their non-controlling interests	-766	-138
Equity transactions (c)	-766	-138
New borrowings and increase in other long-term financial liabilities	673	343
Repayment of borrowings and decrease in other long-term financial liabilities	0	0
Changes in net current accounts	-2,620	-1,707
Net interests paid (Cash only)	-481	-406
Other cash expenses (income) used in financing activities	112	42
Transactions on borrowings and other financial liabilities (d)	-2,316	-1,728
Net cash flows from/(used in) financing activities (e) = (c) + (d)	-3,082	-1,866
Currency effect (f)	-80	-751
Total cash flows (a) + (b) + (e) + (f)	264	-586
Cash and cash equivalents at beginning of period	2,024	1,872
Cash and cash equivalents at end of period	2,288	1,286

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