

CONSOLIDATED RESULTS FOR THE 1st QUARTER 2021

Results driven by solid performances in subsidiaries:

- » Increase in the Group's customer base by 6.8%, more than 73 million customers;
- » Profitability maintained with the Group's adjusted EBITDA margin at 51.2%;
- » Growth in Mobile Data (+15.8%*) and Mobile Money services (+21.9%*) in the Moov Africa subsidiaries;
- » Sustained growth in Fixed Data in Morocco of +11.9%.

To mark the publication of the quarterly results, Mr Abdeslam Ahizoune, Chairman of the Management Board, stated:

"In a context still marked by the health crisis linked to Covid-19, the Maroc Telecom Group ends the first quarter with operating results driven by its international assets. Its diversification strategy is once again proving itself and improving its resilience in this context of crisis.

The Group is continuing its savings plan and is managing to maintain its profitability and focuses

its investments on strengthening networks, infrastructure and improving the quality of service.

While this crisis' duration and effect on the economy are still unknown, the Group will remain vigilant and fully mobilised in order to overcome it."

* At constant exchange rates MAD/Ouguiya/CFA franc

THE GROUP'S ADJUSTED CONSOLIDATED RESULTS*

(IFRS in MAD million)

	Q1 2020	Q1 2021	Change	Change at constant exchange rates ⁽¹⁾
Revenues	9,309	8,914	-4.2%	-5.0%
Adjusted EBITDA	4,794	4,561	-4.9%	-5.5%
<i>Margin (%)</i>	51.5%	51.2%	-0.3 pt	-0.3 pt
Adjusted EBITA	2,913	2,746	-5.7%	-6.2%
<i>Margin (%)</i>	31.3%	30.8%	-0.5 pt	-0.4 pt
Group share of adjusted Net Income -	1,597	1,474	-7.7%	-8.1%
<i>Margin (%)</i>	17.2%	16.5%	-0.6 pt	-0.6 pt
CAPEX⁽²⁾	527	418	-20.7%	-21.3%
<i>Of which frequencies and licences</i>	0	0		
<i>CAPEX/revenues (excluding frequencies and licences)</i>	5.7%	4.7%	-1.0 pt	-1.0 pt
Adjusted CFFO	2,893	2,681	-7.3%	-8.1%
Net debt	19,463	16,132	-17.1%	-17.3%
Net debt/EBITDA⁽³⁾	1.0x	0.8x		

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

► Customer base

The Group's customer base reached more than **73** million at the end of March 2021, up **6.8%** year-on-year, driven by the sustained growth of the customer base in the subsidiaries (+**11.2%**).

► Revenues

In a difficult context, marked by the consequences of the Covid-19 crisis and the regulatory environment, the Maroc Telecom Group generated consolidated revenues ⁽⁴⁾ of MAD **8,914** million at the end of March 2021, down **4.2%** (**-5.0%** at constant exchange rates ⁽¹⁾). The decline in the Mobile business in Morocco is partially offset by sound growth in Fixed Broadband in Morocco and the activities of the Moov Africa subsidiaries.

► Earnings from operations before depreciation and amortization

In the first quarter of 2021, the earnings from operations before depreciation and amortization (EBITDA) of the Maroc Telecom Group reached MAD **4,561** million, down **4.9%** (**-5.5%** at constant exchange rates ⁽¹⁾), under the effect of the decrease in revenues. The EBITDA gross margin was held at a high level of **51.2%** (**-0.3** pt at constant exchange rates ⁽¹⁾), thanks to rigorous cost management.

► Earnings from operations

The consolidated adjusted earnings from operations (EBITA) ⁽⁵⁾ of the Maroc Telecom Group for the first three months of 2021 was MAD **2,746** million, down **5.7%** (**-6.2%** at constant exchange

rates⁽¹⁾) on a trend similar to that of the EBITDA. Adjusted EBITA margin stands at a high level of **30.8%** (-0.4 pt at constant exchange rates⁽¹⁾).

▶ **Net income - Group share**

At the end of March 2021, the Group share of adjusted Net Income decreased by **7.7%** (-8.1% at constant exchange rates⁽¹⁾) compared to the same period the previous year, to MAD **1,474** million.

▶ **Cash flow**

The adjusted net cash flow from operations (CFFO)⁽⁶⁾ amounted to MAD **2,681** million, down **7.3%** compared to the same period in 2020 (-8.1% at constant exchange rates⁽¹⁾), mainly due to the fall in EBITDA.

REVIEW OF THE GROUP'S ACTIVITIES

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

- **Morocco**

<i>(IFRS in MAD million)</i>	Q1 2020	Q1 2021	Change
Revenues	5,400	4,889	-9.5%
Mobile	3,545	2,966	-16.3%
Services	3,432	2,876	-16.2%
Equipment	113	91	-19.3%
Fixed	2,319	2,370	2.2%
Of which Fixed Data*	813	910	11.9%
Elimination and other income	-463	-447	-
Adjusted EBITDA	2,972	2,672	-10.1%
Margin (%)	55.0%	54.7%	-0.4 pt
Adjusted EBITA	1,991	1,744	-12.4%
Margin (%)	36.9%	35.7%	-1.2 pt
CAPEX⁽²⁾	283	207	-26.8%
Of which frequencies and licences	0	0	
CAPEX/revenues (excluding frequencies and licences)	5.2%	4.2%	-1.0 pt
Adjusted CFFO	1,620	1,221	-24.6%
Net debt	12,896	11,032	-14.5%
Net debt/EBITDA⁽³⁾	1.0x	1.0x	

*Fixed Data includes the Internet, TV on ADSL and Data services to businesses. A change in the method of calculation was made on an element of the Fixed Data affecting the previous period.

The activities in Morocco show a decline in the 1st quarter of 2021 revenues (-9.5% compared to the same period in 2020). The increase in Fixed revenues (+2.2%), driven by Data, could not fully offset the sharp downturn in Mobile income (-16.3%), penalised by the effects of competition and regulatory context on the prepaid Data segment in particular.

The adjusted earnings from operations before depreciation and amortisation (EBITDA) reached MAD 2,672 million, down 10.1%. The EBITDA margin, although down slightly by 0.4 pt, remains at a high level of 54.7%.

The adjusted earnings from operations (EBITA)⁽⁵⁾ was MAD 1,744 million, down 12.4% over the year. The adjusted EBITA margin was down by 1.2 pt at 35.7%.

At 31 March 2021, the adjusted net cash flows from operations (CFFO)⁽⁶⁾ in Morocco contracted by 24.6% to MAD 1,221 million mainly due to the fall in EBITDA.

Mobile

	Unit	Q1 2020	Q1 2021	Change
Customer base⁽⁷⁾	(000)	19,972	19,335	-3.2%
Prepaid	(000)	17,624	17,011	-3.5%
Postpaid	(000)	2,348	2,324	-1.0%
Of which Internet 3G/4G+⁽⁸⁾	(000)	11,888	10,841	-8.8%
ARPU⁽¹⁰⁾	(MAD/month)	56.1	48.7	-13.2%

At 31 March 2021, the Mobile customer base⁽⁷⁾ had **19.3** million customers, down **3.2%** year-on-year.

Mobile revenues fell by **16.3%** compared to the same period in 2020, reaching MAD **2,966** million. Outgoing services revenues declined due to regulatory and competitive context, particularly in the prepaid data segment, while incoming services revenues was impacted by call termination rate cuts (-35%) and continued to suffer from the effects of the covid-19 pandemic on the international and roaming business.

Combined ARPU⁽⁹⁾ for the first three months of 2021 fell by **13.2%** compared to the same period in 2020, to MAD **48.7**.

Fixed and Internet

	Unit	Q1 2020	Q1 2021	Change
Fixed lines	(000)	1,899	2,010	5.8%
High Speed Access⁽¹⁰⁾	(000)	1,602	1,750	9.2%

The Fixed customer base continued to grow (+**5.8%** year-on-year) and amounted to **2.0** million lines at the end of March 2021. The Broadband customer base⁽¹⁰⁾ grew by **9.2%** and reached almost **1.8** million subscribers.

Fixed and Internet activities in Morocco generated revenues of MAD **2,370** million, up **2.2%** compared to the same period in 2020, driven by the increase in ADSL and FTTH customer bases.

- **International**

Financial indicators

<i>(IFRS in MAD million)</i>	Q1 2020	Q1 2021	Change	Change at constant exchange rates ⁽¹⁾
Revenues	4,207	4,292	2.0%	0.4%
<i>Of which Mobile services</i>	3,859	3,963	2.7%	1.1%
Adjusted EBITDA	1,823	1,889	3.6%	2.0%
<i>Margin (%)</i>	43.3%	44.0%	0.7 pt	0.7 pt
Adjusted EBITA	921	1,002	8.7%	7.1%
<i>Margin (%)</i>	21.9%	23.3%	1.4 pt	1.5 pt
CAPEX⁽²⁾	244	211	-13.7%	-15.1%
<i>Of which frequencies and licences</i>	0	0	-	-
<i>CAPEX/revenues (excluding frequencies and licences)</i>	5.8%	4.9%	-0.9 pt	-0.9 pt
Adjusted CFFO	1,273	1,460	14.7%	13.0%
Net debt	8,250	6,428	-22.1%	-22.6%
Net debt/EBITDA⁽³⁾	1.1x	0.8x	-	-

In the first quarter of 2021, the Group's international activities posted revenues of MAD **4,292** million, up **2.0%** (**+0.4%** at constant exchange rates⁽¹⁾) due to the steady growth in Data Mobile (**+15.8%**) and Mobile Money services (**+21.9%**). Excluding the decrease in call terminations, those revenues increased by **2.2%** at constant exchange rates.

Over the same period, adjusted earnings from operations before depreciation and amortization (EBITDA) improved by **3.6%** (**+2.0%** at constant exchange rates⁽¹⁾) to MAD **1,889** million. The adjusted EBITDA margin rate increased by **0.7 pt** at constant exchange rates⁽¹⁾ to **44.0%**, thanks to the improvement in the gross margin rate and control of operating expenses.

Adjusted earnings from operations (EBITA)⁽⁵⁾ for the first quarter of 2021 improved by **8.7%** (**+7.1%** at constant exchange rates⁽¹⁾) to MAD **1,002** million. The adjusted EBITA margin came to **23.3%**, up by **1.4 pt** (**+1.5 pt** at constant exchange rates).

Adjusted net cash flows from operations (CFFO)⁽⁶⁾ from international activities came to MAD **1,460** million, up **14.7%** (**+13.0%** at constant exchange rates⁽¹⁾) in line with the increase in EBITDA.

Operational indicators

	Unit	Q1 2020	Q1 2021	Change
Mobile				
Customer base⁽⁷⁾	(000)	44,583	49,600	
MAURITANIA		2,485	2,667	7.3%
BURKINA FASO		8,779	9,708	10.6%
GABON		1,573	1,585	0.7%
MALI		7,693	9,567	24.4%
CÔTE D'IVOIRE		9,198	10,071	9.5%
BENIN		4,300	4,811	11.9%
TOGO		3,091	3,184	3.0%
NIGER		3,083	3,048	-1.1%
CENTRAL AFRICAN REPUBLIC		178	192	8.2%
CHAD		4,203	4,766	13.4%
Fixed				
Customer base	(000)	327	343	
MAURITANIA		57	58	1.4%
BURKINA FASO		75	75	1.2%
GABON		23	27	20.6%
MALI		173	182	5.2%
Fixed Broadband				
Customer base⁽¹⁰⁾	(000)	123	135	
MAURITANIA		16	20	23.0%
BURKINA FASO		14	15	3.4%
GABON		18	23	23.8%
MALI		74	78	5.3%

Notes:

- (1) Constant MAD/Ouguiya/CFA franc exchange rate.
- (2) CAPEX corresponds to acquisitions of property, plant and equipment and intangible assets posted during the period.
- (3) The net debt/EBITDA ratio excludes the impact of IFRS16.
- (4) Maroc Telecom consolidates in its financial statements Casanet and the Moov Africa subsidiaries in Mauritania, Burkina Faso, Gabon, Mali, Ivory Coast, Benin, Togo, Niger, Central Africa, and Chad since July 1, 2019.
- (5) EBITA corresponds to operating income before impairment and 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 these are posted directly in equity).
- (6) CFFO includes 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) The active customer base consists of prepaid customers who have made or received a voice call (excluding calls from the ERPT concerned or its Customer Relations Centres) or sent a SMS/MMS or who have used Data services (excluding exchanges of technical data with the network of the ERPT concerned) in the last three months, and non-terminated postpaid customers.
- (8) The active customer base of 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 recharged at least once in the last three months or whose credit is valid and who have used the service during this period.
- (9) ARPU is defined as turnover (generated by incoming and outgoing calls and data services) net of promotions, excluding roaming and equipment sales, divided by the average fleet for the period. This is the combined ARPU of the prepaid and postpaid segments.
- (10) The broadband network includes ADSL, FTTH and leased links and also includes CDMA in Mauritania, Burkina Faso and Mali.

Important Warning:

Forward-looking statements. Forward-looking statements. This press release contains forward-looking statements regarding Maroc Telecom's financial position, income from operations, strategy, and outlook, as well as the impact of certain transactions. Although Maroc Telecom believes that these forward-looking statements are based on reasonable assumptions, they do not amount to guarantees for the company's future performance. The actual results may be very different from the forward-looking statements, due to a number of risks and uncertainties, both known and unknown. The majority of these risks are beyond our control, namely the risks described in the public documents filed by Maroc Telecom with the Moroccan Capital Markets Authority (www.ammc.ma) and the French Financial Markets Authority (www.amf-france.org), which are also available in French on our website (www.iam.ma). This press release contains forward-looking information that can only be assessed at its publication date. Maroc Telecom does not undertake to supplement, update, or alter these forward-looking statements as a result of new information, future events, or for any other reason, subject to the applicable regulations, and especially to Articles 2.19 et seq. of the circular issued by the Moroccan Capital Markets Authority and to Articles 223-1 et seq. of the French Financial Markets Authority's General Regulations.

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 now operates 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.

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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 are a better indicator of the Group's performance as they exclude non-recurring items.

<i>(in MAD millions)</i>	Q1 2020			Q1 2021		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	2,972	1,823	4,794	2,672	1,889	4,561
Published EBITDA	2,972	1,823	4,794	2,672	1,889	4,561
Adjusted EBITA	1,991	921	2,913	1,744	1,002	2,746
Published EBITA	1,991	921	2,913	1,744	1,002	2,746
Adjusted net income – Group share			1,597			1,474
Published net income – Group share			1,597			1,474
Adjusted CFFO	1,620	1,273	2,893	1,221	1,460	2,681
Exceptional items:						
ANRT fine	-3,300		-3,300			0
Published CFFO	-1,680	1,273	-407	1,221	1,460	2,681

The first quarter of 2020 included the CFFO disbursement of MAD **3,300** million linked to full payment of the ANRT fine in Morocco.

Appendix 2: Impact of the adoption of IFRS 16

At the end of March 2021, the impacts of the application of IFRS16 on the main consolidated aggregates of the Maroc Telecom Group were as follows:

<i>(in MAD millions)</i>	Q1 2021		
	Morocco	International	Group
Adjusted EBITDA	64	74	138
Adjusted EBITA	5	11	16
Adjusted net income – Group share			-4
Adjusted CFO	64	74	138
Net debt	812	656	1,468