

CONSOLIDATED RESULTS AT 30 SEPTEMBER 2022

Resilient performance in the third quarter, partly due to a good summer season:

- » **3.9% growth in the Group customer base** to nearly **76 million** customers;
- » **Improvement of 0.3%* in Group consolidated revenues**, driven by a summer seasonality effect in Morocco (+2.8% in Q3 2022) and by a **1.5%*** increase in subsidiaries' activities;
- » **Reinforcement of the Group high level of profitability with an adjusted EBITDA margin of 52.5% (+0.8 pt*)**;
- » **Increase of the Group adjusted net income by 5.3%*** to reach **MAD 4.52 billion** at the end of September 2022;
- » **High level of Group investments** (excluding frequencies and licences) **maintained, representing 20.5% of revenues**, in order to support the sustained level of Fixed-line and Mobile Data usage;
- » **Net Debt under control which represents 0.9x EBITDA.**

In the third quarter of 2022, Maroc Telecom Group resumed revenue growth despite an inflationary context and regulatory pressures.

In Morocco, the impact of the summer season, combined with growth in Fixed-Line activities, offset the trend observed in Mobile Data.

The African subsidiaries continue to make a strong contribution to Group earnings; they maintain a positive momentum in a difficult macroeconomic, competitive and regulatory environment. At the same time, good cost management has improved the Group's profitability.

Maroc Telecom Group relies on the quality of its network and services and maintains an efficient investment policy, which enables it to support the development of usage in all the markets where it operates.

** Applying constant exchange rates between the Moroccan dirham (MAD), Mauritanian ouguiya (MRU) and CFA franc*

Group adjusted consolidated results*:

(IFRS in MAD millions)	Q3 2021	Q3 2022	Change	Change at constant exchange rates ⁽¹⁾	9M 2021	9M 2022	Change	Change at constant exchange rates ⁽¹⁾
Revenues	9,006	9,240	2.6%	2.2%	26,786	26,808	0.1%	0.3%
Adjusted EBITDA	4,669	4,901	5.0%	4.6%	13,829	14,072	1.8%	1.9%
<i>Margin (%)</i>	51.8%	53.0%	1.2 pt	1.2 pt	51.6%	52.5%	0.9 pt	0.8 pt
Adjusted EBITA	2,933	3,131	6.8%	6.3%	8,504	8,872	4.3%	4.4%
<i>Margin (%)</i>	32.6%	33.9%	1.3 pt	1.3 pt	31.7%	33.1%	1.3 pt	1.3 pt
Adjusted net income Group share	1,468	1,651	12.5%	12.3%	4,300	4,520	5.1%	5.3%
<i>Margin (%)</i>	16.3%	17.9%	1.6 pt	1.6 pt	16.1%	16.9%	0.8 pt	0.8 pt
CAPEX⁽²⁾	1,571	1,777	13.1%	12.1%	3,687	5,497	49.1%	49.3%
<i>Of which frequencies and licences</i>	123	0			123	0		
<i>CAPEX/revenues (excluding frequencies and licences)</i>	16.1%	19.2%	3.1 pt	3.0 pt	13.3%	20.5%	7.2 pt	7.2 pt
Adjusted CFO	2,909	2,833	-2.6%	-3.2%	8,387	8,159	-2.7%	-2.7%
Net Debt	16,972	17,166	1.1%	1.4%	16,972	17,166	1.1%	1.4%
Net Debt/EBITDA⁽³⁾	0.9x	0.8x			0.9x	0.9x		

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

▶ Customer base

The Group's customer base continues to grow, with a year-on-year increase of **3.9%**, and amounted to nearly **76** million customers as of September 30, 2022, driven mainly by **6.2%** growth in the International customer base.

▶ Revenues

The Maroc Telecom Group posted consolidated revenues⁽⁴⁾ of MAD **26,808** million for the nine months to September 30, 2022, up **0.1%** (**+0.3%** at constant exchange rates⁽¹⁾).

International business continued to grow, with an increase of **1.0%** (**+1.5%** at constant exchange rates⁽¹⁾) offsetting the slight decline in revenues in Morocco (**-0.5%**).

▶ Earnings from operations before depreciation and amortization

In the nine months to September 30, 2022, consolidated adjusted earnings from operations before depreciation and amortization (EBITDA) amounted to MAD **14,072** million, up **1.8%** (**+1.9%** at constant exchange rates⁽¹⁾) compared to 2021, driven by revenues growth and a proactive cost control policy in Morocco and the Moov Africa subsidiaries.

The EBITDA margin increased by **0.9 pt** (**+0.8 pt** at constant exchange rates⁽¹⁾) compared to 2021, taking it to the high level of **52.5%**.

▶ **Earnings from operations**

Consolidated adjusted earnings from operations (EBITA)⁽⁵⁾ for the first nine months of 2022 amounted to MAD **8,872** million, up **4.3%** (**+4.4%** at constant exchange rates⁽¹⁾).

The operating margin was **33.1%**, an improvement of **1.3 pt**.

▶ **Group share of net income**

Adjusted Group share of net income for the nine months to September 30, 2022 amounted to MAD **4,520** million, up **5.3%** at constant exchange rates⁽¹⁾ compared to 2021.

▶ **CAPEX**

Capital expenditure⁽²⁾ excluding frequencies and licenses amounted to MAD **5,497** million and represented **20.5%** of consolidated revenues.

▶ **Cash flow**

Over the first nine months of 2022, adjusted cash flows from operations (CFFO⁽⁶⁾) amounted to MAD **8,159** million, down **2.7%** compared to the same period in 2021.

▶ **Highlights**

Following the 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 connection with the January 17, 2020 decision relating to unbundling, Maroc Telecom proceeded to pay the amount of the penalty set at MAD 2.45 billion.

The appeal filed with the Court of Appeal against the said decision is still under investigation.

Group business review:

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

Morocco

(IFRS in MAD millions)	Q3 2021	Q3 2022	Change	9M 2021	9M 2022	Change
Revenues	5,104	5,247	2.8%	14,878	14,808	-0.5%
Mobile	3,213	3,245	1.0%	9,198	8,930	-2.9%
Services	3,083	3,021	-2.0%	8,850	8,518	-3.7%
Equipment	130	224	72.9%	348	411	18.2%
Fixed-Line	2,355	2,461	4.5%	7,057	7,239	2.6%
Of which Fixed Data*	951	1,027	8.1%	2,789	3,000	7.6%
Elimination and other income	-464	-459		-1,377	-1,360	
Adjusted EBITDA	2,873	3,031	5.5%	8,262	8,395	1.6%
Margin (%)	56.3%	57.8%	1.5 pt	55.5%	56.7%	1.2 pt
Adjusted EBITA	1,964	2,138	8.8%	5,489	5,763	5.0%
Margin (%)	38.5%	40.7%	2.3 pt	36.9%	38.9%	2.0 pt
CAPEX⁽²⁾	578	623	7.9%	1,877	2,381	26.9%
Of which frequencies and licences	0	0		0	0	
CAPEX/revenues (excluding frequencies and licences)	11.3%	11.9%	0.6 pt	12.6%	16.1%	3.5 pt
Adjusted CFFO	1,863	2,266	21.6%	4,601	5,456	18.6%
Net Debt	11,541	10,667	-7.6%	11,541	10,667	-7.6%
Net Debt/EBITDA⁽³⁾	1.0x	0.8x		1.0x	0.9x	

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

Thanks to the combination of a good summer season and continued growth in Fixed Data, revenues in Morocco for the first nine months of 2022 amounted to MAD **14,808** million, down slightly (**-0.5%**) compared to 2021.

Over the same period, adjusted EBITDA totaled MAD **8,395** million, up **1.6%** compared to 2021. The adjusted EBITDA margin remained high at **56.7%**, gaining **1,2 pt**.

Adjusted earnings from operations (EBITA)⁽⁵⁾ amounted to MAD **5,763** million, up **5.0%** year-on-year driven by the improvement in EBITDA and a decrease in depreciations and amortizations expenses. The adjusted EBITA margin was **38.9%**, up **2.0 pt**.

Nine-month 2022 adjusted cash flows from operations (CFFO)⁽⁶⁾ amounted to MAD **5,456** million, up **18.6%**.

Mobile

	Unit	09/30/2021	09/30/2022	Change
Customer base⁽⁸⁾	(000)	20,033	19,925	-0.5%
Prepaid	(000)	17,694	17,521	-1.0%
Postpaid	(000)	2,339	2,404	2.8%
Of which Internet 3G/4G+⁽⁹⁾	(000)	11,517	11,041	-4.1%
ARPU⁽¹⁰⁾	(MAD/mois)	49.5	46.9	-5.2%

As of September 30, 2022, the Mobile customer base⁽⁸⁾ stood at **19.9** million, down slightly by **0.5%** compared to September 2021.

Mobile revenues slowed their decline to **2.9%** and amounted to MAD **8,930** million for the nine months to September 30, 2022.

Blended ARPU⁽¹⁰⁾ for the first nine months of 2022 amounted to MAD **46.9**, down **5.2%** compared to the same period in 2021.

Fixed-line and Internet

	Unit	09/30/2021	09/30/2022	Change
Fixed line	(000)	1,984	1,937	-2.3%
High Speed Access⁽¹¹⁾	(000)	1,739	1,710	-1.7%

The Fixed-line customer base fell by **2.3%** year-on-year to nearly **2** million lines as of September 30, 2022. The broadband⁽¹¹⁾ customer base represents **1.7** million subscribers, with a substantial increase in the FTTH customer base (**+39.7%**).

Fixed-line and Internet activities generated revenues of MAD **7,239** million, up **2.6%**, driven mainly by Data (**+7.6%**) and FTTH services (**+36.8%**), offsetting the decline in Voice.

International

Financial indicators

(IFRS in MAD millions)	Q3 2021	Q3 2022	Change	Change at constant exchange rates ⁽¹⁾	9M 2021	9M 2022	Change	Change at constant exchange rates ⁽¹⁾
Revenues	4,160	4,248	2.1%	1.3%	12,676	12,801	1.0%	1.5%
<i>of which Mobile services</i>	3,840	3,930	2.4%	1.6%	11,698	11,844	1.2%	1.8%
Adjusted EBITDA	1,796	1,870	4.1%	3.2%	5,567	5,678	2.0%	2.4%
<i>Margin (%)</i>	43.2%	44.0%	0.8 pt	0.8 pt	43.9%	44.4%	0.4 pt	0.4 pt
Adjusted EBITA	968	994	2.6%	1.2%	3,016	3,108	3.1%	3.2%
<i>Margin (%)</i>	23.3%	23.4%	0.1 pt	0.0 pt	23.8%	24.3%	0.5 pt	0.4 pt
CAPEX⁽²⁾	994	1,154	16.1%	14.5%	1,810	3,116	72.1%	72.5%
<i>Of which frequencies and licences</i>	123	0			123	0		
<i>CAPEX/revenues (excluding frequencies and licences)</i>	20.9%	27.2%	6.2 pt	6.0 pt	13.3%	24.3%	11.0 pt	11.0 pt
Adjusted CFFO	1,046	567	-45.7%	-47.3%	3,787	2,704	-28.6%	-28.6%
Net Debt	6,413	6,892	7.5%	8.2%	6,413	6,892	7.5%	8.2%
Net Debt/EBITDA⁽³⁾	0.8x	0.9x			0.8x	0.9x		

In the first nine months of 2022, the Group's International revenues increased by **1.0%** (**+1.5%** at constant exchange rates⁽¹⁾) to MAD **12,801** million, driven by ongoing momentum in Mobile Data (**+29.1%** at constant exchange rates⁽¹⁾). Excluding the reduction in call termination rates, subsidiaries' revenues were up **2.5%** at constant exchange rates⁽¹⁾.

Over the same period, adjusted earnings from operations before depreciation and amortization (EBITDA) increased by **2.0%** compared to 2021 (**+2.4%** at constant exchange rates⁽¹⁾) to MAD **5,678** million, bringing the EBITDA margin to **44.4%**, an increase of **0.4 pt** attributable to the ongoing improvement in the gross margin and control over operating expenses.

Adjusted earnings from operations (EBITA)⁽⁵⁾ amounted to MAD **3,108** million, up **3.1%** (**+3.2%** at constant exchange rates⁽¹⁾), mainly due to the increase in adjusted EBITDA and the decrease in depreciation and amortization expense. Boosted by this performance, the adjusted EBITA margin firmed by **0.5 pt** to **24.3%**.

Adjusted cash flows from operations (CFFO)⁽⁶⁾ were down **28.6%** at MAD **2,704** million, mainly due to the increase in capital expenditure.

Operational indicators

	Unit	09/30/2021	09/30/2022	Change
Mobile				
Customer base⁽⁸⁾	(000)	48,546	51,548	
Mauritania		2,753	2,642	-4.1%
Burkina Faso		10,259	11,021	7.4%
Gabon		1,605	1,536	-4.3%
Mali		8,011	9,163	14.4%
Côte d'Ivoire		9,877	10,534	6.7%
Benin		4,995	5,371	7.5%
Togo		2,847	2,771	-2.6%
Niger		3,059	2,849	-6.8%
Central African Republic		221	216	-2.2%
Chad		4,919	5,444	10.7%
Fixed-line				
Customer base	(000)	347	362	
Mauritania		58	56	-2.3%
Burkina Faso		76	76	0.2%
Gabon		30	39	31.7%
Mali		184	191	3.5%
Fixed Broadband				
Customer base⁽¹¹⁾	(000)	140	153	
Mauritania		20	19	-6.3%
Burkina Faso		15	16	6.6%
Gabon		26	35	37.4%
Mali		79	83	5.8%

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 combined 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 notice

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 full-service telecommunications operator in Morocco and the leader in all of its Fixed-Line, Mobile and Internet business sectors. It has expanded internationally, and currently operates in 11 African countries. Maroc Telecom is listed on both the Casablanca and Paris Stock Exchanges, and its majority shareholders are Société de Participation dans les Télécommunications (SPT*) (53%), and the Kingdom of Morocco (22%).

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

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Appendix 1: Transition from 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 better illustrate the Group's performance by excluding exceptional items.

<i>(in MAD millions)</i>	9M 2021			9M 2022		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	8,262	5,567	13,829	8,395	5,678	14,072
Published EBITDA	8,262	5,567	13,829	8,395	5,678	14,072
Adjusted EBITA	5,489	3,016	8,504	5,763	3,108	8,872
ANRT decision				-2,451		-2,451
Restructuring costs		-14	-14		-2	-2
Published EBITA	5,489	3,002	8,490	3,313	3,106	6,419
Adjusted net income Group share			4,300			4,520
ANRT decision						-2,451
Restructuring costs			-6			-1
Published net income Group share			4,294			2,068
Adjusted CFFO	4,601	3,787	8,387	5,456	2,704	8,159
Payment of licence		-147	-147		-26	-26
Restructuring costs		-13	-13		-2	-2
ANRT decision				-2,451		-2,451
Published CFFO	4,601	3,626	8,227	3,005	2,675	5,680

Appendix 2: Impact of IFRS 16

At the end of September 2022, 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			9M 2022		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	191	219	411	193	202	395
Adjusted EBITA	11	30	41	10	32	42
Adjusted net income Group share			-14			-6
Adjusted CFFO	191	219	411	193	202	395
Net Debt	789	666	1,455	733	643	1,375