

CONSOLIDATED RESULTS AT 30 SEPTEMBER 2021

Results driven by international business:

- » 3.3% growth in the Group's customer base, which reaches nearly 73 million customers driven by the increase in the subsidiaries' customer base (+4.2%);
- » Quasi-stability of consolidated revenues in the 2021 3rd quarter (-0.5% at constant exchange rates*);
- » Continued development of international activities, with revenues growth (+2.3% at constant exchange rates*) driven by Mobile Data and a sustained increase of adjusted EBITDA (+4.4% at constant exchange rates*);
- » Strong growth in Fixed Data in Morocco (+7.8%);
- » High level of profitability maintained with an adjusted Group EBITDA margin of 51.6%;
- » Acceleration in the Group's investments (excluding frequencies and licences), which represented 13.3% of revenues at end-September 2021.

In the third quarter of 2021, Maroc Telecom Group was able to maintain the performance of its activities despite a restrictive health environment.

The performance of the subsidiaries enables to post resilient results, confirming its international development strategy.

The Group capitalizes on the quality of its networks, which it keeps strengthening in order to support the development of its customers' Data usage and to provide exemplary quality of service.

**Maintaining a constant exchange rate between the Moroccan dirham (MAD), the Mauritanian ouguiya (MRU) and the CFA franc.*

ADJUSTED CONSOLIDATED RESULTS* OF THE GROUP

(IFRS in MAD millions)	Q3 2020	Q3 2021	Change	Change at constant exchange rates ⁽¹⁾	9M 2020	9M 2021	Change	Change at constant exchange rates ⁽¹⁾
Revenues	9,174	9,006	-1.8%	-0.5%	27,498	26,786	-2.6%	-2.1%
Adjusted EBITDA	4,758	4,669	-1.9%	-0.7%	14,361	13,829	-3.7%	-3.3%
Margin (%)	51.9%	51.8%	-0.0 pt	-0.1 pt	52.2%	51.6%	-0.6 pt	-0.6 pt
Adjusted EBITA	2,879	2,933	1.9%	2.8%	8,714	8,504	-2.4%	-2.0%
Margin (%)	31.4%	32.6%	1.2 pt	1.0 pt	31.7%	31.7%	0.1 pt	0.0 pt
Adjusted net income - attributable to owners of the parent	1,520	1,468	-3.4%	-2.7%	4,526	4,300	-5.0%	-4.8%
Margin (%)	16.6%	16.3%	-0.3 pt	-0.4 pt	16.5%	16.1%	-0.4 pt	-0.4 pt
CAPEX⁽²⁾	846	1,571	85.8%	88.3%	2,032	3,687	81.5%	82.5%
Of which frequencies and licences	11	123			11	123		
CAPEX/revenues (excluding frequencies and licences)	9.1%	16.1%	7.0 pt	7.0 pt	7.3%	13.3%	6.0 pt	6.0 pt
Adjusted CFOO	4,121	2,909	-29.4%	-28.7%	11,221	8,387	-25.3%	-24.9%
Net debt	20,809	16,972	-18.4%	-17.9%	20,809	16,972	-18.4%	-17.9%
Net debt/EBITDA⁽³⁾	1.0x	0.9x			1.0x	0.9x		

*The adjustments to the financial indicators are detailed in Appendix 1.

► Customer base

The Group's customer base continued to increase (+3.3% year-on-year), reaching nearly 73 million at end-September 2021, driven by the increase in the subsidiaries' customer base (+4.2%).

► Revenues

During the first nine months of 2021, the Maroc Telecom Group generated consolidated revenues⁽⁴⁾ of MAD 26,786 million, down 2.6% (-2.1% at constant exchange rates⁽¹⁾). The good performance of International activities and Fixed Data in Morocco partially offset the decline in revenues from Mobile services in Morocco.

In the third quarter of 2021, consolidated revenues were quasi-stable (-0.5% at constant exchange rates⁽¹⁾), driven by the growth achieved by the subsidiaries (+2.0% at constant exchange rates⁽¹⁾).

► Adjusted earnings from operations before depreciation and amortization

The adjusted operating income before depreciation and amortization (EBITDA) of the Maroc Telecom Group reached MAD 13,829 million at the end of September 2021, down 3.7% (-3.3% at constant exchange rates⁽¹⁾) penalised by the fall in adjusted EBITDA for the activities in Morocco. The adjusted EBITDA margin remains at a high level of 51.6%.

▶ Adjusted earnings from operations

For the first nine months of 2021, adjusted earnings from operations (EBITA)⁽⁵⁾ of the Maroc Telecom Group came to MAD **8,504** million, down by **2.4%** (**-2.0%** at constant exchange rates⁽¹⁾). The operating margin stabilised at **31.7%** of revenues.

▶ Adjusted Net Income - Group share

Adjusted Group share of net income was MAD **4,300** million, down **5.0%** (**-4.8 %** at constant exchange rates⁽¹⁾).

▶ Investments

Investments (excluding frequencies and licences) accelerated and were up **76.4%** at end-September 2021 (**+77.3%** at constant exchange rates⁽¹⁾). They represent **13.3%** of Group revenues and are still focused on strengthening Fixed and Mobile network infrastructures.

▶ Cash flow

Adjusted net cash flow from operations (CFFO)⁽⁶⁾ amounted to MAD **8,387** million, down **25.3%** (**-24.9%** at constant exchange rates⁽¹⁾) due to the increase in investments.

At the end of September 2021, the Group's consolidated Net Debt⁽⁷⁾ represented **0.9** times its annualised EBITDA⁽³⁾.

▶ Highlights

On 17 August 2021, the Etisalat Group signed an agreement with the Abu Dhabi Development Fund to acquire its stake in Etisalat Investment North Africa LLC (EINA) of 8.7%, bringing the Etisalat Group's stake to 100%. EINA owns the Société de Participation dans les Télécommunications (SPT) which holds a 53% stake in the Maroc Telecom Group.

When it becomes effective, this acquisition will increase the percentage interest of the Etisalat Group in the Maroc Telecom Group from 48.4% to 53.0% while maintaining the current control structure unchanged.

REVIEW OF THE GROUP'S ACTIVITIES

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

- **Morocco**

(IFRS in MAD millions)	Q3 2020	Q3 2021	Change	9M 2020	9M 2021	Change
Revenues	5,205	5,104	-1.9%	15,729	14,878	-5.4%
Mobile	3,354	3,213	-4.2%	10,132	9,198	-9.2%
Services	3,288	3,083	-6.2%	9,925	8,850	-10.8%
Equipment	65	130	98.2%	207	348	68.0%
Fixed	2,367	2,355	-0.5%	7,093	7,057	-0.5%
Of which Fixed Data*	880	951	8.0%	2,587	2,789	7.8%
Elimination and other income	-515	-464	-	-1,496	-1,377	
Adjusted EBITDA	2,991	2,873	-4.0%	8,971	8,262	-7.9%
Margin (%)	57.5%	56.3%	-1.2 pt	57.0%	55.5%	-1.5 pt
Adjusted EBITA	2,019	1,964	-2.7%	6,056	5,489	-9.4%
Margin (%)	38.8%	38.5%	-0.3 pt	38.5%	36.9%	-1.6 pt
CAPEX⁽²⁾	319	578	81.3%	882	1,877	112.7%
Of which frequencies and licences	0	0		0	0	
CAPEX/revenues (excluding frequencies and licences)	6.1%	11.3%	5.2 pt	5.6%	12.6%	7.0 pt
Adjusted CFFO	2,797	1,863	-33.4%	7,054	4,601	-34.8%
Net debt	14,314	11,541	-19.4%	14,314	11,541	-19.4%
Net debt/EBITDA⁽³⁾	1.0x	1.0x		1.1x	1.0x	

*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.

Revenues from activities in Morocco totalled MAD **14,878** million over the first nine months of 2021, down **5.4%** penalised by the decline in Mobile services. The continued growth of Fixed Data (**+7.8%**) reduces the effects of the underperformance of Mobile, which continues to suffer from the repercussions of the competitive and regulatory environment.

Over the same period, adjusted operating income before depreciation and amortization (EBITDA) contracted by **7.9%** compared to last year to MAD **8,262** million, due to the fall in revenues. The adjusted EBITDA margin amounted to **55.5%**.

Adjusted operating income (EBITA)⁽⁵⁾ reached MAD **5,489** million, down **9.4%**. The adjusted EBITA margin was **36.9%**.

Adjusted net cash flow from operations (CFFO)⁽⁶⁾ in Morocco was down **34.8%** in line with the increase in investments.

Mobile

	Unit	9M 2020	9M 2021	Change
Customer base⁽⁸⁾	(000)	19,711	20,033	1.6%
Prepaid	(000)	17,393	17,694	1.7%
Postpaid	(000)	2,318	2,339	0.9%
Of which Internet 3G/4G+⁽⁹⁾	(000)	11,335	11,517	1.6%
ARPU⁽¹⁰⁾	(MAD/month)	55.1	49.5	-10.2%

As at 30 September 2021, the Mobile customer base⁽⁸⁾ recorded a year-on-year increase of **1.6%** to more than **20.0** million customers, driven both by the Prepaid and Postpaid customer base (+1.7% and 0.9% respectively) thanks to renewed activity this quarter after the reopening of borders.

Revenues from the Mobile activities dropped **9.2%** due to the fall in outgoing and incoming revenues. Incoming revenues continue to suffer from the decline in national call terminations while outgoing revenues undergo from the effects of the regulatory and competitive environment.

At the end of the first nine months of 2021, mixed ARPU⁽¹⁰⁾ amounted to **MAD 49.5**, down **10.2%** over one year.

Fixed-line and Internet

	Unit	9M 2020	9M 2021	Change
Fixed lines	(000)	1,991	1,984	-0.4%
High Speed Access⁽¹¹⁾	(000)	1,709	1,739	1.8%

At the end of September 2021, the Fixed customer base was almost stable over one year (**-0.4%**), at nearly **2** million lines. The Fixed Broadband customer base grew by **1.8%** to **1.7** million subscribers, driven by record installations of Fiber Optics lines (**+53%**).

Fixed and Internet activities in Morocco generated revenues of MAD **7,057** million, down slightly by **0.5%** compared to the same period in 2020. The **7.8%** growth in Fixed Data largely offset the decline in voice.

- **International**

Financial indicators

(IFRS in MAD millions)	Q3 2020	Q3 2021	Change	Change at constant exchange rates ⁽¹⁾	9M 2020	9M 2021	Change	Change at constant exchange rates ⁽¹⁾
Revenues	4,199	4,160	-0.9%	2.0%	12,517	12,676	1.3%	2.3%
<i>Of which mobile services</i>	3,881	3,840	-1.1%	1.9%	11,476	11,698	1.9%	3.0%
Adjusted EBITDA	1,767	1,796	1.7%	4.7%	5,389	5,567	3.3%	4.4%
<i>Margin (%)</i>	42.1%	43.2%	1.1 pt	1.1 pt	43.1%	43.9%	0.9 pt	0.9 pt
Adjusted EBITA	860	968	12.5%	15.8%	2,658	3,016	13.4%	14.7%
<i>Margin (%)</i>	20.5%	23.3%	2.8 pt	2.8 pt	21.2%	23.8%	2.6 pt	2.6 pt
CAPEX⁽²⁾	527	994	88.5%	92.5%	1,149	1,810	57.5%	59.3%
<i>Of which frequencies and licences</i>	11	123	-	-	11	123	-	-
<i>CAPEX/revenues (excluding frequencies and licences)</i>	12.3%	20.9%	8.6 pt	8.5 pt	9.1%	13.3%	4.2 pt	4.2 pt
Adjusted CFFO	1,324	1,046	-21.0%	-18.6%	4,167	3,787	-9.1%	-8.3%
Net debt	7,948	6,413	-19.3%	-18.0%	7,948	6,413	-19.3%	-18.0%
Net debt/EBITDA⁽³⁾	1.1x	0.8x	-	-	1.0x	0.8x	-	-

The Group's international activities continued to grow and generated revenues of MAD **12,676** million, up **1.3%** at end-September 2021 (**+2.3%** at constant exchange rates⁽¹⁾). Mobile Data and Mobile Money services remain the main growth drivers and posted respective increases of **+17.4%** and **+24.1%**.

Adjusted earnings from operations before depreciation and amortization (EBITDA) for the first nine months of 2021 amounted to MAD **5,567** million, up **3.3%** (**+4.4%** at constant exchange rates⁽¹⁾). The adjusted EBITDA margin rate increased by **0.9 pt**. This performance is mainly linked to the improvement in the gross margin rate and ongoing efforts to optimise operating costs.

Adjusted operating income (EBITA)⁽⁵⁾ improved by **13.4%** (**+14.7%** at constant exchange rates⁽¹⁾) to MAD **3,016** million, resulting in a **2.6 pt** improvement in the margin rate.

Adjusted net cash flow from operations (CFFO)⁽⁶⁾ decreased by **9.1%** (**-8.3%** at constant currency⁽¹⁾) to MAD **3,787** million due to the increase in investments.

Operational indicators

	Unit	9M 2020	9M 2021	Change
Mobile				
Customer base⁽⁸⁾	(000)	46,606	48,546	
Mauritania		2,572	2,753	7.1%
Burkina Faso		9,087	10,259	12.9%
Gabon		1,562	1,605	2.8%
Mali		8,572	8,011	-6.5%
Côte d'Ivoire		9,703	9,877	1.8%
Benin		4,541	4,995	10.0%
Togo		3,190	2,847	-10.8%
Niger		2,888	3,059	5.9%
Central African Republic		185	221	19.2%
Chad		4,306	4,919	14.2%
Fixed-Line				
Customer base	(000)	335	347	
Mauritania		58	58	-0.8%
Burkina Faso		74	76	1.5%
Gabon		25	30	18.6%
Mali		178	184	3.8%
Fixed Broadband				
Customer base⁽¹¹⁾	(000)	129	140	
Mauritania		18	20	13.0%
Burkina Faso		14	15	6.3%
Gabon		21	26	24.6%
Mali		76	79	3.6%

Notes:

- (1) Maintaining a constant exchange rate among the Moroccan dirham (MAD), the Mauritanian ouguiya (MRU) and the CFA franc.
- (2) Capital expenditure corresponds to acquisitions of property, plant and equipment and intangible assets recognised during the period.
- (3) The net debt/EBITDA ratio excludes the impact of IFRS 16.
- (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 includes CDMA in Burkina Faso and 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, mobile and internet. It has grown internationally and is now present in eleven countries in Africa. Maroc Telecom is listed simultaneously in Casablanca and Paris and its reference shareholders are the Société de Participation dans les Télécommunications (SPT)* (53%) and the Kingdom of Morocco (22%).

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

Contacts

Investor relations

relations.investisseurs@iam.ma

Press relations

relations.presse@iam.ma

Appendix 1: Transition from adjusted financial indicators to published financial indicators

Adjusted EBITDA, adjusted EBITA, Group share of adjusted net income and adjusted CFFO are not strictly accounting measures and should be considered as additional information. They better illustrate the Group's performance by excluding exceptional items.

<i>(in MAD millions)</i>	9M 2020			9M 2021		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	8,971	5,389	14,361	8,262	5,567	13,829
Dispute resolution	420		420			
Published EBITDA	9,391	5,389	14,780	8,262	5,567	13,829
Adjusted EBITA	6,056	2,658	8,714	5,489	3,016	8,504
Restructuring costs					-14	-14
Dispute resolution	420		420			
Published EBITA	6,476	2,658	9,134	5,489	3,002	8,490
Adjusted net income – Group share			4,526			4,300
Restructuring costs						-6
Dispute resolution			469			
Contribution to the COVID-19 fund			-1,038			
Published net income – Group share			3,958			4,294
Adjusted CFFO	7,054	4,167	11,221	4,601	3,787	8,387
Restructuring costs					-13	-13
Payment of licence		-118	-118		-147	-147
ANRT fine	-3,300		-3,300			
Published CFFO	3,754	4,049	7,803	4,601	3,626	8,227

The third quarter of 2021 includes the CFFO disbursement of MAD 147 million linked to the payment of the renewal of the 3G licence and the second term of the 4G licence in Mauritania.

Appendix 2: IFRS 16 impact

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

<i>(in MAD millions)</i>	9M 2021		
	Morocco	International	Group
Adjusted EBITDA	+191	+219	+411
Adjusted EBITA	+11	+30	+41
Adjusted net income – Group share			-14
Adjusted CFFO	+191	+219	+411
Net debt	+789	+666	+1,455