Maroc Telecom

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2019 UNIVERSAL REGISTRATION DOCUMENT

(New version of the Registration Document) including the annual financial report

CONTENTS

2019
UNIVERSAL REGISTRATION DOCUMENT

(New version of the Registration Document)

including the annual financial report

This Universal Registration Document was submitted on April 27, 2020 to the AMF in its capacity as the French financial regulator under Regulation (EU) 2017/1129 without prior approval pursuant to Article 9 of said regulation.

The Universal Registration Document may be used when stocks and shares are sold to the public or listed on a regulated market if it is accompanied by a securities Note and, where applicable, a summary as well as any supplements to the Universal Registration Document. Once approved by the AMF under Regulation (EU) 2017/1129, these documents constitute a prospectus.

MESSAGE FROM **THE CHAIRMAN OF THE MANAGEMENT BOARD**

ABDESLAM AHIZOUNE

Maroc Telecom and its subsidiaries are actively working to find the right balance between economic competitiveness, social development and respect for the environment.

In 2019, the Maroc Telecom Group continued its drive to improve its operational performance, confirming the appropriateness of our strategy, which is based on investing in next-generation technologies and designing innovative offers that are tailored to our customers' expectations and accessible to as many people as possible.

2019 was marked by new progress in all aspects of the digital transformation of the Group, which continues to work towards improving the customer experience and the working environment of our employees. Our customers are now able to perform, remotely and at any time, all transactions relating to their Mobile, Fixed or Internet lines. The working environment is changing as a result of the simplification of processes and more collaborative ways of working.

The Group's involvement in the service of communities goes beyond telecommunications. Maroc Telecom and its subsidiaries are working actively to find the right balance between economic competitiveness, social development and respect for the environment. Along with the thousands of direct and indirect jobs created, the Maroc Telecom Group is strengthening its commitment to those working on educational, humanitarian, cultural, sports and environmental issues. This is the approach of a socially responsible company which is committed to fully contributing to bridging the digital divide and value creation.

CORPORATE GOVERNANCE

MANAGEMENT BOARD

- **Abdelkader MAAMAR,**
  Managing Director Services
- **Brahim BOUDAOUD,**
  Managing Director, Legal and Regulatory Affairs
- **Abdeslam AHIZOUNE,**
  Chairman of the Management Board
- **Hassan RACHAD,**
  Managing Director Networks and Systems
- **François VITTE,**
  Managing Director Administration & Finance (CFO)

Maroc Telecom also has eight regional offices which report to the Chairman of the Management Board.

SUPERVISORY BOARD

CHAIRMAN

- Mohamed BENCHÂABOUN,
  Minister of Economy and of Finance

DEPUTY CHAIRMAN

- Obaid BIN HAMAID AL TAYER,
  Chairman of the Board of Etisalat Group

MEMBERS

- Abdelouafi LAFTIT,
  Minister of the Interior
- Abderrahmane SEMMAR,
  Manager of the Department in charge of State Owned Enterprises and Privatization at the Ministry of Economy and Finance
- Mohamed HADI AL HUSSAINI,
  Board member of Etisalat Group
- Saleh AL ABDOOLI,
  Managing Director of Etisalat Group
- Mohamed Saif AL SUWAIDI,
  Managing Director of Abu Dhabi Fund for Development
- Hatem DOWIDAR,
  Managing Director of Etisalat International
- Serkan OKANDAN,
  Chief Financial Officer of Etisalat Group


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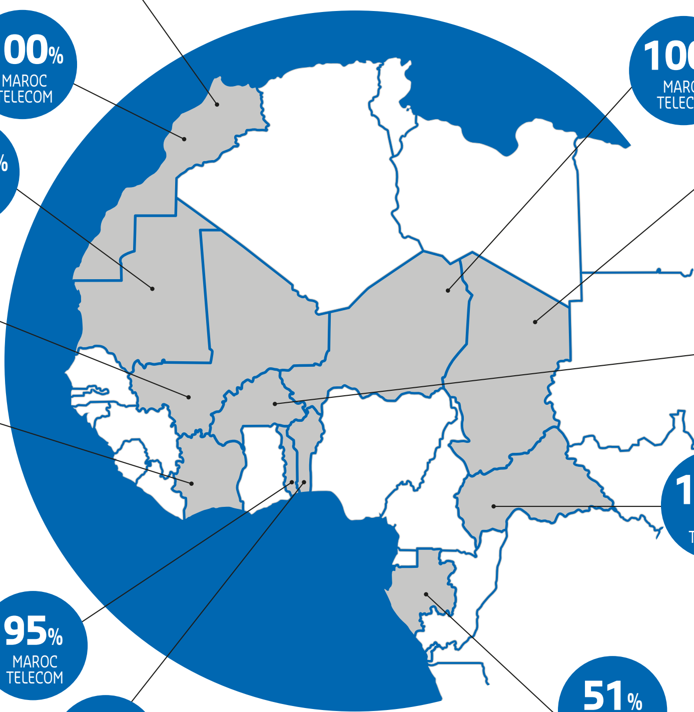
1

GROUP OVERVIEW

1.1 • Maroc Telecom in brief

A major player
in the economic
and social development
of **11 African countries**



Morocco
CASANET
100% MAROC TELECOM

Mauritania
MAURITEL
51.5% MAROC TELECOM*

Mali
SOTELMA
51% MAROC TELECOM

Côte d'Ivoire
AT CÔTE D'IVOIRE
85% MAROC TELECOM

Togo
AT TOGO
95% MAROC TELECOM

Bénin
ETISALAT BÉNIN
100% MAROC TELECOM

Niger
AT NIGER
100% MAROC TELECOM

Chad
TIGO CHAD
100% MAROC TELECOM

Burkina Faso
ONATEL
61% MAROC TELECOM

Central African Republic
AT CENTRAFRIQUE
100% MAROC TELECOM

Gabon
GABON TELECOM
51% MAROC TELECOM

* *51.527% controlled via CMC, a Mauritanian company.*

HISTORICAL

Maroc Telecom is the incumbent telecommunications operator in the Kingdom of Morocco. It operates in the Fixed-Line telephony, Mobile telephony and Internet segments.

1984
Creation of the ONPT (National Postal and Telecommunications Office)

1998
Creation of Maroc Telecom SA.

Promulgation of Law 24-96 and the implementing decrees relating to telecommunications.

2001
Acquisition of 54% of Mauritel SA.

Vivendi's entry into Maroc Telecom's capital.

2004
IPO in Casablanca and Paris Stock Exchanges

2006
Acquisition of a 51% stake in Onatel

2007
Acquisition of 51% of Gabon Telecom

Disposal of 4% of the capital of Maroc Telecom by the Kingdom of Morocco on the Casablanca Stock Exchange

1

Excluding the impact of ANRT decision, Maroc Telecom Group improves its performance and increases profits beyond its annual objectives

CONSOLIDATED REVENUES OF
MAD **36.5** BILLION

GROUP EBITDA*
MARGIN OF
51.8%
OF REVENUE

GROUP CAPITAL EXPENDITURE OF
MAD **6.8** BILLION

10,422
GROUP EMPLOYEES

ADJUSTED NET INCOME **
GROUP SHARE OF
MAD **6** BILLION

NEARLY **68** MILLION
CUSTOMERS

* *The definition of EBITDA is detailed in section 5.2.*
** *Net income adjustements are defined in the table on page 144.*

2009
Acquisition of a 51% stake in Sotelma.

2014
Etisalat acquires a stake in Maroc Telecom.

2015
Acquisition of Etisalat's six African subsidiaries in Benin, Côte d'Ivoire, Gabon, Niger, The Central African Republic and Togo.

2016
Merger of Gabon Telecom and Moov Gabon

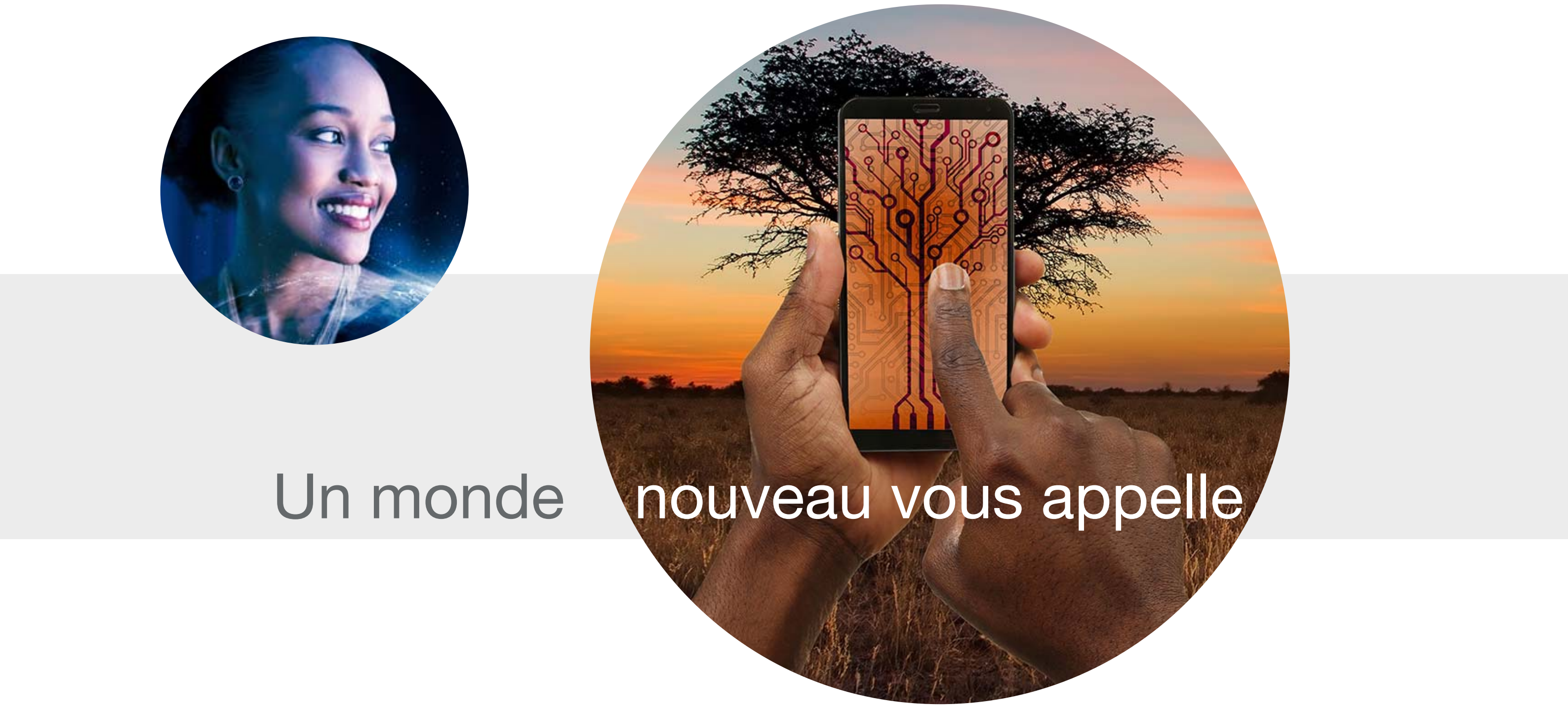
2018
Acquisition of a 10% stake in ONATEL S.A. on the BRVM (west African regional stock exchange in Abidjan)

2019
Acquisition of Tigo Chad.

Disposal of 8% of the government's stake in Maroc Telecom's capital share.

Liquidation of the Prestige Telecom subsidiary.

1.2 • 2019 Highlights

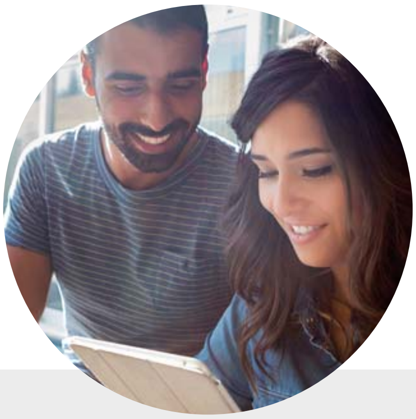


JANUARY 2019

- In Morocco, ANRT launched a study on the preparation of the General Guidelines Note by 2023.
- Maroc Telecom launches the new "Switch" balance conversion service which offers Jawal customers the freedom and flexibility to convert their Voice credits to data and vice versa according to their needs.
- In Togo, specifications are signed for the 2G/3G/4G license.
- In Niger, the tax on incoming international traffic of 88 CFA francs/min for non-4G operators and 50 CFA francs/min for 4G operators is reintroduced.

FEBRUARY 2019

- In Morocco, enactment of Act No. 121.12, amending and supplementing Act 24-96, which establishes a general obligation to access and share infrastructure and an increase in the level of penalties.
- Maroc Telecom enhances its range of top-end Mobile Packages for the Business and Professional Mobile segment, introducing additional 4G+ data volumes free of charge.
- Maroc Telecom further enhances the prepaid Mobile Internet offer and increases the validity period of the MAD 30 internet pass to 14 days.
- Maroc Telecom enhances the *4 international pass and lowers the price of 22 destinations in Africa.
- Maroc Telecom enhances the *7 Roaming Pass, which includes voice, SMS and data, with new destinations: MT customers can now use their Roaming Pass in 30 countries instead of 6.
- In Mauritania, the invitation to tender for 4G licenses by operators with a 2G/3G license and the invitation to tender for a fourth 2G/3G/4G mobile license are both renewed.
- In Mali, 7.5 billion CFA francs paid as the first installment of the 4G license acquired in 2018.
- In Burkina Faso, a decree adopted changing the terms and conditions for identifying subscribers and making the compliance deadline 3 months.
- In the Central African Republic, adoption of the implementing decrees for Law No. 18.002 governing electronic communications in the Central African Republic as required by Law No. 19.001.



MARCH 2019

- Maroc Telecom extends the Fidelio postpaid loyalty program to Forfaits Liberté customers.
- In Burkina Faso, Onatel is granted a global mobile license including 4G for 80 billion CFA francs, which it pays for in full. The Onatel commercial 4G service is launched at the end of March.
- In Côte d'Ivoire, 10 billion CFA francs paid as the fourth and final installment of the global 4G license acquired in 2016.
- In Chad, an agreement is signed with Millicom to acquire its subsidiary Tigo Chad.
- In Chad, the mobile termination rate caps for 2019-2020-2021 are set.

APRIL 2019

- In Mauritania, a decree is signed exempting calls originating in the countries of that region from the tax on incoming international traffic and the minimum international call termination limit.
- In Mali, 7 billion CFA francs paid as the second and final installment of the 4G license acquired in 2018.

MAY 2019

- Maroc Telecom launches an exclusive Top-Up x12 offer, on an ongoing basis, for all Top-ups from MAD 10, via its "*Mon Espace MT*" web portal.
- In Mauritania, Mauritel responds to a call for tender for the acquisition of a 4G license, with the option of early renewal of 2G/3G licenses for 15 years.
- In Côte d'Ivoire, the decree pertaining to mandatory proof of identity using the national ID number is issued, which applies in particular to subscriptions for phone services.
- In Togo, 6.5 billion CFA francs paid as the second installment of the global license acquired in 2018.

JUNE 2019

- The Kingdom of Morocco sells 8% of the capital held in Maroc Telecom, bringing its stake to 22% (operation finalized in July).
- Maroc Telecom launches a new Pro and Business plan that offers 30 hours in addition to 15 GB of 4G+ internet, starting from MAD 180 (incl tax) per month.
- Maroc Telecom launches an enhanced, unlimited domestic and international plan for MAD 399 including unlimited calls to domestic numbers, 100 hours to international numbers, unlimited domestic and international SMS, and 35 GB internet.
- In Gabon, the amended budget law for 2019 retained the new 5% tax on mobile operators' revenue without specifying its terms of implementation, and a new 3% levy on financial transactions was imposed.
- In Côte d'Ivoire, the order instituting a control mechanism for electronic communication flows handled by telecom and ICT companies is promulgated.
- In Togo, the decree stipulating the operating and funding structure of the new digital sovereign fund is issued.
- Also, in Togo, the decree pertaining to essential service providers, essential infrastructure and related obligations is issued.
- In Chad, ARCEP and operators reach an agreement for the latter to invest more to improve service quality.
- Maroc Telecom has completed the acquisition from Millicom of 100% of its subsidiary Tigo Chad.

JULY 2019

- Maroc Telecom adds eight channels to its TV streaming service.
- In Mali, the regulator makes known its decision of July 5, 2019 to restrict national call termination rates for several years and make them asymmetric, retroactive to January 1, 2019.
- In Ivory Coast, Moov Money Côte d'Ivoire, a subsidiary of AT Côte d'Ivoire, is authorized as a digital currency service provider.
- In Benin, the implementing decrees pertaining to the law establishing the digital code are issued.
- In Chad, restrictions on social media are lifted
- In Chad, integration of the subsidiary Tigo Chad into the consolidation Group's scope..

AUGUST 2019

- Maroc Telecom includes the Millicom Tigo Chad subsidiary company in the Nomadis (One Network) service, which offers low roaming rates within the network of subsidiary companies.
- In Mali, the regulator defines the relevant telecoms and ICT markets and identifies the operators that exercise significant power as well as their corresponding obligations.

SEPTEMBER 2019

- Maroc Telecom launches its new generation of prepaid 3G QWERTY phones for MAD 249 (incl. VAT) with access to WhatsApp, Facebook, Youtube, Google Maps and Twitter.
- Maroc Telecom launches its new Student Internet Bundle with a Thomson Neo Y Notebook, a Wifi 4G+ modem and six months of free bandwidth at 7GB/month, all for only MAD 2,990 (incl. VAT).
- Maroc Telecom rolls out a new service enabling customers to purchase apps and digital content on Google Play.

OCTOBER 2019

- Maroc Telecom offers all its customers a free modem with every new fiber internet subscription.
- In Benin, the Interministerial Order setting out the costs and fees for operating resources on frequencies payable by operators in 2019 is issued.

NOVEMBER 2019

- Maroc Telecom offers its Business customers a videoconference service that enables virtual meetings and share content using a reliable and secure system hosted by data center Maroc Telecom.
- The direct link with the new subsidiary Tigo Chad comes into service.
- In Mali, a draft decree is issued adding to Decree 2015-0265/P-RM of April 10, 2015 stipulating proof of identity when subscribing to telecoms and ICT services accessible to the public.

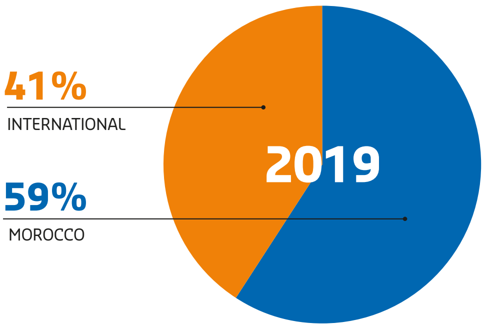
DECEMBER 2019

- In Mauritania, authorities announced the relaunch of the call for tender to award 4G licenses following the unsuccessful outcome of the last process.

1.3 • 2019 Key figures

REVENUE BY GEOGRAPHICAL SEGMENT

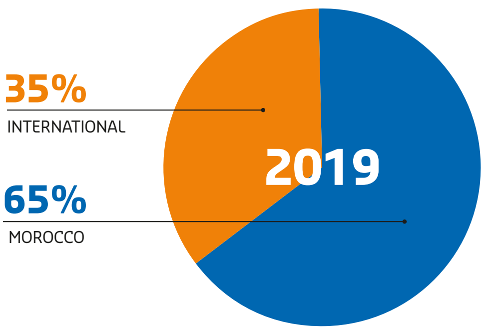
(In MAD million)



	2019	2018	2017
Morocco	21,690	21,414	20,481
International	16,095	16,041	15,733
TOTAL	**36,517**	**36,032**	**34,963**

EBITDA* BY GEOGRAPHICAL SEGMENT

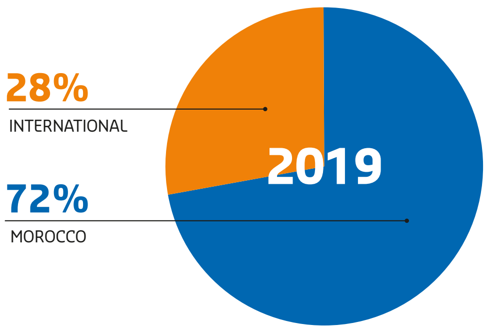
(In MAD million)



	2019	2018	2017
Morocco	12,294	11,460	11,804
International	6,629	6,397	6,357
TOTAL	**18,922**	**17,856**	**17,160**

ADJUSTED EBITA** BY GEOGRAPHICAL SEGMENT

(In MAD million)

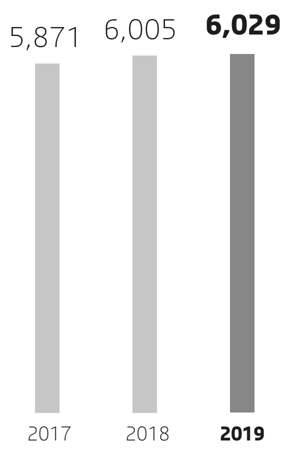


	2019	2018	2017
Morocco	8,294	7,620	6,954
International	3,246	3,431	3,599
TOTAL	**11,540**	**11,052**	**10,553**

* *EBITDA is defined in Section 5.2.*

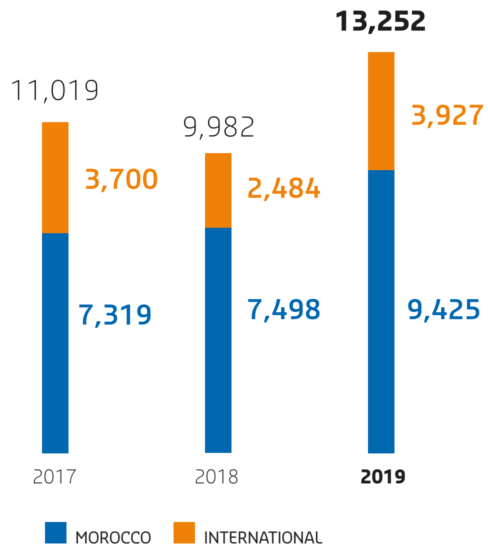
** *EBITA adjustments are defined in the table on page 144.*

GROUP SHARE OF ADJUSTED NET INCOME
(In MAD million)



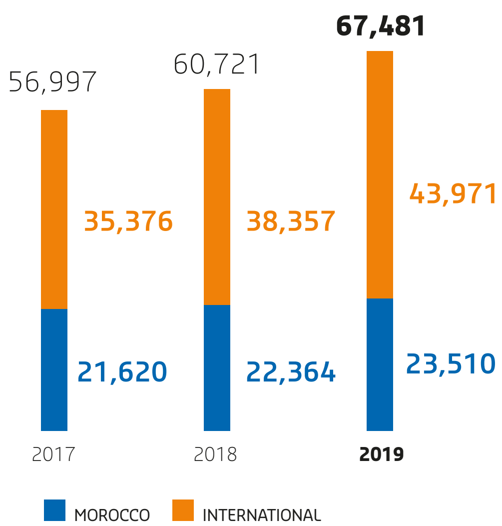
Net income adjustments are defined in section 5.2

ADJUSTED CFFO BY GEOGRAPHICAL SEGMENT
(In MAD million)

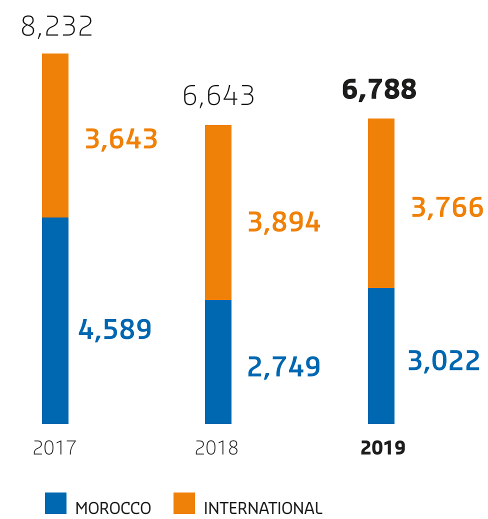


CFFO adjustments are defined in section 5.2.

CUSTOMER BASE BY GEOGRAPHICAL SEGMENT
(in thousands of customers)



CAPITAL EXPENDITURE BY GEOGRAPHICAL SEGMENT
(In MAD million)



1.4 • Group outlook and strategy

The comments relating to market outlook contain forward-looking statements and information relating to Company expectations. Forward-looking statements involve risks and uncertainties inherent to forecasts and are based solely on assessments undertaken as of the date on which such statements are made. Thanks to the significant number of factors involved, the Company warns investors that actual results could differ materially from expectations.

The prospects for growth are promising in all of the countries in which Maroc Telecom Group operates (Morocco and countries in sub-Saharan Africa). Despite a difficult economic and security environment in 2019, African economies have managed to maintain their growth. Morocco's 2020 Finance Act forecasts 3.7% growth in GDP, while the International Monetary Fund expects average GDP growth of 6.1% in 2020 for all ten sub-Saharan countries in which Maroc Telecom operates. In terms of the growth prospects of the telecom markets in particular, Morocco should be distinguished from other Group entities since that market presents a different set of challenges.

1.4.1 Moroccan telecom market outlook and Maroc Telecom's business strategy

The telecommunications market in Morocco offers significant potential for growth because of the following favorable economic and social factors, and the generalized use of information and communication technologies.

Morocco beneifts from several positive factors, namely:

- a favorable economic environment in 2019: GDP is expected to grow by 3.2% and the budget deficit to be reduced to 3.3% of GDP (source: Ministry of Finance); the International Monetary Fund also estimates growth of about 3.2%;
- a population that is growing at an annual rate of 1.25% and which is increasingly urban: 60.3% of the population lives in urban centers (source: latest census of the High Commission for Planning, 2014);
- a new dynamic of investment and corporate support;
- launch of the 3rd NIHD phase for the 2019-2023 period, at a total cost of 18 billion dirhams to fight poverty and social exclusion (National Initiative for Human Development, launched in 2005).

The Moroccan Mobile market is mature, with a Mobile penetration level approaching that of European countries. According to the ANRT, the Mobile penetration rate in Morocco was 131.1% in Q4 2019.

In 2019 the Moroccan telecoms regulator kept the regulatory framework ("the new guidelines") established in 2016 to foster competition. The current regulatory framework established by the ANRT includes:

- floor rates for all voice and data services, which have stabilized prices after several years of significant price declines;
- rate asymmetry for domestic Mobile incoming call terminations in favor of the competitors (+20% for INWI and +6% for Orange);
- a special premium of 20% above the minimum rate for Mobile voice services, below which Maroc Telecom, the only operator declared to be dominant, cannot offer its rates;
- an alignment of the three Mobile operators on data services with common floor price to all three operators;
- the liberalization since November 2016 of IP telephony services, with a very marked impact on incoming international traffic to Mobile lines.

In order to maintain its leadership in the Mobile market, where it remains number one with a 42.9% (Q4 2019) market share, while complying with the guidelines set by the regulator, Maroc Telecom intends to continue its investment program in order to roll out and expand the most extensive Mobile broadband network in the Kingdom of Morocco, with the best quality of service for its customers enabling it to differentiate itself clearly from its competitors. Nearly four years after its commercial launch, the Maroc Telecom 4G+ network covers 99% of the population, as does its 3G network, allowing the Company to support throughout the Kingdom of Morocco the customer excitement about mobile internet. In order to take full advantage of this trend, the priority is to monetize data through the development of special predominantly data offers and by maintaining a fair-use policy (maintaining data consumption ceilings + data options to be added), while coupling data services with voice services in order to support the usages of its customers, who are increasingly using their voice services through Voice over IP applications.

The marketing of several content platform offers (ICFlix, Netflix, etc.) in the Moroccan market, as well as the explosion of connected uses in households, should continue to sharpen the Moroccan market's interest in High Speed Broadband. All the operators in the market offer FTTH access.

Maroc Telecom continues to stand out with its very competitive Fixed-line, and Internet offers and its recognized quality. Contributing to this is a panel of innovative added value services that Maroc Telecom continues to enhance (home automation, Cloud, M2M).

1.4.2 International outlook and strategy of Maroc Telecom's sub-Saharan subsidiaries

Growth in sub-Saharan Africa was consistent in 2019.

All countries in which the Group is present saw significant growth in their Mobile penetration (on average 96% in 2019 vs. 93% in 2018), thus demonstrating the dynamism of those Mobile markets despite the strict customer identification requirement that applies to all operators. The increase in competitive pressure should also result in lower prices in those markets and a democratization of uses of Mobile data and other features.

However, these markets, which are growing significantly, are not all homogeneous. The mature markets - Gabon and Mauritania - are beginning to shift their usage from voice to mobile data. The efforts of the operators are changing in these markets to focus on maintaining their leadership by continuously increasing network coverage and improving their QoS while developing innovative value-added products (Mobile money, FTTH, Enterprise managed services, etc.).

As for the subsidiaries operating in markets with high growth potential, they are seeing a more intense competition and a tighter regulatory framework designed to democratise access to telecom services and reduce the digital divide - in particular due to the rise of Mobile data.

Subsidiaries can also count on the forthcoming installation of a Group-wide underseas cable that will enable them to democratize Mobile data usage, as they will benefit from international bandwidth capacity at a very competitive price.

Maroc Telecom is committed to supporting all of the Group's subsidiaries, and in particular the subsidiary that recently joined it in 2019, Tigo Chad, by providing local teams with the benefit of Maroc Telecom's experience and know-how in Morocco and Africa. The marketing and sales efforts of all the subsidiaries have borne fruit, with each subsidiary increasing its share of the Mobile market. Significant investments have also contributed to these encouraging results thanks to the extension of networks and the continuous improvement in service quality. Significant cost rationalization efforts have also improved margins for all subsidiaries, even though they are under pressure from taxes and fees in a fiscal and regulatory environment that does not offer any favorable levers for challenger operators. To meet the challenge of developing Mobile data, substantial network investments are planned for the period 2020-2021. These investments should enable the subsidiaries to extend their coverage, improve their service quality and above all support growing customer demand for Mobile data and all the innovative products stemming from it (M-payment, Cloud, M2M).

The challenge for all of the Group's operators is to continue to gain market share and become benchmark operators in terms of service quality and innovation, while at the same time monetizing Mobile data to make it a growth driver in these markets.

The gradual improvement in the performance of the Moov and Tigo subsidiaries and the consolidation of the acquisitions of the historical subsidiaries should increase their contribution to the Group's revenue growth and profits.

1.4.3 Maroc Telecom's sustainable development strategy

Maroc Telecom's commitment to sustainable development is a foundation of its culture. As a major telecom operator in Africa, it devotes considerable resources to opening up access to new ICT. It leads many initiatives with a view to encouraging their use by as many people as possible, in order to promote exchanges and the sharing of knowledge and information, thus contributing to the well-being of populations.

The Group's dedication to communities goes beyond telecommunications. As well as being a large employer and a major contributor to the economic growth of the countries it operates in, the Group consistently sponsors humanitarian work, supports culture and sport, and acts to protect the environment.

The Group follows a three-pronged approach to sustainable development, namely (i) bridge the digital divide, (ii) promote the social and economic development of the countries where it operates, and (iii) apply environmentally responsible practices with all its stakeholders. These challenges reflect the integration of social, societal, environmental and ethical issues into the Group's growth strategy and illustrate its desire to participate in a global development initiative for the benefit of citizens.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2

RISK FACTORS AND OPERATIONAL CONTROL FRAMEWORK

2.1 • Risk factors

Investors should consider all of the information in this Universal Registration Document, including the risk factors described in this chapter, before deciding whether to subscribe or purchase shares in the Company.

In order to meet the requirements of the new "Prospectus 3" regulations, applicable since July 21, 2019, the presentation of the chapter "Risk Factors" in this document has been reviewed to improve readability. In accordance with these new regulations, only material risks that are specific to the Company are presented in this chapter.

This chapter describes the major risks faced by the Company, given the specific nature of its business, its structure and its organization.

These risks can be divided into three categories:

- regulatory and legal risks (Section 2.1.1);
- business and operational risks (Section 2.1.2);
- Market risks (Section 2.1.3).

In each of the three categories, the residual risks remaining after the implementation of management measures are ranked by criticality (combination of likelihood of occurrence and estimated impact) assessed during the risk-mapping process. Only the risks assessed as having a "material" level of criticality are detailed in this chapter and ranked in each category by reverse order of impact on the Group (the first being those with the greatest impact). Only the risks assessed as having a "material" level of criticality are detailed in this chapter and ranked in each category by reverse order of impact on the Group (the first being those with the greatest impact). In addition, the impact of the health crisis related to Covid-19, which at the date of filing of this URC is not considered a significant risk but a post-closing event (see details in Chapter 6, Impact of the Coronavirus).

Maroc Telecom is involved in legal proceedings and litigation with competitors or other parties. The outcome of these proceedings is generally uncertain and could materially affect the results and financial position of the Company.

The main disputes in which Maroc Telecom is involved are described in Section 4.3. "Legal and arbitration proceedings".

RANKING OF RISKS

Regulatory and legal risks	♦ Interpretation of existing regulations and adoption of new legal and regulatory standards ♦ Regulatory developments in the countries where Maroc Telecom operates ♦ Potential effects of electromagnetic waves on health
Risks associated with the business and operational risks	♦ Fall in revenue ♦ Increased competition and loss of market share ♦ Limited reliability of information systems ♦ Disruption to technical networks ♦ Lack of control over distribution network ♦ Fraudulent diversion of traffic ♦ Low profitability of acquisitions ♦ Technological obsolescence ♦ Continuous development of Over the Top operators (OTTs)
Financial risks	♦ Market risks

2.1.1 Regulatory and legal risks

THE INTERPRETATION OF EXISTING REGULATIONS AND THE ADOPTION OF FUTURE LEGAL OR REGULATORY STANDARDS COULD SIGNIFICANTLY AFFECT MAROC TELECOM'S OPERATIONS

Identification and description of risk

The regulatory environment of the telecommunications industry in Morocco and in the countries where the Group operates is constantly changing.

In Morocco, following the adoption of Law 104-12 on price freedom and competition, the Decree of May 31, 2016 amending and extending the Decree of July 13, 2005, governing the proceeding with the ANRT for disputes, anti-competitive practices and economic concentration, granted the ANRT new powers to control anti-competitive practices and concentration in the telecommunications sector. As a result, the ANRT was given new powers to sanction anti-competitive practices, which can reach 10% of the revenue of the operator in question, which is doubled in the event of repeated violations. Law 121-12 enacted in January 2019 and published in February 2019, amending and extending Law 24-96, ratified these new ANRT powers.

The regulatory levers had already been strengthened in 2018 through the ANRT's decisions to designate IAM as a dominant operator with a significant influence on the various relevant markets and the continued asymmetry of Mobile call termination rates (see Section 4.2.1.5, Regulatory environment).

Potential effect on the Group

Major impending regulations, as set out by Law 121-12, published in February 2019, amending and extending Law 24-96, by guidelines for approving retail products, which came into effect in May 2016, and related amendments could have a significant impact on the profitability of some services, and Maroc Telecom's business more generally, especially with regard to:

- tougher sanctions (increase in fines of up to 2% of revenues, or 5% in the case of repeat offenses, and assigning greater powers to the regulator, which will have both investigative and punitive powers);
- boosting of national roaming and possibility of its extension to the areas designated by the ANRT, in addition to areas with universal service;
- the strengthening of operator obligations in terms of identifying customers. Operators are, in particular, responsible for identifying the subscriber accounts opened by any subcontractors, distributors, resellers or retailers;
- the intensification of price controls over Maroc Telecom's retail offers and promotions (owing to its position as the dominant operator in all markets), and communication and service quality monitoring introduced by the regulator;
- the guidelines for reviewing the operators' pricing published in 2016 are favorable to third-party operators. In contrast to Maroc Telecom, they have the option of practicing different on-net and off-net rates for prepaid communications. The minimum margin required by Maroc Telecom for alternative operators is now 20% for Mobile and Fixed-Line voice, and 30% for fixed-line broadband;
- the rules applicable to the occupation of the public domain contain uncertainties, particularly in terms of royalties and dues;
- rules on access to new residential developments, yet to be approved;
- changes in Net neutrality regulations encourage more intense competition from Over the Top (OTT) operators;
- the strengthening of regulatory measures in terms of access to the wired local loop and passive infrastructures.

Risk mitigation or control measures

Maroc Telecom ensures compliance with regulatory provisions and carries out continuous monitoring in order to anticipate the promulgation of new legislation and prepare to adopt new standards.

The Group also regularly monitors a number of KRIs (*Key Risk Indicators*) in order to better control this risk.

MAROC TELECOM'S BUSINESS COULD BE AFFECTED BY REGULATORY PRESSURE IN THE MARKETS IN WHICH ITS SUBSIDIARIES OPERATE

Identification and description of risk

Maroc Telecom subsidiaries are subject to continual regulatory oversight.

Broadly speaking, the rise in regulatory fees and special taxes in countries in which Maroc Telecom Group does business also constitutes a significant risk factor.

Potential effect on the group

Major changes in the nature, interpretation or application of regulation by governmental, legal or regulatory authorities, particularly as concerns antitrust law, could result in additional expense for Maroc Telecom or cause it to modify its service, resulting in material impact on its operations, earnings and growth outlook.

For all subsidiaries, obligations relating to the identification of mobile subscribers have increased, and for some of them the identification deadlines are expiring. After that, the accounts of unidentified subscribers would have to be suspended. The risk of a fine cannot be ruled out.

If Maroc Telecom and its subsidiaries were not able to acquire, renew in a timely manner at a reasonable cost, or retain (in particular due to non-compliance with the commitments made in consideration of their award) the licenses required to conduct, continue or develop their business, their ability to achieve their strategic objectives could be impaired.

Risk mitigation or control measures

Group subsidiaries must comply with a set of regulations relating to the conduct of their operations.

POTENTIAL HEALTH RISKS OF NETWORKS, MOBILE PHONES AND WIFI TERMINALS

Identification and description of risk

In recent years, concerns have been expressed internationally about the potential risks to health of electromagnetic waves from mobile phones and mobile transmission sites. To date, Maroc Telecom is not aware of any tangible evidence that proves the existence of risks to human health associated with the use of mobile phones, with the emission of radio frequencies, or with electromagnetic fields.

Potential effect on the Group

Nevertheless, the perception of these risks by the public could have significant negative effects on the revenues or the financial position of Maroc Telecom, particularly if legal proceedings were instituted or if regulation imposed additional costs for compliance with new standards.

Risk mitigation or control measures

Maroc Telecom conducts campaigns each year to measure the intensity of electromagnetic waves from antennas, the results of which have always proved consistent with international standards.

2.1.2 Business and operational risks

MAROC TELECOM'S FUTURE REVENUES AND RESULTS ARE HIGHLY DEPENDENT ON THE ECONOMIES OF THE COUNTRIES IN WHICH IT OPERATES

Identification and description of risk

Maroc Telecom's core business is the provision of telecommunications services, including the provision of telecommunications services in the countries where the Group has a presence. Consequently, the Group's revenues and profitability depend significantly on changes in consumer telecom spending and international call traffic. Telecom service usage trends are closely connected to changes in economic conditions in the countries concerned and, more particularly, in the disposable incomes of the population and the economic activity of businesses.

Potential effect on the Group

A contraction of, or slower-than-anticipated growth in, the economy or uncontrolled inflation could have a negative impact on growth in the number of users or in usage rates or prices for Mobile, Fixed-line and Internet telephone services, which could adversely affect the growth and profitability of the Group's business or even result in a drop in revenues and profits.

Volatile exchange rates can also have a negative impact on the Group's consolidated earnings and are likely to cause uncertainty around investments where payment is made in foreign currency.

An unforeseen increase in interest rates may affect the level of borrowing of Group companies as well as their capacity for investment.

Acts of terrorism, war or political upheaval, whether in Morocco or elsewhere, could significantly affect the economy in general (caused particularly by a decline in tourism). Maroc Telecom cannot anticipate the consequences of possible acts of terrorism or war.

Risk mitigation or control measures

Maroc Telecom has introduced a business intelligence system both nationally and internationally.

MAROC TELECOM FACES INCREASED COMPETITION IN THE KEY MARKETS IN WHICH IT OPERATES, WHICH COULD RESULT IN A LOSS OF MARKET SHARE AND LOWER REVENUES FOR MAROC TELECOM

Identification and description of risk

Maroc Telecom Group's businesses are subject to fierce competition, which could further intensify with the liberalization of the main markets in which the Company operates.

As such, regulatory decisions in all of the Group's markets risk curbing business expansion and impacting revenue growth.

Moreover, as an operator with significant influence, Maroc Telecom is subject to regulatory decisions increasing competition in its mobile and fixed services (voice and data).

Potential effect on the Group

This competition puts pressure on Maroc Telecom and its subsidiaries, which could lead to the Group introducing new reductions in tariffs, increasing loyalty costs and implementing promotional offers, which could lead to reduced revenues and results for the Group.

Strong regulation both in the mobile and fixed markets will have a strong impact on the competitive advantage Maroc Telecom is able to gain from its investments.

In terms of the Mobile market in Morocco, the implementation of national roaming in PACT areas and in the rural areas and roads selected by the ANRT will have a significant impact on Maroc Telecom's competitive advantage in terms of coverage.

Risk mitigation or control measures

In order to meet the needs and expectations of the market, and even to anticipate them, the Group is continuing its policy of investing in new, innovative technologies in order to create new development models for the telecom business.

Note that Maroc Telecom regularly monitors a number of KRIs (Key Risk Indicators) in order to better control this risk.

MAROC TELECOM DEPENDS ON THE RELIABILITY OF ITS INFORMATION SYSTEMS, THE FAILURE OR TOTAL DESTRUCTION OF THESE SYSTEMS COULD RESULT IN A LOSS OF CUSTOMERS AND A REDUCTION IN REVENUE

Identification and description of risk

Maroc Telecom is paid for its services only insofar as it has reliable information systems (including collection and billing systems) and succeeds in protecting and ensuring the operating continuity of these systems.

Potential effect on the Group

An accident entailing the total or partial destruction of these systems (natural disasters, fire or acts of vandalism) would automatically activate a backup information system.

Risk mitigation or control measures

Maroc Telecom has established a security policy for its information systems that allows it to deal with ordinary disruptions in computer operations (unauthorized access, power cuts, theft, hardware crashes, etc.) and to secure uninterrupted service.

Maroc Telecom currently has a Business Recovery and Continuity Plan for its critical information systems – i.e., those that have a direct impact on its revenues, such as systems for collecting data on taxes, sales and billing information for its three product lines: Fixed-line, Mobile and Internet. The plan also covers administrative systems for calculating inter-operator settlements, in Morocco and internationally, and for purchasing and financial management.

Since the critical data systems are synchronized in real time by means of replication between production and emergency platforms, the risk of losing data and being unable to bill customers and recover outstandings from them is now marginal.

Since inception, this plan is tested and evaluated annually by simulating a situation where the information systems are totally unavailable.

The risk of a business interruption in the event of a disaster or cyberattack that compromises the critical information systems of subsidiaries is limited by data backup systems, security tools (e.g. antivirus, DDOS mitigation, server isolation) and gradual hardware redundancy (servers in multiple locations).

DISRUPTIONS TO TECHNICAL NETWORKS COULD RESULT IN A LOSS OF CUSTOMERS AND LOWER REVENUES

Identification and description of risk	Potential effect on the Group
The Maroc Telecom Group can only provide services to the extent that it is able to protect its telecommunication networks from damages caused by disruptions, power failures, computer viruses, natural disasters, theft and unauthorized access.	Any disruption of the system, accident or breach of security measures that would cause interruptions in the Group's operations might affect its ability to provide services to its customers and adversely affect revenues and results from operations. Such disruptions may also result in harming the image and reputation of the Company and/or its subsidiaries, which, in particular, could lead to a loss of customers. In addition, the Group may have to incur additional costs to repair the losses or harm caused by these disruptions.

Risk mitigation or control measures

The security of technical facilities and the active monitoring of network infrastructure run through various preventive measures as well as a Business Recovery and Continuity Plan.

MAROC TELECOM'S INDIRECT DISTRIBUTION NETWORK IS STRENGTH THAT COULD BE WEAKENED IF MAROC TELECOM WERE UNABLE TO MAINTAIN IT

Identification and description of risk	Potential effect on the Group
Maroc Telecom has an extensive distribution network consisting of a direct network of branches and an indirect network consisting of resellers and partners, and an independent network (see Section 4.2.1.6 "Distribution, advertising").	If Maroc Telecom were unable to maintain its close relationships, or to renew its distribution agreements, with its indirect network participants, or if its indirect distribution network were jeopardized for other reasons, including the action of competitors, the distribution network could be weakened and the activity and results of the Company could be significantly affected.

Risk mitigation or control measures

Diversification of channels whilst maintaining the central role of the in-house network so as to reduce distribution risks:

- network of own branches: a key driver for stabilizing the distribution policy:
  - each branch acts as a distribution hub at local level through a portfolio of prepaid resellers and a full image point of sale network incorporated and managed directly,
  - strengthened indirect sales branches dedicated to distribution (sale to resellers: 50 branches nationwide, of which 12 established in 2019 with allocation of additional HR and logistical resources),
  - consolidation of the distribution function at local level through principle of rolling out management by scope: 50 scopes, each managed by an indirect sales agency, have been established cover the national territory to:
  - improve the effectiveness and performance of own branches,
  - manage and expand the portfolio of local resellers,
  - increase local responsiveness;
- network of distributors:
  - these are historical distributors (in operation for around 20 years) which have shown significant ability to adapt to various market developments,
  - effective management of the distribution business (national coverage, profitability, absence of financial incidents etc.),
  - lack of geographical exclusivity: points supplied by distributors are also targeted by the direct sales team which facilitates plans for takeovers by the direct network, in the event that one of the partners' businesses is disrupted or stopped (as seen on public holidays and during festivals);
- digital networks: significant action taken to empower customers and resellers;
  - partnerships rolled out with all banks: top-ups using ATMs and smartphone app,
  - launch of customer self-care,
  - option of topping up reseller accounts online using a bank card;
- monitoring risk control:
  - monitoring performance by channel (earnings, TROs, contribution changes and level),
  - monitoring the number of active resellers by agency,
  - reporting of channel performance by geographical location (monitoring of actual sales coverage, number of active dealers and contribution by channel at local level),
  - regular contact with partners: ensuring the viability of development projects.

THE FRAUDULENT DIVERSION OF TRAFFIC COULD LIMIT THE COMPANY'S REVENUES AND AFFECT ITS RESULTS

Identification and description of risk

The Company suffered a fraudulent diversion of traffic. However, Maroc Telecom cannot predict if new means of fraud will develop, nor the sectors that will possibly be targeted by offenders, nor the impact that any such fraud might have.

Potential effect on the Group

If Maroc Telecom fails to curb the use of fraud, it could see its traffic decline, and its revenues and results could be affected.

Risk mitigation or control measures

Maroc Telecom has a dedicated structure which has introduced tools that are continuously adapting to the changing context of fraud to control and minimize the impact of diversion of international traffic.

THE RISKS INHERENT IN THE POTENTIAL ACQUISITIONS BY MAROC TELECOM OF TELECOM COMPANIES OR LICENSES COULD HAVE AN IMPACT ON MAROC TELECOM'S BUSINESS

Identification and description of risk

To broaden its search for new growth drivers, Maroc Telecom is seeking to achieve external growth by acquiring telecom companies, or licenses, in other countries.

Potential effect on the Group

Such transactions necessarily involve risks. If Maroc Telecom were to fail to achieve the results expected from these acquisitions, its business activities and its results could be affected. Maroc Telecom could, in particular:

- make acquisitions on financial or operational terms and conditions which prove to be unfavorable;
- have difficulty absorbing the acquired companies, their networks, products or services;
- fail to retain the key talent in the acquired companies or to recruit skilled employees as needed;
- fail to achieve the expected synergies or economies of scale;
- make investments in countries where the political, economic or legal situation poses specific risks, such as civil or military unrest, the lack of real or comprehensive protection of shareholders' rights, or disagreements with other leading shareholders, including the public authorities, over management of the acquired companies;
- incur major changes in the tax and regulatory environment of the countries where it operates, including the introduction of new taxes or regulatory duties, an increase in existing contributions without an equivalent increase in sales, or the adoption of new legislation undermining the economic model or resulting in possible financial or administrative penalties for companies;
- fail to adapt to the specific characteristics of the countries in which companies may possibly be acquired.

Risk mitigation or control measures

- Drawing on renowned international advisers to estimate the fair value of the asset, anticipate and take into account any risks in the acquisition process;
- maintaining close ties with local authorities;
- capitalizing on the international experience gained by the Group in order to adapt to local contexts.

CONTINUED AND RAPID CHANGES IN TECHNOLOGY COULD INTENSIFY COMPETITION OR REQUIRE MAROC TELECOM TO MAKE SIGNIFICANT ADDITIONAL INVESTMENTS

Identification and description of risk

Many services offered by Maroc Telecom and its subsidiaries make extensive use of technology.

Potential effect on the Group

The development of new technologies could render some of the Company's services uncompetitive.

Moreover, it cannot be excluded that the new technologies in which the Company may choose, or be forced, to invest will affect its ability to achieve its strategic objectives. As a result, Maroc Telecom may then lose customers, fail to attract new customers, or be obliged to incur significant costs to maintain its customer base, which might have a negative effect on its business, its operating revenues and its results.

Risk mitigation or control measures

To respond to changes in the telecoms sector and to the expectations of demanding customers in terms of price and quality, the Group must adapt its networks and its technologies and develop new products and services at a reasonable cost.

THE GROUP'S HISTORIC FIXED AND MOBILE VOICE SERVICES COULD BE REPLACED WITH ALTERNATIVE MEANS OF COMMUNICATION WHICH COULD RESULT IN A SIGNIFICANT REDUCTION IN THE COMPANY'S REVENUE

Identification and description of risk

Mobile and fixed voice activities are impacted by the increasing use of Voice over IP (VoIP) applications installed on smartphones, which are defined as technologies that enable voice and video communications over the internet that have been deregulated in Morocco since November 2016.

As such, many suppliers of B2B services may compete with Maroc Telecom through the direct marketing of business solutions to our customers (telephony, business networks etc.).

Potential effect on the Group

If this phenomenon continues to grow, these alternative technologies could call into question the usefulness of the Company's infrastructure or business model, which could significantly affect its revenues and profits.

B2B revenues may also be affected. The operator risks turning into a mere Internet service provider giving other players the opportunity to exploit our network to develop their own business.

Risk mitigation or control measures

Effective monetization of data will help to mitigate this risk through the development of new customer habits and the exploration of new growth drivers, in particular in the areas of content and the internet of things.

Moreover, Maroc Telecom must position itself as a leading supplier of turnkey B2B solutions for IT and telecom infrastructure.

Note that Maroc Telecom regularly monitors a number of KRIs (Key Risk Indicators) in order to better control this risk.

2.1.3 Market risks

Identification and description of risk

In accordance with its cash-management policy, Maroc Telecom does not invest in stocks, equity UCITS or derivatives. Where appropriate, Maroc Telecom invests its cash with the main financial institutions, either in sight deposits or term deposits.

The Group is exposed to various market risks associated with its business, but which are managed through the following measures:

- credit risk: Maroc Telecom only contracts with solid banks and institutions and spreads its transactions across these institutions;
- currency risk: Maroc Telecom Group results may be sensitive to fluctuations in exchange rates, particularly in terms of dirham, US dollars or euros. The level of this sensitivity is detailed in Note 32;
- liquidity risk: short term cash balances and lines of credit available to IAM are used to control liquidity risk;
- interest rate risk: the Maroc Telecom Group's debt is mainly at a fixed rate or has low sensitivity to variations in interest rates.

For details of risks and control measures, see Note 32 to the consolidated financial statements "Risk Management".

Potential effect on the Group

Interest-rate risk management and an analysis of the sensitivity of the Group's position to interest rate fluctuations are presented in Note 32 to the consolidated financial statements, "Risk Management".

The potential effects on the Group are set out in Note 32 to the consolidated financial statements, "Risk Management".

Risk mitigation or control measures

Controls and measures implemented to manage risk are set out in Note 32 of the financial report.

2.2 • Operational control framework

2.2.1 Audit and control

INTERNAL CONTROL

The internal control procedures established within Maroc Telecom Group have the following objectives:

- to ensure that employees act within the bounds of operational processes that are consistent with strategic guidelines as well as applicable laws and regulations; and
- to ascertain that the accounting, financial and management information provided to the Company's management bodies fairly presents the Company's operations and financial position.

One of the objectives of the internal control system is to prevent and control both risks resulting from business operations and risks of errors and fraud. Like any control system, it cannot be considered an absolute guarantee that these risks are completely eliminated.

Maroc Telecom controls its risks by means of a three-pronged framework:

Control line	Entity	Role
First control line	Operational Management	Implements the Company's strategy and the resources necessary to control its activities
Second control line	Risk Management and other support functions (IT, HR, Legal, Finance, Management Control, etc.)	Ensure the management of risks, internal control and compliance
Third control line	Internal audit	Provides independent assurance and assessment

INTERNAL AUDIT, RISK MANAGEMENT & INSPECTION

INTERNAL AUDIT

Maroc Telecom's Internal Audit Department (Operational Audit and Financial Audit) reports to the General Control Department. It is an independent function that has direct access to the Audit Committee. The Internal Audit Department is governed by a charter approved by the Audit Committee.

The role of the General Control Department is to provide the Company with an analysis of the level of risk of its operations and to monitor the quality of internal control at each level of the Company's organization. It helps the Company to achieve its objectives by assessing procedures for risk management, control and corporate governance.

The effectiveness of the internal control process is assessed by the Internal Audit Department, according to an annual audit plan approved by the Audit Committee. Summaries of the comments and recommendations formulated by the General Control Department are provided to the Audit Committee.

The audit plan is defined according to an analysis of the business risks, which include financial risks, IT risks, operational risks and noncompliance risks as well as risks specific to the operational units of the Group.

To meet this twofold objective, the General Control Department is split into two complementary functions:

- financial audit (6 auditors at December 31, 2019), for processes with an accounting and financial impact;
- operational audit (11 auditors at December 31, 2019), for matters regarding operational units (Retail branches, technical centers, stores, regions, etc.). Operational audits consist of analyzing procedures for the management of resources, networks and customer services.

The annual audit plan consists of a program of engagements whose implementation is entrusted to the General Control Department.

These engagements have the following main objectives:

- to verify the existence and adequacy of controls in the areas of finance, data processing, and operations, to ensure that the main risks have been identified and are suitably covered;
- to review the robustness of financial information, including controls relating to security of the communication, storage and backup of information;
- to review the operational units and systems to ensure adequacy in respect of policies, procedures, and legal and regulatory requirements;
- to review the means for safeguarding assets and for advising management as to the efficiency and effectiveness of the utilization of resources;
- to ensure that recommendations have been carried out during follow-up engagements.

The General Control Department communicates and coordinates with the Company's external auditors to maximize the effectiveness of the audit scope of coverage.

Internal audits performed in 2019 involved the main items of the balance sheet and income statement, i.e., revenues, fixed assets, inventories, and liquidity, as well as other key corporate processes.

RISK MANAGEMENT

In a context marked by tougher competition, growing regulatory pressure, and strong environmental concerns, risk management is an essential management concern.

The Risk Management entity, created in late 2015 under the General Control Department, has set up an ongoing, dynamic process to manage risks in accordance with the COSO 2017 standards. Its goal is to identify, delineate and manage the risks faced by the Company and to keep them at a tolerable level.

For this purpose, it directs the risk management process by relying on a network of risk officers in the operational departments and the risk managers in the Group's subsidiaries.

INSPECTION

In conjunction with the Internal Audit Department, the Inspection Department (13 inspectors at December 31, 2019) is also responsible for assessing the Company's internal control system and reports to the General Control Department.

At the request of the aforementioned bodies or on its own initiative, the Inspection Department conducts periodic audits, spot checks, and specific reviews, for the following purposes:

- to protect the assets, property, resources and means employed;
- to verify compliance with management procedures, instructions, policies and rules;
- to ensure the quality, adequacy and reliability of data and the optimization of resource allocation;
- to demonstrate and determine any possible liabilities in the event that the Company becomes aware of deficiencies, irregularities or fraud.

The Inspection Department may be called on to contribute to the operational audit by completing specific, periodic missions and to set up a team to study, analyze, and make recommendations on the operations of the Company.

IIA CERTIFICATION OF MAROC TELECOM'S INTERNAL AUDIT ACTIVITIES

In January 2017, Maroc Telecom obtained IIA (Institute of Internal Auditors) certification for its internal audit activities from the IFACI (French Audit and Internal Control Institute) certification committee, in accordance with the Professional Internal Audit Guidelines (RPAI), which are based on International Internal Audit Standards.

Maroc Telecom is the first company listed on the Casablanca Stock Exchange to obtain this certification, which demonstrates that its internal audit activities meet strict criteria of independence and competence and make a strong contribution to the continuous improvement of operational processes.

IFACI certification guarantees compliance with and implementation of the 25 requirements of the 2015 Professional Internal Audit Guidelines, which are classified into three levels: the resources available to Maroc Telecom's Internal Audit (independence, objectivity, charter, ethics, etc.), the services it implements (risk-based audit plan, corporate governance, audit methodology and process, etc.) and audit management and control (supervision, insurance & quality improvement program, etc.).

This international recognition is a further guarantee of Maroc Telecom's professionalism and a reflection of its stated desire to align its audit and control activities with international standards.

In 2019, the IFACI renewed Maroc Telecom's internal audit Quality Certification in accordance with the 2015 RPAI and the IIA Standards after the first annual surveillance audit conducted by IFACI Certification, which pointed out the high degree of professionalism alongside continual professionalization and improvement since the initial audit in 2017.

2.2.2 Code of Ethics, compliance & anti-corruption measures

CODE OF ETHICS & COMPLIANCE

Keen to maintain a high degree of fairness, transparency, market integrity and customer focus, Maroc Telecom established a Code of Ethics in 2006.

The Code is not intended to replace existing rules, but serves as a reminder of the ethical principles and rules that generally apply, and the need to adhere scrupulously to them. The Code aims to make each employee of the Company accountable, setting out the principal rules governing the use of inside information, so as to raise awareness of best practice among all employees and inform and guide their professional conduct.

The Code of Ethics includes rules for dealing with real or apparent conflicts of interest in order to avoid situations such as insider trading or the suspicion that it might occur.

In accordance with the provisions of the Moroccan Capital Markets Authority (AMMC), the Management Board appoints an Ethics Officer, who is responsible for ensuring compliance with the rules set forth by law and the Code of Ethics.

Several measures are taken by the Maroc Telecom Ethics Officer to ensure compliance with the Code of Ethics:

- issuance of a copy of the Code of Ethics to all employees who sign a document stating that they have reviewed them (operation started in 2006, ongoing for new recruits);
- induction seminars by the Ethics Officer for new recruits to raise awareness about the provisions of the Code of Ethics with exposure, for educational purposes, to some situations involving conflicts of interest that employees may face;
- ongoing awareness campaigns for compliance with the Code of Ethics;
- invitation issued to all insiders (internal and external) to sign confidentiality agreements for privileged information acquired in the exercise of their functions/terms of office, in accordance with AMMC provisions.

Employees may also consult the Chief Compliance Officer, who is in charge of ensuring compliance with the law and the rules enshrined in the Code of Ethics.

ANTI-CORRUPTION MEASURES

Measures taken to prevent corruption

Maroc Telecom has made a formal undertaking to prevent corruption. This undertaking is included in the Code of Ethics and reiterated in service memoranda and news flashes circulated to all employees.

The Code of Ethics reiterates the provisions of Article 249 of the Moroccan Criminal Code with regards corruption.

The Code of Ethics specifies that Maroc Telecom's policy is to comply with anti-corruption laws applicable in any of the countries where Maroc Telecom operates and strictly prohibits any corrupt practices. In the absence of specific legal provisions, those in this Code of Ethics should, in any event, be followed by Maroc Telecom employees.

Employees are given awareness-raising sessions on mechanisms for preventing and detecting fraud and combating corruption and fraud.

As part of internal control measures, procedures have been introduced and are regularly reviewed to, among other things, limit and prevent cases of fraud and/or corruption.

Maroc Telecom promotes the principles of market transparency (fair business practices, equal treatment of suppliers, open tendering processes, publication etc.) whilst encouraging its suppliers to uphold values equivalent to those in its Code of Ethics.

The prevention of corruption is part of a global, company-wide set of measures and the associated risk is monitored at various levels of the Company: governance bodies as well as the three control lines.

Internal audit and inspection programs are among these measures and include detecting fraud and corruption through regular audits of any activities that are at risk of corruption.

Measures taken in response to incidents of corruption

In the event of confirmed cases of corruption or fraud, measures are in place to deal with any employees, customers, service-providers and suppliers responsible (termination of contract, blacklisting any clients guilty of fraud, removal from panel of suppliers, legal proceedings etc.).

2.2.3 ISO certification

Our Company has been:

ISO 9001 – Quality Management System certified since 2004; Our Company has been:

- ISO 9001 – Quality Management System certified since 2004;
- ISO 27001 – Security Management System certified since 2007.

The integrated Quality & Safety management system introduced by Maroc Telecom in 2008 has yielded the following benefits for the Company:

- solid business performance based on active market intelligence and an ongoing network-based sales campaign;
- dynamic adaptation of the organization according to the overarching strategic issues;
- increased security for the Company's assets and personal data;
- guaranteed continuity of business-critical processes;
- across-the-board compliance with internal, regulatory and legal requirements.

The certification, awarded by internationally recognized bodies, is a guarantee of the quality of the services provided by Maroc Telecom and proof of its commitment to listening to the needs of its stakeholders, to better satisfy and retain them.

The transition from the 2008 version to the 2015 version of ISO 9001 was completed successfully in December 2017.

In 2019, Maroc Telecom passed the audit to renew the Quality and Information Security certifications.

PERSONAL DATA PROTECTION

With the establishment of the National Commission to Control the Protection of Personal Data (CNDP) on November 15, 2010, Maroc Telecom had a period of two (2) years (until November 15, 2012) to comply with the provisions of Law 09-08 on the protection of individuals in the processing of personal data.

A legal representative of Maroc Telecom was named to ensure, in collaboration with the National Commission to Control the Protection of Personal Data (CNDP), compliance with the law and the maintenance of compliance with said law.

Maroc Telecom notified the CNDP of all personal data processing operations it performs and obtained approval from the Commission in December 2013.

Since the effective date in 2013 of Law 09-08 on the protection of individuals in the processing of personal data, Maroc Telecom has continuously ensured compliance and the maintenance of its level of compliance with that Law.

To inform its employees of the scope of Law 09-08, Maroc Telecom made an instructional video.

2.2.4 Insurance

Maroc Telecom's risks are covered by a centralized policy of coverage by appropriate insurance policies set up in addition to prevention procedures and business recovery plans in the event of a loss. Maroc Telecom has a policy of continual review of its insurance policies through regular bid tenders to benefit from the best technical and financial terms in the market. These insurance programs are set up with the main national and international insurers in order to obtain optimum coverage of Maroc Telecom's risks.

In 2019, Maroc Telecom took out an international Group insurance policy offering its subsidiaries the best coverage available on the market. The program consists of property & business interruption insurance, civil liability insurance and Directors & officers liability insurance.

At the international level, Maroc Telecom's principal insurance policy is comprehensive and covers its subsidiaries' business and assets against property damage and indirect operating losses. With regard to civil liability insurance, the Group program affords Maroc Telecom additional coverage extending to major losses and their potentially substantial financial consequences.

In 2019, Maroc Telecom also took out insurance policies including cover for employees, in particular occupational accident and illness insurance, with a guarantee pay-out in the event of an accident at work or occupational disease, as well as supplementary health cover in addition to that provided by the mutual health insurance scheme. A death and incapacity insurance policy guaranteeing a payout in the event of death or total and permanent incapacity as well as a medical transportation policy for IAM employees whether in Morocco or expatriate, have also been taken out.

As part of its human resources policy, and in order to improve the health cover of its employees and their families, Maroc Telecom took out an insurance policy covering medical expenses abroad. The policy enables employees and their families to benefit, in the event of serious and/or grave illness, from complete treatment in countries which have excellent health and medical care facilities.

The Maroc Telecom Building in Rabat is covered by property damage insurance and a ten-year civil liability warranty, providing broad coverage of the potential risks surrounding this large-scale project.

Along with these insurance policies, for more than a decade Maroc Telecom has been committed to a major prevention program to protect its sites against property risks. This program is conducted in close collaboration with Maroc Telecom's insurance partners. The insurer's technical department performs audits regularly to review the existing protection and prevention measures and generally assess Maroc Telecom's safety system and the vulnerability of its key sites in general. After their visits the auditors prepare and send their reports to Maroc Telecom's various departments which then examine recommendations for improving site protection.

Maroc Telecom also transmits its insurance and risk management experience to its subsidiaries.


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3

INFORMATION ABOUT THE COMPANY

3.1 • Person responsible for the Universal Registration Document and for the audit of the financial statements

In this Universal Registration Document, the terms "Maroc Telecom" and the "Company" refer to Itissalat Al-Maghrib SA (Maroc Telecom), and the term "Group" refers to the group comprising the Company and all of its subsidiaries, as described in Chapter 4.

3.1.1 Person responsible for the Universal Registration Document

Mr. Abdeslam Ahizoune

Chairman of the Executive Board

3.1.2 Certification of the Universal Registration Document

Having taken all reasonable care to ensure that the following is true, I hereby certify that, to my knowledge, the information contained in this Universal Registration Document accurately reflects the facts and contains no omission likely to affect its meaning.

I certify that, to my knowledge, the financial statements were prepared in accordance with applicable accounting standards and that they present fairly the assets, financial position and results of operations of the Company and its consolidated subsidiaries, and that the management report under Chapters 4 and 5 of this Universal Registration Document provides a fair review of the changes in revenues, results of operations and financial position of the Company and its consolidated subsidiaries, as well as the risks and uncertainties they face.

Chairman of the Executive Board

Abdeslam AHIZOUNE

3.1.3 Persons responsible for the audit of the financial statements

STATUTORY AUDITORS

Deloitte Audit, represented by Ms. Sakina BENSOUDA KORACHI

Boulevard Sidi Mohammed Ben Abdellah, Tour Ivoire III, Etage 3, Casablanca, Marina, Maroc

Appointed by the Shareholders' Meeting of April 26, 2016, she was reappointed at the Shareholders' Meeting of April 23, 2019. Her current three years term shall expire at the close of the Ordinary Shareholders' Meeting held to act on the financial statements for the year ending December 31, 2021.

Mr. Abdelaziz ALMECHATT

83, avenue Hassan II – 20 100 Casablanca, Morocco

Abdelaziz Almechatt was first appointed in 1998 in accordance with the Company articles. His current term of office, renewed for three years in 2017, expires at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2019.

3.1.4 Information policy

PERSON RESPONSIBLE FOR INFORMATION

Mr. François VITTE

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SCHEDULE OF FINANCIAL REPORTING

All financial information reported by Maroc Telecom (press releases, presentations, annual reports) is available at its website: www.iam.ma.

Maroc Telecom's 2020 financial reporting schedule (subject to change) is as follows:

Date [(a)]	Event
February 17, 2020	Q4-2019 and 2019 Annual Results
April 20, 2020	Q1-2020 Results
April 29, 2020	Shareholders' Meeting
July 20, 2020	H1-2020 Results
October 19, 2020	Q3-2020 Results

(a) Before stock market opening.

SHAREHOLDER INFORMATION

Corporate, accounting, and legal documents, whose reporting is governed by Moroccan and French law and by the Company's Bylaws, may be consulted at the Company's registered office by shareholders and third parties. This Universal Registration Document and registration documents as well as any updated versions filed with the AMF (French Financial Markets Regulator) can be viewed on its website at www.amf.fr. The Company's reports to investors and financial analysts as well as its press releases can be viewed and downloaded on Maroc Telecom's website: www.iam.ma.

In accordance with the provisions of the Transparency Directive, in force since January 20, 2007, all regulated information is available and archived on the Maroc Telecom website at: http://www.iam.ma/groupe-maroc-telecom/communication-financiere/information-reglementee/.aspx

3.2 • Information about the Company and corporate governance

3.2.1 General information about the Company

3.2.1.1 CORPORATE NAME

ITISSALAT AL-MAGHRIB.

The Company also operates under the trade names "IAM" and "Maroc Telecom".

3.2.1.2 HEADQUARTERS

The Company's registered office is on Avenue Annakhil, Hay Riad, Rabat, Morocco.

Telephone: +212 537 71 21 21

3.2.1.3 LEGAL FORM

Maroc Telecom is a *société anonyme* (corporation) with an Executive Board and a Supervisory Board.

3.2.1.4 GOVERNING LAW

The Company is governed by Moroccan law, in particular by Law 17-95 pertaining to corporations, as amended and extended by Law 20-05, 78-12 and 20-19, and by the Company's Bylaws. The Company is not subject to French law governing business corporations.

Because the Company is listed on a regulated market in Morocco, the provisions of various Moroccan laws, regulations, orders, decrees and circulars are applicable.

3.2.1.5 COMITMENTS OF THE COMPANY WITH RESPECT TO THE FRENCH FINANCIAL MARKETS REGULATOR

Because the Company is also listed on the Euronext Paris exchange, it is subject to certain provisions of French securities regulations. Under current laws and pursuant to the General Regulations of the French Financial Markets Regulator (AMF), provisions concerning foreign issuers are applicable to the Company. In addition, Euronext Paris organization and operating rules are generally applicable to the Company. The French Financial Markets Regulator may also enforce the mandatory submission of a public tender offer and buyout for all buyout offers concerning Company shares.

Since Order 2015-1576 of December 3, 2015 finalizing the transposition of the European Transparency Directive, which amended Article L. 451-2-1 of the French Monetary and Financial Code, the information mentioned in Article L. 233-7 (I) of the French Commercial Code governing, in particular, the rules applicable to shareholding disclosure thresholds, now applies to the Company.

Under French regulations, foreign issuers must apply the necessary measures that allow shareholders to manage their investments and exercise their rights.

By virtue of its listing on the Euronext Paris exchange, in accordance with the AMF's General Regulation, following the transposition into the French Monetary and Financial Code of the EU Transparency Directive, applicable from January 1, 2015, the Company is required to comply with the provisions of Title II of the AMF's General Regulations, and in particular:

- inform the French Financial Markets Regulator (AMF) of any changes in its share capital compared with previously disclosed information, particularly any shareholding disclosure that Maroc Telecom may have received;
- publish a half-year financial report including condensed or complete financial statements for the past year, a half-year operations report, a Statutory Auditors' report on the review of the aforementioned financial statements, and a statement from the persons responsible for the half-year financial report, within three months of the end of the first half of the Company's fiscal year;
- publish an annual financial report including general and consolidated financial statements, a management report, a Statutory Auditor's report, and a statement from the persons responsible for the annual financial report, within four months of the end of the Company's fiscal year;
- publish monthly the total number of voting rights and shares comprising the Company's share capital;
- publish promptly any information on new facts that may materially affected the share price, and inform the AMF thereof;
- inform French shareholders about changes in Company business or in the management team;
- make the necessary provisions to allow persons who hold their shares through Euroclear France to exercise their rights, particularly by informing them of Shareholders' Meetings and by allowing them to exercise their voting rights;

- notify persons who hold their shares through Euroclear France about dividend payments, new share issues, allocation, subscription, surrender and conversion;
- update names and details of the persons responsible for information in France;
- provide the AMF with any information it may require in accordance with its mission and with the laws and regulations applicable to the Company;
- comply with the provisions of the AMF General Regulations relating to mandatory public disclosure;
- comply with the various procedures described in the AMF General Regulations for publishing disclosures;
- post all available regulated information on Maroc Telecom's website and keep a record of such information for at least ten years;
- inform the AMF and Euronext Paris of any proposed amendment to the company Bylaws.

The Company is required to inform the AMF of any resolution by the Shareholders' Meeting to authorize the Company to trade in its own shares, and must provide the AMF with periodic reports on the purchases or sales of shares by the Company by virtue of said authorization.

The Company must publish identical information simultaneously in France and in other countries, in particular Morocco.

All publications and disclosures referred to in this chapter are published mainly through notices and press releases in national financial daily newspapers distributed in France.

Information intended for the French general public is written in French.

Like French issuers, the Company publishes a Universal Registration Document providing legal and financial information relating to the issuer (shareholder structure, operations, management procedures, financial information).

In practice, the Company's annual report may be used as the Universal Registration Document, on condition that it contains all mandatory information.

The Universal Registration Document must be filed with the AMF and made available to the public by the Company at a reasonable time in advance of, and at the latest at the beginning of, the offer to the public or the admission to trading on a regulated market.

The Company should publish the Universal Registration Document to the public in one of the forms provided for in Article 212-27 of the General Regulations of the AMF and in accordance with the conditions set out in those Regulations, that being:

- a publication in one or more newspapers circulated nationally or widely;
- available free of charge in printed form at the issuer's headquarters or at the company making a market in the financial securities admitted to trading and at the financial intermediaries placing or trading the securities in question, including the paying agents and depositories of the financial securities;
- available online on the issuer's website or, if applicable, on those of the financial intermediaries placing or trading the securities in question, including the paying agents and depositories of the financial securities;
- available online on the website of the regulated market on which the admission to trading is sought.

The electronic version of the Universal Registration Document, which is identical to the original version approved by the AMF, will be sent to the AMF to be published on its website.

Annual and half-year reports in French are available to the public in France at the offices of the financial intermediary in charge of the Company's financial services in France (currently CIC).

In addition, the Company intends to maintain an active policy towards all shareholders, including those whose shares are held through Euroclear France, to allow them to participate in all rights issues open to the public and, if applicable, carried out on international markets.

However, because of the constraints arising from operations on international financial markets, in order to benefit from the optimal conditions of those markets, and in the interest of the Company and of its shareholders, the Company cannot guarantee that persons holding their shares through Euroclear France will be able to participate in any such rights issues where applicable.

3.2.1.6 INCORPORATION – REGISTRATION

The Company was founded in Rabat by a charter dated February 3, 1998.

The Company was registered with the Rabat Trade Registry on February 10, 1998, under number 48,947.

LEI code: 254900LH0G1ZIZ78Y462

3.2.1.7 TERM

The term of the Company, subject to early liquidation or extension as provided for by law and the Company's Bylaws, is ninety-nine (99) years from the date of registration with the Trade Registry.

3.2.1.8 CORPORATE PURPOSE

In accordance with its contract specifications as an operator and pursuant to Article 2 of the Company's Bylaws and the statutory and regulatory provisions in force, the Company's corporate purpose is:

- to provide all electronic communication services for domestic and international relations, and in particular to provide universal telecommunications service;
- to establish, develop and operate all publicly available electronic communications networks that are necessary for the provision of the aforementioned services, and to ensure that said networks are interconnected with other networks available to users in Morocco and international users;

- to provide all other services, facilities, equipment, handsets and electronic communication networks, and to establish and operate all networks that distribute audiovisual services, including audio, television and multimedia broadcasting.

As part of the activities thus defined, the Company may:

- create, acquire, own and operate all movable and immovable property and any business necessary, or just useful, for its activities and particularly those the transfer or use of which is provided for by law;
- market and, as a secondary activity, assemble and manufacture any telecommunication products, equipment and devices;
- create, acquire or take on license and operate or sell any patents, processes or trade names;
- participate, by any legal means, in any financial syndicates, businesses or companies, existing or being incorporated, with a purpose similar or related to that of the Company;
- more generally, execute any commercial, financial, securities-related or real estate transactions and, if necessary, any industrial operations that could, directly or indirectly, in whole or in part, be connected with any of the Company's corporate purposes, or with any similar or related purposes and even with any purposes that might promote its growth and development.

3.2.1.9 CONSULTATION OF LEGAL DOCUMENTS

Corporate, accounting and legal documents the disclosure of which is required by law and by the Company's Bylaws to the shareholders and third parties may be inspected at the registered office of the Company.

3.2.1.10 COMPANY'S FINANCIAL YEAR

The Company's fiscal year begins on January 1 and ends on December 31.

3.2.1.11 STATUTORY ALLOCATION OF PROFITS

At each fiscal year-end, the Executive Board establishes an inventory of the Company's various assets and liabilities at that date and prepares the financial statements and the management report to be submitted at the Shareholders' Meeting in accordance with the rules and regulations in force.

The net profit generated by the Company, less prior net losses, if any, is subject to a five percent (5%) deduction allocated to a legal reserve fund; this deduction ceases to be mandatory when the amount of the legal reserve exceeds one-tenth of the share capital.

The distributable profit consists of net profit for the fiscal year, after allocation to the legal reserve and allocation of net income carried over from previous years.

The Shareholders' Meeting may deduct from the profit any amounts that it deems appropriate to allocate to any ordinary or extraordinary discretionary reserve funds or to carry forward, within the limit of a maximum total amount equal to half (1/2) the distributable profit, unless an exception has been authorized by the Supervisory Board by a majority of three-quarters (3/4) of those members of the Supervisory Board who are present or represented.

The balance is allocated to the shareholders in the form of dividends, the total amount of which must be equal to at least half (1/2) the distributable profit, unless an exception has been authorized by the Supervisory Board by a majority of three-quarters (3/4) of those members of the Supervisory Board who are present or represented.

To the extent permitted by law, the Shareholders' Meeting may decide, exceptionally, to distribute sums withdrawn from the discretionary reserves which it controls. (See also Section 3.2.2.5. "Dividends and dividend policy").

Payment of dividends

The arrangements for the payment of dividends approved by the Ordinary Shareholders' Meeting are set by the meeting itself or, failing this, by the Executive Board.

This payment will be made within a maximum period of nine (9) months after the fiscal year-end, subject to an extension of this period by order of the President of the Court, ruling in summary proceedings, at the request of the Supervisory Board.

After five years from the dividend payment date, the dividends are prescribed and lapse to the benefit of the Company.

Sums not collected and not prescribed constitute a claim by the beneficiaries that does not bear interest against the Company unless they are converted into loans on terms and conditions determined by mutual agreement.

If the shares are encumbered by a usufruct, the dividends are due to the usufructuary. However, the proceeds from a distribution of reserves, excluding retained earnings, are allocated to the owner.

3.2.1.12 GENERAL MEETINGS

3.2.1.12.1 Shareholders' Meetings

The collective decisions of the shareholders are made at Shareholders' Meetings, which can be ordinary or extraordinary depending on the nature of the decisions for which they are called.

Duly convened Shareholders' Meetings represent all the shareholders, and their resolutions are binding on everyone, including the absent, incapacitated and objectors or shareholders deprived of the right to vote.

3.2.1.12.2 Convening of Shareholders' Meetings

Shareholders' Meetings are convened by the Executive Board.

Otherwise, in an emergency, Ordinary Shareholders' Meetings may also be called:

- by one or more Statutory auditors, who may only do so after unsuccessfully requesting that the meeting be called by the Supervisory Board and Executive Board;

- by a proxy appointed by the President of the Court following a summary application from any interested party in the event of an emergency or from one or more shareholders representing at least one-tenth of the share capital;
- by the liquidator(s) in the event of dissolution of the Company and during its liquidation;
- by the shareholders holding a majority of the capital or voting rights following a public tender or exchange offer or after the disposal of a block of shares changing the control of the Company; and
- by the Supervisory Board.

General Shareholders' Meetings are called and deliberate as provided by Moroccan Law No 17-95 relating to corporations.

The Company is required, at least thirty (30) days before a Shareholders' Meeting, to publish, in a newspaper appearing in the list established by the Minister of the Economy and Finance, a notice of meeting containing the information required by law and the text of the draft resolutions to be presented to the Shareholders' Meeting by the Executive Board, supplemented by a precise description of the procedures to be followed by shareholders to participate in and vote at the Shareholders' Meeting, in particular how to vote by proxy or by mail. The notice of meeting may not include the information listed in the first paragraph if it is published on the Company's website, at the latest, on the same day as the notice of meeting. In this case, the notice of meeting will cite the aforementioned website.

The request to include draft resolutions on the agenda must be either filed or sent to the headquarters with acknowledgment of receipt within ten (10) days of publication of the notice of meeting. This deadline is included in the notice.

The Company is required, at least fifteen (15) days before a Shareholders' Meeting on first call, and at least eight (8) days before the Meeting on second call, to publish, in a newspaper appearing in the list established by the Minister of the Economy and Finance, a notice of meeting including, if applicable, information on how to vote by mail. If the Company does not receive any requests from shareholders to add draft resolutions to the agenda, the notice of meeting shall serve as the convening notice as it was published. The notice of meeting must mention the Company's corporate name followed, where applicable, by its acronym, the legal form of the Company, the amount of share capital, the address of the headquarters, the registration number in the commercial registry, the day, time and place of the meeting as well as the nature of ordinary, extraordinary or special shareholders' meeting, the agenda and the text of the draft resolutions. For draft resolutions from shareholders, the convening meeting must indicate whether they are approved or not by the Supervisory Board. The Company must publish in an official journal of record, at the same time as the call to the Annual Shareholders' Meeting, the summary financial statements for the previous fiscal year prepared in accordance with the legislation in force (which must include the balance sheet, the income statement, the schedule of income statement balances and the cash flow statement) and the report of the Statutory auditor(s) on those statements.

Any changes to these documents must be published in an official journal of record by the Company within twenty days of the date the Shareholders' Meeting was held.

During a continuous period beginning no later than the twenty-first (21) day preceding the Shareholders' Meeting, the Company will publish the following information and documents on its website:

- The convening notice;
- The total number of existing voting rights and the number of shares making up the Company's share capital, as well as the date of the convening notice, specifying, where applicable, the number of shares and voting rights existing on that date for each class of shares;
- The documents to be presented at the Shareholders' Meeting;
- The text of draft resolutions which will be presented at the Shareholders' Meeting. The draft resolutions submitted or filed by shareholders are added to the website immediately after receipt by the Company;
- Postal voting and proxy voting forms, except in cases where the Company sends these forms to all shareholders.

Once the meeting is convened, a postal voting form and its appendices shall be given or sent to any shareholder who so requests within a maximum period of six (6) days prior to the date of the Shareholder's Meeting. .

Any changes to these documents must be published in an official journal of record by the Company within twenty days of the date of holding the Annual Ordinary Shareholders' Meeting.

Meetings are held either at the registered office or at another location specified in the call to meeting. Any Shareholder's Meeting convened illegally may be canceled. However, the action for nullity shall be inadmissible if all the shareholders were present or represented.

3.2.1.12.3 Agenda

The agenda for meetings is set by the person calling the meeting.

However, one or more shareholders representing at least two percent (2%) of the share capital may request that one or more draft resolutions be included in the agenda.

Regardless of the number of shares held, every shareholder has the right, on proof of identity, to attend Annual Shareholders' Meetings, on condition:

- for holders of registered shares: that these are registered in the name of the holder in the records of the Company;
- for holders of bearer shares: that the bearer shares, or a certificate of deposit issued by the depository of these shares, are lodged at the place mentioned in the notice convening the meeting; and
- if applicable, to provide the Company, in accordance with the provisions in force, with any document that can be used to identify such shareholder.

These formalities must be completed no later than five (5) days before the date of the Meeting, unless a shorter period is specified in the notice of meeting or in current mandatory legal provisions reducing this period.

3.2.1.12.4 Composition

The Shareholders' Meeting is composed of all the shareholders, regardless of the number of shares held. Corporate shareholders are represented by their proxy, who need not be a shareholder.

A shareholder may be represented by another shareholder, the shareholders' guardian, spouse or by an ascendant or descendant of the shareholder, without it being necessary that the latter, personally, be shareholders, or by any company whose corporate purpose is the management of portfolios of securities.

Any shareholder may receive proxies issued by other shareholders in order to represent them at a Shareholders' Meeting, with no limit on the number of proxies or votes held by the same person, either in his own name or as a proxy.

Joint owners of undivided shares are represented at Shareholders' Meetings by one of them or by a single proxy. In the case of disagreement, the proxy shall be appointed by the President of the Court, ruling in summary proceedings, at the request of the more diligent joint owner.

Shareholders who have pledged their shares retain only the right to attend Shareholders' Meetings.

3.2.1.12.5 Committee – Attendance register

COMMITTEE

The Committee of the Shareholders' Meeting is composed of a president and two tellers, assisted by a secretary.

Shareholders' Meetings are chaired by the Chairman or the Deputy Chairman of the Supervisory Board. Otherwise, the meeting elects its own Chairman. If convened by the Statutory Auditor(s), by a court-appointed agent or by the liquidators, the Shareholders' Meeting shall be chaired by that person or one of those who convened it.

The Chairman of the Shareholders' Meeting is assisted by two (2) shareholders representing the largest number of shares, either in their own right or as proxies, who, subject to their acceptance, are appointed as tellers. The Committee thus formed appoints a Secretary who needs not be a shareholder attending the meeting.

ATTENDANCE REGISTER

An attendance register is maintained at each Shareholders' Meeting showing the first name(s), the family name and the address of the shareholders and, if applicable, their representatives, and the number of shares and votes they hold.

This attendance register is initialed by all shareholders present and by the proxies of those absent. It is then certified by the members of the Meeting Committee.

3.2.1.12.6 Voting

Members of the Shareholders' Meeting have as many votes as the shares they hold or represent, including by means of voting proxies or other powers.

Voting rights attached to shares belong to the usufructuary at Ordinary Shareholders' Meetings and to the bare owner at Extraordinary Shareholders' Meetings.

If shares are pledged, the owner exercises the right to vote.

The Company may not vote using shares that it has acquired or accepted as security.

Any shareholder may vote by mail in accordance with current regulations. Shareholders exercising a postal vote are treated as shareholders present or represented when their postal voting form is received by the Company at least two days before the Shareholders' Meeting.

3.2.1.12.7 Minutes

The deliberations of the Shareholder's Meetings shall be recorded in minutes signed by the members of the committee and drawn up in a register or on sheets of paper.

The minutes shall mention the date and place of the Shareholders' Meeting, the method of convening the Meeting, the agenda, the composition of the committee, the number of shares participating in the vote and the quorum reached, the documents and reports submitted to the Meeting, a summary of the discussions and the text of the resolutions put to the vote and the results of the votes. The minutes shall specify, at least for each resolution, the number of shares for which votes have been validly cast, the proportion of the share capital represented by these votes, the total number of votes validly cast, as well as the number of votes cast for and against each resolution and, where applicable, the number of abstentions.

The Company shall publish, on its website, within a period not exceeding fifteen (15) days after the Shareholders' Meeting, the results of the votes.

Minutes of Shareholders' Meetings are recorded in a special register kept at the registered office, numbered and initialed by the Registrar of the Court of the place where the Company's registered office is located.

Copies or extracts of the minutes are certified only by the Chairman of the Supervisory Board or by the Deputy Chairman of the Supervisory Board, signing jointly with the Secretary. Should the Company go into liquidation, they shall be validly certified by one liquidator only.

3.2.1.12.8 Ordinary Shareholders' Meetings

POWERS AND RESPONSIBILITIES

Ordinary Shareholders' Meetings decide on all administrative matters that exceed the powers of the Supervisory Board and the Executive Board and which are not within the powers of Extraordinary Shareholders' Meetings.

An Ordinary Shareholders' Meeting is held at least once a year, within six months of the fiscal year-end.

In particular, the reports of the Executive Board and the Statutory auditors are presented at this Meeting. Accounts are discussed, corrected and approved or rejected and the division and allocation of profits are approved.

It appoints and removes the members of the Supervisory Board, removes the members of the Executive Board and appoints the Statutory auditors.

QUORUM AND MAJORITY

Ordinary Shareholders' Meetings are regularly constituted and may validly deliberate on first call if the shareholders present or represented hold at least one quarter of the shares with voting rights, excluding shares acquired or accepted as security by the Company. If there is no quorum, a second meeting is called for which no quorum is required.

At Ordinary Shareholders' Meetings, resolutions are passed by a majority vote of the shareholders present or represented.

3.2.1.12.9 Extraordinary Shareholders' Meetings

POWERS AND RESPONSIBILITIES

Only Extraordinary Shareholders' Meetings are authorized to amend any or all the provisions of the Bylaws and to authorize the sale(s) of more than fifty percent (50%) of the Company's assets.

However, they may not change the nationality of the Company nor increase the obligations of shareholders without the consent of each of them.

They may decide to transform the Company into a company with any other form, subject to compliance with the legal provisions applicable on this subject.

QUORUM AND MAJORITY

Extraordinary Shareholders' Meetings are only duly constituted and may only validly deliberate if the shareholders present or represented at the first meeting called hold at least half or, at the second meeting called, one quarter of the shares providing the right to vote, excluding shares purchased or accepted as security by the Company.

In the absence of a quorum representing one quarter, the second meeting may be postponed to a date no more than two months after the meeting at which it had been called and may duly be held with the presence or representation of shareholders representing at least one quarter (1/4) of the share capital. At Extraordinary Shareholders' Meetings, resolutions are passed by a two-thirds majority vote of the shareholders present or represented.

3.2.1.13 STATUTORY AUDITORS

Audits of the Company are conducted by at least two Statutory auditors who are appointed and perform their engagement according to law.

3.2.1.13.1 Appointment – Disqualification – Ineligibility

During the life of the Company, the Statutory auditors are appointed for three fiscal years by the Ordinary Shareholders' Meeting.

The duties of the Statutory auditors expire after the Ordinary Shareholders' Meeting called to approve the financial statements for the third fiscal year. Statutory auditors may be reappointed.

A Statutory auditor appointed by an Ordinary Shareholders' Meeting to replace another will only remain in office for the remainder of the term of office of the Statutory auditor's predecessor. If it is proposed at a Shareholders' Meeting not to renew a Statutory auditor's term of office when it expires, the Statutory auditor may, if the Statutory auditor so requests, address the Shareholders' Meeting.

One or more shareholders representing at least 5% of the share capital and/or the Moroccan Financial Market Authority (AMMC) may make a duly justified application to the President of the Commercial Court, ruling in summary proceedings, for the disqualification of the Statutory auditor(s) appointed by the Shareholders' Meeting and for the appointment of one or more auditors to hold office in their place. For the matter to be referred to the court, a duly reasoned application must be submitted within a period of (30) thirty days from the disputed appointment. If the application is granted, the Statutory auditor(s) appointed by the President of the Commercial Court will remain in office until the appointment of new auditor(s) by the Shareholders' Meeting.

If it becomes necessary to appoint one or more auditors and if the meeting fails to do so, any shareholder may apply to the President of the Commercial Court, ruling in summary proceedings, for the appointment of the required Statutory auditor(s).

The Statutory auditor(s) appointed by the President of the Court will remain in office until the appointment of the new Statutory auditor(s) by the Shareholders' Meeting. The appointment of Statutory auditors must take into account the rules governing conflicts of interest.

In the event of resignation, the Statutory auditors must prepare a report explaining the reasons for their decision. This document is submitted to the Supervisory Board and to the next Shareholders' Meeting. It must be sent immediately to the AMMC. If a Statutory Auditor is not appointed by the Shareholders' Meeting within sixty (60) days of the resignation, the Auditor shall be appointed by order of the presiding judge of the court ruling in summary proceedings, at the request of any shareholder, provided that the members of the Supervisory Board are duly convened.

3.2.1.13.2 Duties of Statutory auditors

Statutory auditors have the permanent duty, to the exclusion of any interference in the management, to audit the book values, ledgers and accounting records of the Company and to verify that its accounts comply with the rules in force. They also verify the accuracy and consistency with the summary financial statements of the information set out in the Executive Board's report and in the documents sent to shareholders concerning the Company's assets, its financial position and its results of operations.

The Statutory auditors ensure that equality between the shareholders has been observed.

The Statutory auditors are invited to meetings of the Executive Board and the Supervisory Board which approve the financial statements and to Shareholders' Meetings.

The Statutory auditor(s) may, at any point throughout the year, conduct any inspections and audits that they deem appropriate, and may obtain disclosure, at the Company's offices, of any documents they consider necessary for the performance of their duties and, in particular, any contracts, ledgers, accounting documents and registers of minutes.

The summary financial statements and the Executive Board's management report are made available to the Statutory auditors at least sixty days prior to the notice convening the Annual Shareholders' Meeting.

3.2.1.14 AUDIT COMMITTEE

Article 106a of Law 20-19 amending and expanding Law 17-95 on public limited companies (corporations) requires listed companies to set up an Audit Committee reporting to the Supervisory Board.

According to the law No. 19-14 regarding stock markets, only members of the Supervisory Board with no management position may sit on the Audit Committee, the composition of which is determined by the Supervisory Board. It must include at least three members and its Chairman must have sufficient financial or accounting experience and be independent within the meaning of the Law. Moreover, in the case of companies whose shares are traded on the main stock market, at least one other member must be independent.

The Audit Committee's main remit includes:

- overseeing the collation of information aimed at shareholders, the public and the AMMC;
- overseeing the effectiveness of the systems of internal control, internal audit and statutory audit of accounts;
- overseeing the independence of Statutory auditors, particularly for the provision of additional services;
- making recommendations to the Shareholders' Meeting on the Statutory auditor(s) whose appointment is proposed.
- reporting to the Supervisory Board on a regular basis on the performance of its duties and promptly informing it of any difficulties encountered.

3.2.1.15 DISPOSAL OF SHARES

Disposals of shares take place as provided by law.

3.2.1.16 SHAREHOLDING DISCLOSURE THRESHOLDS

3.2.1.16.1 In Morocco

The obligations are set out in Circular 03/19 of the Moroccan Financial Market Authority (AMMC), dated February 20, 2019, concerning financial transactions and information, approved by Ministry of Economy and Finance Order 1704 -19 of May 30, 2019.

The following description summarizes these obligations. Holders of Company shares or other securities are advised to consult their legal advisors in order for them to prepare a declaration if the disclosure obligation is applicable to them.

In accordance with the law nº19-14 relating to the stock market, any individual or legal entity, acting alone or in concert, who comes to hold, directly or indirectly, a number of shares representing more than a twentieth (5%), a tenth (10%), a fifth (20%), a third (33.33%), half (50%) or two-thirds (66.66%) of the Company's capital or voting rights must, within five days of the date of crossing above or below the shareholding threshold, inform the Company, the Moroccan Financial Market Authority (AMMC) and the Casablanca Stock Exchange of the total number of shares held and the attached voting rights. The date of crossing the shareholding threshold is the date of execution on the stock market of the order passed by the declarant crossing the said threshold.

Moreover, the person concerned by the shareholding disclosure threshold shall inform the AMMC and the Casablanca Stock Exchange, within the same deadline of five (5) days, of its intentions to continue to exceed the thresholds, for six (6) months following the date on which one of the aforementioned thresholds has been crossed. Any change in intention during the six (6) month period must be immediately notified to the AMMC and the Casablanca Stock Exchange. The AMMC will publicly disclose this information.

The above legal obligation is also applicable to any person or legal entity, acting alone or in concert, who owns more than one-twentieth (5%), one-tenth (10%), one-fifth (20%), one-third (33,33%), one-half (50%) or two-thirds (66,66%) of the Company's share capital or voting rights and who disposes of all or part of its shares or voting rights and therefore falls below one of these ownership thresholds.

In each declaration referred to above, the declarant must certify that the declaration made comprises all the shares or voting rights owned or held. It must also indicate the dates of acquisition or transfer of shares.

During the twelve (12) months following the declaration that the threshold has been exceeded, the person or legal entity concerned, acting alone or in concert, must inform the Moroccan Financial Markets Authority (AMMC) and the Casablanca Stock Exchange immediately of the objectives it intends to pursue during the twelve (12) months after the said crossing, specifying whether it is acting alone or in concert, plans to purchase more shares or not, as well as its intention to sit on the Company's Management Board or Supervisory Board, whether or not it intends to take control of the Company or to request the Company's delisting. The AMMC shall make this information available to the public through a press release within two (2) days of its receipt.

In accordance with the provisions of Article 279 of Law No. 17-95 concerning public limited companies and Decree No. 2-18-306 of June 20, 2018, the Company may not own, directly or through an individual acting in its own name on behalf of the Company, more than ten percent (10%) of the Company's share capital and voting rights. In the case of a share buyback program by the Company, it informs the Casablanca Stock Exchange of the share buyback program and its terms and conditions within five (5) days of its launch, in accordance with the General Regulations of the Stock Exchange.

Without prejudice to the provisions of public order and within the mandatory provisions of the law, in the event of non-compliance with the above reporting obligation, the AMMC may impose a pecuniary penalty of MAD 5,000 to 200,000 (approximately €500 to €20,000) on the natural or legal person concerned.

Holders of shares may also be subject to reporting obligations provided for by Moroccan Royal Decree (*Dahir*) No. 1-04-21 promulgating Law No. 26-03 relating to tender offers on the stock market, as amended and supplemented by Law No. 46-06.

3.2.1.16.2 In France

The provisions of the General Regulations of the French Financial Markets Regulator (AMF) and the French Commercial Code (in particular Articles L. 233-7 and L. 233-9), concerning the method for calculating declarations of crossing the shareholding thresholds, the content, the distribution and finally the declaration of intent, applicable to the Company, are defined as follows:

For the calculation of the shareholding thresholds, the person required to provide the information takes into account the shares and voting rights it holds, as well as the shares and voting rights considered equivalent to them, which are compared to the total number of shares making up the Company's share capital and the total number of voting rights attached to these shares. The total number of voting rights is calculated based on all the shares with voting rights attached, including shares without voting rights.

Shares held in a portfolio managed by an investment services provider controlled by that person within the meaning of Article L. 233-3 of the French Commercial Code in the context of portfolio management services on behalf of third parties shall not be treated in the same way as shares or voting rights held by the person required to provide the information, provided, however, that the service provider may exercise the voting rights attached to these shares only if it has received instructions from its principal or if it guarantees that the portfolio management on behalf of third parties is carried out independently of any other activity.

Content of and methods for delivering the declaration of crossing the shareholding disclosure threshold(s):

- persons to notify the AMF must do so no later than the fourth trading day after crossing the shareholding threshold. The AMF publishes on its website the calendar of trading days on the different regulated markets established or operating in France;
- declarations of crossing the shareholding disclosure threshold must be prepared based on the template provided in the AMF guidelines concerning declarations of crossing the shareholding threshold available on the website www.amf-france.org.

They may be transmitted electronically or in paper format to the AMF. The AMF then informs the public about the declarations within a maximum of three trading days after the receipt of the completed declaration, written in French or in another language customary in financial matters.

The different applicable thresholds are as follows: 5%, 10%, 15%, 20%, 25%, 30%, 33%, 50%, 66%, 90% and 95%.

Declaration of intent:

- the declaration of crossing the threshold(s) of 10%, 15%, 20% or 25% of the share capital or voting rights results in the obligation to make a declaration of intent for the next six months. This declaration shall specify whether the purchaser is acting alone or in concert, the methods of financing the acquisition and the terms thereof (in particular if the acquisition has been carried out using shareholders' equity or debt), whether the purchaser intends to purchase more shares or not, to take control of the Company, the strategy that it envisages vis-à-vis the Company, the transactions to implement this strategy (in particular any proposed merger, reorganization, liquidation or transfer of a substantial part of the assets of the Company or of any person that it controls within the meaning of Article L. 233-3 of the French Commercial Code, any proposed change in the Company's business, any proposed amendment to the Company's articles, any proposed delisting of a class of the Company's financial securities from trading, any proposed issue of financial securities of the Company), its intention regarding the finalization of agreements and financial instruments and, if it is a party to such agreements or instruments, any temporary transfer agreement relating to the issuer's shares or voting rights, if it intends to request its appointment or that of one or more persons as a member of the Management Board or Supervisory Board. It is addressed to the Company and to the Financial Markets Authority no later than the close of trading on the fourth stock exchange day following the day of the threshold crossing. This information shall be made available to the public within three (3) trading days of receipt of the complete declaration;
- In the event intentions change within six (6) months of the filing of this declaration, a new reasoned declaration must be sent to the Company and the AMF without delay and made available to the public under the same conditions. This new declaration shall start a new six (6) month period.

The penalty attached to irregularities in these declarations (loss of voting rights attached to shares exceeding the fraction that should have been declared for any Shareholders' Meeting to be held within two years from the date of proper notice) In the absence of a declaration, the Commercial Court within the jurisdiction of the Company's headquarters may, after hearing the Public Prosecutor, at the request of the Chairman of the Company, order the total or partial suspension of the voting rights attached to the shares, for a period not exceeding five (5) years.

3.2.1.17 PUBLIC OFFERS

Public offers under Moroccan law are governed by Law No. 46-06 amending and supplementing Law No. 26-03 of April 21, 2004. A public offer is defined as a procedure that enables an individual or legal entity (called the offeror), acting alone or in concert, to make it known publicly that it proposes to acquire, exchange or sell all or part of the securities giving access to the share capital or voting rights of a company the securities of which are listed.

As under French law, public offers can be voluntary or mandatory when certain conditions are met.

3.2.1.17.1 Voluntary public offers

Any individual or legal entity, acting alone or in concert, wishing to make it known publicly that it intends to sell or purchase securities listed on the stock exchange may file a draft Public Offer for the purchase or sale of said securities. Under French law, the provisions of the General Regulations of the AMF governing voluntary public offers are applicable to public offers for financial instruments issued by companies whose registered office is located outside a Member State of the European Union or a party to the agreement on the European Economic Area and which are admitted to trading on a French regulated market.

Unlike French law, which requires the involvement of the investment service providers authorised to carry on the business of underwriting and acting on behalf of originators, under Moroccan law, a draft public offer is filed by the offeror with the Moroccan Financial Market Authority (AMMC) and must include:

- the objectives and intentions of the offeror;
- the number and type of shares that the Company holds or expects to hold;
- the date and terms on which their purchase has been or may be carried out;
- the price or exchange ratio at which the offeror is offering to acquire or dispose of the securities, the basis it has selected for setting them and the planned terms of settlement, delivery or exchange;
- the number of securities involved in the draft public offer; and
- if applicable, the percentage, expressed in voting rights, below which the offeror reserves the right to withdraw its offer.

The draft public offer must be accompanied by a prospectus. The proposed public tender offer must be accompanied by an information document, referred to in French law as a draft prospectus.

Under French law, this prospectus mentions in particular the identity of the offeror, the content of the bid (proposed price or exchange ratio, number and nature of the securities that it undertakes to acquire, number and nature of the securities of the target company that it already holds, any conditions precedent to the offer, e.g. provisional timetable of the offer, financing conditions of the transaction and impact on the assets, business and results of the target company), its intentions for a period of at least the next twelve (12) months relating to the industrial and financial policy of the target company, its employment guidelines, the law applicable to contracts concluded between the offeror and the holders of securities of the target company as a result of the offer and the competent courts, the agreements relating to the offer to which it is a party or of which it is aware and the identity of any persons with whom it is acting in concert or of any persons acting in concert with the target company of which it is aware, if applicable, the reasoned opinion of the Board of Directors or the Supervisory Board, if applicable, the commitment to file an irrevocable and fair draft offer for all the equity securities giving access to the capital or voting rights of the Company, including no more than 30% of the share capital or voting rights are held and which constitutes an essential asset of the target company, if applicable the report of the independent expert, the procedures for making the information required by Article 231-28 of the AMF General Regulation available, and the detailed procedures for acquiring the financial instruments of the target company and, where applicable, the identity of the investment services provider.

The draft prospectus shall include the signature of the offeror or its legal representative certifying the accuracy of the information provided therein. It shall also include the certification of the legal representatives of the sponsoring institutions regarding the accuracy of the information relating to the description of the offer and the factors used to assess the proposed price or exchange ratio.

Also under French law, the content of the target company's draft prospectus in response is set out in an AMF guideline available at www.amf.org.

In Moroccan law, the content and implementation of the proposals in the draft offer are guaranteed by the offeror and, if applicable, by any person acting as surety. The draft Public Offer filed with the AMMC must be accompanied, if applicable, by the prior authorization(s) of the competent authorities. Without this authorization, a draft public offer is inadmissible.

In particular, if the proposed public tender offer provides for the delivery of securities to be issued, the irrevocability of the commitments carries the obligation to propose to the Shareholders' Meeting of the issuing company a resolution to decide or authorize the issue of securities intended to remunerate those shareholders tendering their securities under the terms and conditions and clauses provided for in the proposed offer, unless the management body has an express delegation for this purpose. Depending on the legal, regulatory or statutory provisions applicable to the offeror, the AMMC may require the offeror to make the opening of its offer contingent on prior authorization of the transaction by its Shareholders' Meeting, provided that such Meeting has already been convened when the tender offer is filed.

Upon filing of the draft Public Offer, the AMMC will publish a notice of filing of the draft Public Offer in an official journal of record reporting the main provisions of the proposal. The publication of such notice marks the start of the offer period.

The AMMC discloses the main features of the draft public offer to the authorities, which then have two (2) business days to decide whether the draft is admissible in view of the national strategic interests.

If the administration fails to publish its decision within two (2) days, it is deemed not to have any comments to make.

Upon filing of the draft Public Offer, the AMMC will request that the stock exchange management company suspend trading in the securities of the target of the draft Public Offer. The notice of suspension is published under the terms and conditions of the General Regulations of the stock exchange.

The AMMC has ten (10) business days from the publication to consider the admissibility of the draft offer and may require the offeror to produce any evidence or information required for its assessment. Under French regulations, the AMF has five (5) trading days from the filing of the draft prospectus in response by the target company to issue its approval of the offer's compliance, and more generally has ten (10) trading days following the start of the offer period to assess the compliance of the draft offer document with the applicable legal and regulatory provisions.

As under French law, the offeror must amend the draft to comply with the recommendations of the AMMC if the latter considers that the draft violates the principle of equality among shareholders, transparency, market integrity and fairness in transactions and competition. In all cases, the AMMC has the authority to ask the offeror for any additional warranties or to require the deposit of margin in cash or securities. Reasons must be given for any decision of inadmissibility.

Where an offer is declared admissible, the AMMC informs the offeror of its decision and publishes a notice of admissibility in an official journal of record. Concurrently, the AMMC asks the stock exchange management company to resume trading.

Any proposed Public Offer must be accompanied by a prospectus which may be prepared jointly by the Offeror and the target company if it accepts the Offeror’s objectives and intentions. If not, the target company may separately prepare and file with the AMMC its own prospectus within a maximum period of five (5) trading days from receipt of the Offeror’s prospectus. The latter is required to deliver a copy of its prospectus and its draft Public Offer to the target company on the day it files its draft Public Offer with the AMMC.

The contents of the prospectus(es) is set by the AMMC, which has a maximum of twenty-five (25) business days to approve the prospectus(es) from the date of filing. If it considers that additional justification or explanations are required, this period may be extended by ten (10) business days. When this period has elapsed, the AMMC will grant or refuse approval, and reasons must be given for any refusal of approval.

The offeror and, as the case may be, the target company must each, for the information concerning them, publish all the information documents required by law in a newspaper publishing legal notices within a maximum period of five (5) working days after obtaining approval.

The management company centralizes the sale or exchange orders and communicates the results to the AMMC, which publishes a notice on the outcome of the offer in an official journal of record. Under French law, the AMF’s task is to check that the Offeror’s proposal complies with current regulations (audit of compliance). To that end, the AMF has ten (10) trading days from the start of the offer period to examine, among other things, the objectives and intentions of the Offeror and the information contained in the draft prospectus. During this period, the AMF may request any explanation or justification required for it to learn about both the draft offer and the draft prospectus.

The deadline is suspended until receipt of the required documents. If the draft offer meets the required conditions, the AMF publishes a compliance statement that carries its approval of the prospectus.

Under French law, the prospectus approved by the AMF must be widely publicized (i) in a daily economic and financial newspaper with national circulation or (ii) by being made available to the public, free of charge, by the Offeror and the target company and published in summary form, or be the subject of a press release the distribution of which is ensured by the Offeror, in accordance with established procedures. This publication must take place before the opening of the offer and no later than the second trading day following the issuance of approval.

3.2.1.17.2 Mandatory public offers

TENDER OFFER

Under the provisions of Article 18 of Moroccan Law No. 26-03 on public offers, as amended and supplemented by Law No. 46-06, it is mandatory to file a tender offer where a person or entity, acting alone or in concert, comes to hold, directly or indirectly, a certain percentage of the voting rights of a company the shares of which are listed on the stock exchange.

The Minister of Finance and Privatization’s Decree No. 1874-04 of 11 Ramadan 1425 (October 25, 2004) set at 40% the percentage of voting rights that requires the holder to make a take-over bid.

Any individual or legal entity must, on its own initiative and within three business days after crossing the threshold of 40% of the voting rights, file a draft public offer with the AMMC. Failing which, such person and those acting in concert with it automatically lose all the voting rights and the monetary and other rights that they may have in their capacity as shareholders. These rights are recovered only after the filing of a draft public offer.

The AMMC may grant an exception to the filing of a draft Mandatory Public Offer where:

- crossing the percentage of 40% does not affect the control of the company concerned, particularly in the event of a capital decrease or a transfer of ownership of shares between companies in the same group;
- voting rights result from direct transfer, from distribution of assets by a legal entity proportionate to the shareholders' rights, following a merger or partial contribution of assets, or from subscription to the increase in capital of a company in financial difficulty.

Applications for exemptions are filed with the AMMC within three business days of crossing the threshold of 40% of the voting rights. The applications must include undertakings by this person to the AMMC not to take any action aimed at acquiring control of said company for a specified period or to implement a recovery plan to revive the company concerned if it is in financial difficulty. If the AMMC grants the requested exemption, the decision is published in an official journal of record, specifying the reason for the exemption granted and, where appropriate, the commitments entered into by the applicant.

PUBLIC BUYOUT OFFER

Under the provisions of Article 20 of Moroccan Law No. 26-03 on public offers, as amended and supplemented by Law No. 46-06, it is mandatory to file a public buyout offer where a person or entity, acting alone or in concert, comes to hold, directly or indirectly, a certain percentage of the voting rights of a company the shares of which are listed on the stock exchange.

The Minister of Finance and Privatization's Decree No. 1875-04 of 11 Ramadan 1425 (October 25, 2004) set at 95% the percentage of voting rights that requires the holder to make a public buyout offer.

The persons who file such an offer must, on their initiative and within three business days after crossing the threshold of 95% of the voting rights, file a draft public buyout offer with the AMMC.

Failing which, they automatically lose all voting, monetary and other rights that they may have in their capacity as shareholders. These rights are recovered only after the filing of a draft public buyout offer.

The filing of a public buyout offer may also be imposed by the AMMC or the individual(s) or legal entity(ies) holding, alone or in concert, a majority of the capital of a company the shares of which are listed on the stock exchange, at the request of a group of shareholders that do not belong to the majority group, provided that several conditions are met including the requirement for the person(s) holding a majority simultaneously to hold 66% of the voting rights (Minister of Finance and Privatization Decree No. 1873-04 of 11 Ramadan 1425).

It is also mandatory for the individuals or legal entities holding, alone or in concert, a majority stake in the company, to file a public buyout offer if the shares of a company are delisted for whatever reason.

3.2.1.17.3 Competing public offers and overbidding

Public offers may be subject to one or more competing public offers or overbidding.

A competing public offer is a procedure by which any individual or legal entity, acting alone or in concert, may, from the opening of a public offer and no later than five trading days before its closing date, file with the AMMC a competing public offer for the securities of the company targeted in the initial offer.

Overbidding is the process by which the offeror of the initial public offer improves the terms of its initial offer, either on its own initiative or as a result of a competing public offer, by changing the price or the type or amount of the securities or the terms and conditions of payment. An offeror who wishes to make a higher offer must file the amendments proposed to its initial public offer with the AMMC no more than five trading days before the closing date of its initial offer. The AMMC assesses the admissibility of the overbidding offer within five trading days from the filing of the draft offer. The offeror of a public offer prepares and submits a supplementary prospectus to the AMMC for approval.

Where more than ten weeks have passed since the publication of the opening of a public offer, the AMMC may, in order to expedite the competition between the public offers, set a deadline for the submission of overbids or of successive competing public offers.

If there is a competing public offer, the offeror of the initial or previous public offer must, no later than ten days before the closure of said public offer, inform the AMMC of its intentions. It may maintain its offer, abandon it or change it with a higher bid.

Under French law, a competing tender offer or an overbid drafted with a price which is at least 2% higher than the price stipulated in the initial offer may be declared in compliance. In other cases, it may also be declared admissible if it is accompanied by a significant improvement in the terms and conditions proposed to the shareholders. Finally, it may also be declared admissible if, without modifying the terms stipulated in the previous offer, it removes or lowers the threshold below which the offeror would not have responded to the offer.

3.2.1.17.4 Rules relating to target companies and to the offerors of a public offer

During the period of a public offer, the offeror, and the persons with whom the offeror acts in concert, may not, in the case of a joint offer, trade in securities of the target company nor in securities issued by the company whose securities are offered in exchange. In the event of a voluntary public offer, the offeror may withdraw its offer within the five trading days following the publication of the notice of admissibility of a competing offer or of an overbid. The offeror informs the AMMC of its decision to abandon, which is published by the latter in an official journal of record. This option exists under the French regulations as well, subject to prior authorization of the AMF.

During the period of the public offer, the target company and, if applicable, the persons acting in concert with such, may not trade, directly or indirectly, in the securities of the target company. Where the public offer is paid entirely in cash, the target company may, nonetheless, proceed with a share buyback program if a resolution of the Shareholders' Meeting which authorized the program has expressly provided for this.

During the period of the public offer, the target company, the offeror, the individuals or legal entities directly or indirectly holding at least 5% of the capital or voting rights of the target company, and any other individuals or legal entities acting in concert with them, must, after each trading session, declare to the AMMC the buy and sell transactions that they have executed in the securities concerned by the offer, as well as any transaction that transfers the ownership of the shares or voting rights of the target company, immediately or in the future.

Any authorization of a capital increase adopted by the Extraordinary Shareholders' Meeting of the target company is suspended for the period of the public offer or the exchange offer for the shares of said company unless the company has given its express authorisation prior to filing of the proposed offer. In addition, the target company may not increase its treasury stock holdings.

During the period of the public offer, the competent bodies of the target company must first notify the AMMC of any planned decision, within their powers, that would prevent the completion of the public offer or of a competing offer. Under French law, the offeror of a public offer and the persons acting in concert with it may, subject to exceptions, purchase the securities of the target company in the market, on certain conditions as to price. These rules also apply to own-account trades by an institution advising the offeror or the target company. The General Regulations of the AMF also impose obligations to declare buy and sell transactions in securities concerned by the offer.

3.2.1.17.5 AMMC Supervision and Monetary Penalties

The offerors of a public offer, the target companies and the persons acting in concert with them are subject to control by the AMMC, which ensures the orderly conduct of such offers in the best interests of investors and the market. The AMMC may impose civil and criminal penalties.

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3.2.2 Additional information about the Company

3.2.2.1 SHARE CAPITAL

3.2.2.1.1 Issued capital

The share capital of Itissalat Al-Maghrib is MAD 5,274,572,040, divided into 879,095,340 shares with a par value of MAD 6 each, all of the same class and fully paid in.

The nominal value of the shares may be increased or reduced as provided for by current laws and regulations. The share capital may be increased, reduced or redeemed by decision of the relevant Shareholders' Meeting and as provided by current laws and regulations.

3.2.2.1.2 Form of shares

The shares are in registered or bearer form, at the shareholder's choice.

The Company maintains a register of transfers at its registered office in which subscriptions and transfers of registered shares are recorded in chronological order. The register is numbered and initialed by the President of the Court. Any holder of a registered share issued by the Company is entitled to obtain a true copy certified by the President of the Executive Board. If the register is lost, copies are authentic.

The Company reserves the right not to create its securities in physical form. In accordance with current legal provisions concerning the registration of securities, the Company's shares must be evidenced by an account entry with the central depository.

INDIVISIBILITY OF SHARES

The shares are indivisible with respect to the Company, which only recognizes one owner for each share.

Joint owners are required to appoint a joint representative in respect of the Company to exercise their rights as shareholders. In the absence of an agreement, a proxy is appointed by the President of the Court, ruling in summary proceedings, on application by the most vigilant co-owner.

However, the right to receive documents required by law belongs to each of the joint owners of undivided shares, and to each of the bare owners and usufructuaries.

3.2.2.1.3 Rights and obligations attached to shares

Each share confers the right to one part, in proportion to the percentage of the capital it represents, of the profits or in the corporate assets, on distribution, both during the life of the Company and in liquidation.

Every shareholder has the right to be informed about the progress of the Company and to obtain disclosure of certain corporate documents at the times and in the manner provided for by law and by the Bylaws.

Shareholders are only liable for corporate debt up to the nominal amount of the shares they own; any call for funds beyond this sum is not permitted.

The rights and obligations attached to a share follow ownership whenever it changes.

Share ownership will automatically imply acceptance of the Company's Bylaws and the resolutions of Shareholders' Meetings and of the Supervisory and Executive Board, acting upon delegations of authority from Shareholders' Meetings.

The heirs, creditors, assigns or other representatives of a shareholder may not, under any pretext whatsoever, require official seals to be placed on the property and assets of the Company, nor request that these be divided or offered for sale at auction nor interfere in any way in its management. When exercising their rights, they must rely on the corporate inventories and the decisions of the Shareholders' Meeting.

Whenever it is necessary to own several shares in order to exercise any right, the owners of single shares or of less than the required number of shares will be personally responsible for consolidating and if necessary buying or selling the required number of securities or rights.

3.2.2.1.4 Acquisition by the Company of its own shares

MOROCCAN LAWS

According to Moroccan laws and the Company's Bylaws, the Company may acquire its own fully paid shares, up to a limit of 10% of the total of its shares and/or of a specific category of its shares.

Pursuant to Section 3 of Chapter 2 of AMMC Circular No. 03/19 of February 20, 2019, on financial transactions and information, any corporation whose shares are listed on the Casablanca Stock Exchange wanting to buy back its own shares to promote the liquidity of such shares or surrender them free of charge or in exchange for payment to company employees or Directors must prepare a factsheet which must be submitted to the AMMC for approval prior to holding the Shareholders' Meeting convened to vote on the transaction.

Trading by the Company in its own shares in order to regulate their price must not interfere with the normal functioning of the market. A company which trades in its own shares must, no later than the seventh day following the end of the month in question, notify the AMMC about the transactions executed in the share. If a company does not trade its own shares during any given month, it must inform the AMMC thereof within the same deadline.

During the implementation of the buyback program, any changes to the number of shares to be acquired, to the maximum purchase price and minimum sale price, and to the deadline within which the acquisition is to be made, must promptly be brought to the attention of the public by way of a press release published in an official journal of record. Such changes must remain within the limits of the authorization given by the Shareholders' Meeting.

FRENCH REGULATION

Following the admission of its shares to trading on a regulated market in France, the Company is subject to the regulations summarized below.

In accordance with the General Regulations of the AMF, the purchase by a company of its own shares is conducted in terms of a prospectus entitled "Program Description," which is not subject to AMF approval.

Under said regulation and under Regulation (EU) No. 596/2014 of April 16, 2014, a company may not trade in its own shares for the purpose of manipulating the market.

After purchasing its own shares, a company is required to render the details of all of its transactions public before the end of the seventh trading day following the date of execution and to file, with the AMF, monthly reports containing specific information about the transactions involved and a semi-annual account of the means in securities and in cash involved.

SHARE BUYBACK PROGRAM

Under a contract effective from October 17, 2017, Maroc Telecom commissioned Rothschild Martin Maurel for a three-year term to implement the following:

- of a price regulation contract in Casablanca, in accordance with the AMMC circular which entered into force in February 2019. Rothschild Martin Maurel trades in the Company's shares on the Moroccan stock exchange via MSIN, an investment house;
- in Paris, a liquidity contract in accordance with the Code of Ethics drawn up by the AMAFI (French association of financial markets) and approved by the AMF on March 21, 2011.

The following table shows the summary of these contracts:

	12/31/2019	12/31/2018	12/31/2017
Casablanca – excl. liquidity pool	5,000 shares MAD 32,663,487.06	14,900 shares MAD 31,000,479.27	42,000 shares MAD 27,869,726.23
Casablanca – liquidity pool	15,000 shares MAD 34,297,144.63	14,000 shares MAD 34,047,316.10	85,000 shares MAD 24,815,586.10
Paris – liquidity account	75,326 shares 4,116,065.00 EUR	67,250 shares 4,241,633.00 EUR	116,077 shares 3,616,882.00 EUR

The current buyback program to regulate the market was approved by the Shareholders' Meeting of April 23, 2019, after the Company had obtained approval from AMMC on April 5, 2019, under reference VI/EM/004/2019 for the Simplified Prospectus relating to said program.

The Shareholders' Meeting held on April 23, 2019, resolved:

- to revoke the buyback program on the stock exchange in order to regulate the market as authorized by the Ordinary Shareholders' Meeting of April 24, 2018, which is expected to expire on November 8, 2019;
- to authorize the Executive Board, as from this meeting, in accordance with the provisions of Article 281 of the Companies Act, for a period of eighteen months from May 8, 2019, to November 6, 2020, to purchase, in one or more stages on the stock exchange, in Morocco or abroad, shares of the Company in order to regularize prices and establish a liquidity contract backing this buyback program on the Casablanca Stock Exchange. The number of shares targeted by said liquidity contract may not under any circumstances exceed 300,000 shares, representing 20% of total number of shares covered by the buyback program.

The characteristics of this buyback program are as follows:

- program schedule: from May 8, 2019, to November 6, 2020;
- range between buying and selling price: MAD 98 – MAD 189;
- maximum part of the share capital to be held, including the shares targeted by the liquidity contract: 0.17%, i.e., 1.5 million shares;
- maximum amount allocated to the program: MAD 283,500,000;
- liquidity contract backing this buyback program, representing 20% of the program, or a maximum of 300,000 shares.

The result of the share buyback program for the period extending from January 1 to December 31, 2019 is as follows:

	Casablanca – Excluding liquidity pool	Casablanca – Liquidity pool	Paris	Total
Number of shares bought	553,057	777,855	131,743	1,462,655
Average buy price	MAD 145.53	MAD 145.05	13.38 EUR	-
Number of shares sold	562,957	776,855	123,667	1,463,479
Average sell price	MAD 145.09	MAD 144.82	13.34 EUR	-
SHARES HELD AT DECEMBER 31, 2019	**5,000**	**15,000**	**75,326**	**95,326**

3.2.2.1.5 Changes in the Company's share capital since incorporation

The table below shows the main transactions in the share capital executed in the last three years:

Date	Transaction	Total number of shares	Nominal *(in MAD)*	Share capital *(in MAD)*
12/31/2017	None	879,095,340	6	5,274,572,040
12/31/2018	None	879,095,340	6	5,274,572,040
12/31/2019	None	879,095,340	6	5,274,572,040

3.2.2.2 CURRENT SHAREHOLDER STRUCTURE AND VOTING RIGHTS OF THE COMPANY

3.2.2.2.1 Shareholder structure

At December 31, 2019, the share capital and voting rights of the Company were held as follows:

Shareholders	Total number of shares	% of share capital	Number of voting rights [c]	% of voting rights
Société de participation dans les télécommunications (SPT) [a]	465,940,477	53.00%	465,940,477	53.00%
Kingdom of Morocco	193,400,975	22.00%	193,400,975	22.00%
Senior managers	142,451	0.02%	142,451	0.02%
Public	219,516,111	24.97%	219,516,111	24.97%
Treasury shares [b]	95,326	0.01%	-	-
TOTAL	**879,095,340**	**100.00%**	**879,000,014**	**-**

(a) SPT is a Moroccan corporation controlled 91.3% by Etisalat and 8.7% by Abu Dhabi Development Fund.
(b) Maroc Telecom shares held directly or indirectly by the Company, on both the Casablanca and the Paris stock markets. These shares do not carry voting rights at Shareholders' Meetings.
(c) At December 31, 2019, the share capital consisted of ordinary shares with single voting rights.

3.2.2.2.2 Potential capital

At the date of this Registration Document, the Company had not issued any securities, other than ordinary shares, carrying direct or indirect rights to Company capital, immediately or in the future. Likewise, there is currently no stock-option plan reserved for employees.

3.2.2.2.3 Changes in the Company's shareholding structure

Maroc Telecom shares have been listed on both the Casablanca and Paris Stock Exchanges since December 13, 2004, after the Kingdom of Morocco's sale by public offering of a 14.9% stake in Maroc Telecom.

On November 18, 2004, the Kingdom of Morocco and Vivendi concluded an agreement regarding the acquisition by Vivendi of a 16% stake in Maroc Telecom.

On January 4, 2005, this agreement allowed Vivendi to increase its stake from 35% to 51% through the acquisition of 140,655,260 Maroc Telecom shares, thereby extending its control.

In 2006, the Moroccan government sold 0.10% of Maroc Telecom's share capital, thereby reducing the Kingdom of Morocco's stake to 34%.

On July 2, 2007, the Moroccan Government placed 4% of Maroc Telecom's shares on the Casablanca Stock Exchange at MAD 130 per share. The sale took the form of a private placement for Moroccan and international institutional investors, with book building during the period June 26-28, 2007. On completion of the transaction, the Moroccan government held 30% of the share capital and voting rights of Maroc Telecom, and the free float had increased from 15% to 19%.

Under the terms of the agreement signed in 2007 between Vivendi and the CDG Group, Vivendi acquired 2% of Maroc Telecom's share capital, thereby increasing its stake from 51% to 53% and reducing the free float to 17%. In addition, the CDG Group acquired a 0.6% stake in Vivendi.

On May 14, 2014, under a service agreement between Emirates Telecommunications Corporation ("Etisalat") and Vivendi, Etisalat took control of Société de Participation dans les Télécommunications ("SPT"), a holding company with 53% of the share capital and voting rights of the Company.

During 2019, the Moroccan State has sold 8% of its of Maroc Telecom's share capital on the stock market, reducing its stake to 22%.

During the last three years, the share capital and voting rights of the Company were held as follows:

				12/31/2019
Shareholders	Total number of shares	% of share capital	Number of voting rights (c)	% of voting rights
Société de participation dans les télécommunications (SPT) (a)	465,940,477	53.00%	465,940,477	53.00%
Kingdom of Morocco	193,400,975	22.00%	193,400,975	22.00%
Senior managers	142,451	0.02%	142,451	0.02%
Public	219,516,111	24.97%	219,516,111	24.97%
Treasury shares (b)	95,326	0.01%	-	-
TOTAL	**879,095,340**	**100.00%**	**879,000,014**	**-**

(a) SPT is a Moroccan corporation controlled 91.3% by Etisalat and 8.7% by Abu Dhabi Development Fund.
(b) Maroc Telecom shares held directly or indirectly by the Company, on both the Casablanca and the Paris stock markets. These shares do not carry voting rights at Shareholders' Meetings.
(c) At December 31, 2019, the share capital consisted of ordinary shares with single voting rights.

				12/31/2018
Shareholders	Total number of shares	% of share capital	Number of voting rights (c)	% of voting rights
Société de participation dans les télécommunications (SPT) (a)	465,940,477	53.00%	465,940,477	53.00%
Kingdom of Morocco	263,728,575	30.00%	263,728,575	30.00%
Senior managers	76,303	0.01%	76,303	0.01%
Public	149,253,835	16.98%	149,253,835	16.98%
Treasury shares (b)	96,150	0.01%	-	-
TOTAL	**879,095,340**	**100.00%**	**878,999,190**	**-**

(a) SPT is a Moroccan corporation controlled 91.3% by Etisalat and 8.7% by Abu Dhabi Development Fund.
(b) Maroc Telecom shares held directly or indirectly by the Company, on both the Casablanca and the Paris stock markets. These shares do not carry voting rights at Shareholders' Meetings.
(c) At December 31, 2018, the share capital consisted of ordinary shares with single voting rights.

	12/31/2017			
Shareholders	Total number of shares	% of share capital	Number of voting rights (c)	% of voting rights
Société de Participation dans les Télécommunications (SPT) [a]	465,940,477	53.00%	465,940,477	53.00%
Kingdom of Morocco	263,728,575	30.00%	263,728,575	30.00%
Senior managers	76,303	0.01%	76,303	0.01%
Public	149,106,908	16.96%	149,106,908	16.96%
Treasury shares [b]	243,077	0.03%	-	-
TOTAL	**879,095,340**	**100.00%**	**878,852,263**	**100.00%**

(a) SPT is a Moroccan corporation controlled 91.3% by Etisalat and 8.7% by Abu Dhabi Development Fund.
(b) Maroc Telecom shares held directly or indirectly by the Company, on both the Casablanca and the Paris stock markets. These shares do not carry voting rights at Shareholders' Meetings.
(c) At December 31, 2017, the share capital consisted of ordinary shares with single voting rights.

3.2.2.2.4 Shareholders' Agreements

SHAREHOLDERS' AGREEMENT BETWEEN THE KINGDOM OF MOROCCO AND EMIRATES TELECOMMUNICATIONS CORPORATION REGARDING MAROC TELECOM SHARES

On May 15, 2014, Emirates Telecommunications Corporation ("Etisalat"), Société de Participation dans les Télécommunications ("SPT"), which is a subsidiary of Etisalat, and the Kingdom of Morocco concluded a Shareholders' Agreement pertaining to Maroc Telecom ("the Company"). The key provisions governing the relationships between the Kingdom of Morocco and Etisalat Group are as follows:

Organization of powers in the management bodies of Maroc Telecom

Supervisory Board

The Shareholders' Agreement stipulates that the Supervisory Board will be composed of no more than nine members appointed for a renewable period of six years.

The allocation of seats on the Supervisory Board will depend on the percentage of the Kingdom of Morocco's interest in the share capital and voting rights of the Company, as follows:

- if the interest of the Kingdom of Morocco is at least equal to 15% of the share capital and voting rights of the Company, three members of the Supervisory Board will be appointed upon proposal by the Kingdom of Morocco and six by Etisalat;
- if the interest of the Kingdom of Morocco is less than 15% but at least equal to 5% of the share capital and voting rights of the Company, one member of the Supervisory Board will be appointed upon proposal by the Kingdom of Morocco and eight by Etisalat.

The Chairman of the Supervisory Board will be appointed by the Supervisory Board as proposed by the Kingdom of Morocco for as long as the Kingdom of Morocco holds at least 15% of the shares and voting rights of the Company. If the Kingdom of Morocco's interest in the share capital and voting rights of the Company is less than 15% but at least equal to 5%, Etisalat will be entitled to propose the Chairman of the Supervisory Board and the Kingdom of Morocco will be entitled to propose the Deputy Chairman of the Supervisory Board.

The Deputy Chairman of the Supervisory Board will be appointed by the Supervisory Board on the proposal of Etisalat for as long as the Kingdom of Morocco is entitled to propose the appointment of the Chairman and Etisalat is entitled to propose the majority of the members of the Supervisory Board.

In addition, the majority principles applicable to the Supervisory Board were incorporated into the Company's Bylaws at the Shareholders' Meeting of September 23, 2014.

Executive Board

The allocation of seats on the Executive Board will depend on the percentage of the Kingdom of Morocco's interest in the share capital and voting rights of the Company, as follows:

- if the interest of the Kingdom of Morocco is at least equal to 15% of the share capital and voting rights of the Company, two members of the Executive Board will be appointed on the proposal of the Kingdom of Morocco and three, including the Chairman and CFO, by Etisalat;
- if the interest of the Kingdom of Morocco is at least equal to 9% of the share capital and voting rights of the Company, one member of the Executive Board will be appointed upon proposal by the Kingdom of Morocco and four members, including the Chairman and CFO, by Etisalat.

Audit Committee and Appointments and Compensation Committee

As long as the Kingdom of Morocco holds at least 15% of the share capital and voting rights of the Company, it may propose the appointment of at least two members of the Company's Audit Committee; and as long as the Kingdom of Morocco holds at least 5% of the share capital and voting rights of the Company, it may propose the appointment of at least one member of said committee.

The rules of procedure for the Audit Committee will provide for:

- the option for any member of the Audit Committee to propose that the Audit Committee carry out an audit of the Company, and the obligation for the Audit Committee to decide on any formal request made by at least two members of the Audit Committee to carry out such an audit; and
- the option for any member of the Audit Committee to make any proposal relating to the work of the Audit Committee.

The Shareholders' Agreement also provides for an Appointments and Compensation Committee composed of the Chairman and Deputy Chairman of the Company's Supervisory Board.

The stipulations with regard to the appointment of the Chairman and Deputy Chairman of the Supervisory Board and to the majority rules applicable to the Supervisory Board, as well as those applicable to the appointment of members of the Executive Board, the Audit Committee, and the Appointments and Compensation Committee, will remain in force as long as the Kingdom of Morocco holds at least 5% of the share capital and voting rights of the Company and as long as Etisalat Group holds at least 20% of the share capital and voting rights of the Company.

Terms and conditions for the disposal or acquisition of shares of the parties

Non-transfers of shares by the Kingdom of Morocco
The Kingdom of Morocco has undertaken not to surrender any of the shares it holds in the Company for a period of five (5) years following the signing of the Shareholders' Agreement (i.e., May 15, 2014), if such transfer would result in the Kingdom of Morocco holding less than 22% of the share capital and voting rights of the Company.

Preemption right to the benefit of the Kingdom of Morocco
In the event of a proposed disposal of the shares held by Etisalat Group or its affiliates to a third party, the Kingdom of Morocco will be entitled to exercise a preemption right for a period of eight (8) years after signing the Shareholders' Agreement. This preemption right will only apply (i) to a transfer that would reduce the total interest of the Etisalat Group and SPT in the share capital of the Company to less than 50%, and (ii) to any transfer by Etisalat Group or SPT until the Kingdom of Morocco's stake reaches 50% of the Company shares plus one share.

Call option held by the Kingdom of Morocco
The Kingdom of Morocco has a call option entitling it to purchase, should it so notify its intention, all of the shares held by the investment vehicle of Etisalat (currently SPT) in the Company, if a change of control of Etisalat (i) affects the national interests of the Kingdom of Morocco or (ii) has a substantial and negative impact on the competitive environment in Morocco, or following a loss of control of SPT by Etisalat or the vehicle that becomes a shareholder in Maroc Telecom in place of SPT.

This clause will remain in force as long as the Kingdom of Morocco holds at least 20% of the Company's share capital.

Specific rights of the Kingdom of Morocco
The Kingdom of Morocco has the right to veto in the following cases:

- proposal of a merger, spin-off or partial transfer of assets that may substantially modify the Company's scope of activities or substantially modify the Company's corporate purpose, if the proposal is likely to affect the national interests of the Kingdom of Morocco for any reason of national security;
- transfer of shares by SPT to any entity, including any entity that controls SPT or is controlled by SPT and which is likely to affect the national interests of the Kingdom of Morocco.

These provisions will remain in force for the entire term of the Company.

Term of the Shareholders' Agreement

Subject to specific provisions with regard to the duration of certain rights, the Shareholders' Agreement has been entered into for a term of ten (10) years and will be renewable automatically for successive periods of five (5) years.

MAURITEL SHAREHOLDERS' AGREEMENT

According to the shareholders agreement entered into with the Islamic Republic of Mauritania, Maroc Telecom, which owns 51.527% of Mauritel via CMC Group, received end/or granted certain rights (Right of first refusal, etc.) enabling it to protect its shareholders rights.

GABON TELECOM SHAREHOLDERS' AGREEMENT

According to the Shareholders' Agreement entered into with the Republic of Gabon, Maroc Telecom, which owns 51% of Gabon Telecom, received and/or granted certain rights (right of first refusal, etc.) enabling it to protect its shareholder rights.

SOTELMA SHAREHOLDERS' AGREEMENT

According to the Shareholders' Agreement entered into with the Republic of Mali, Maroc Telecom, which owns 51% of Sotelma, received and/or granted certain rights (right of first refusal, etc.) enabling it to protect its shareholder rights.

ATLANTIQUE TELECOM CÔTE D'IVOIRE SHAREHOLDERS' AGREEMENT

According to the Shareholders' Agreement entered into with the joint shareholder, Maroc Telecom, which owns 85% of Atlantique Telecom Côte d'Ivoire, received and/or granted certain rights to the minority shareholder enabling it to protect its shareholder rights.

FONDS SINDIBAD SHAREHOLDERS' AGREEMENT

According to the Shareholders' Agreement signed with the other shareholders, Maroc Telecom, which owns 10.41% of Sindibad Fund, received and/or granted certain rights (right of first refusal, etc.) enabling it to protect its shareholder rights.

3.2.2.3 PLEDGED ASSETS

The Company has not pledged any assets.

In addition, the shares held by Maroc Telecom in its subsidiaries are not pledged for the benefit of third parties.

3.2.2.4 COMPANY STOCK AGREEMENT

3.2.2.4.1 Stock exchanges

Maroc Telecom's shares have been listed on both the Casablanca and Paris Stock Exchanges since December 13, 2004.

3.2.2.4.2 Maroc Telecom share price

CASABLANCA STOCK EXCHANGE

Main Market, code 8001

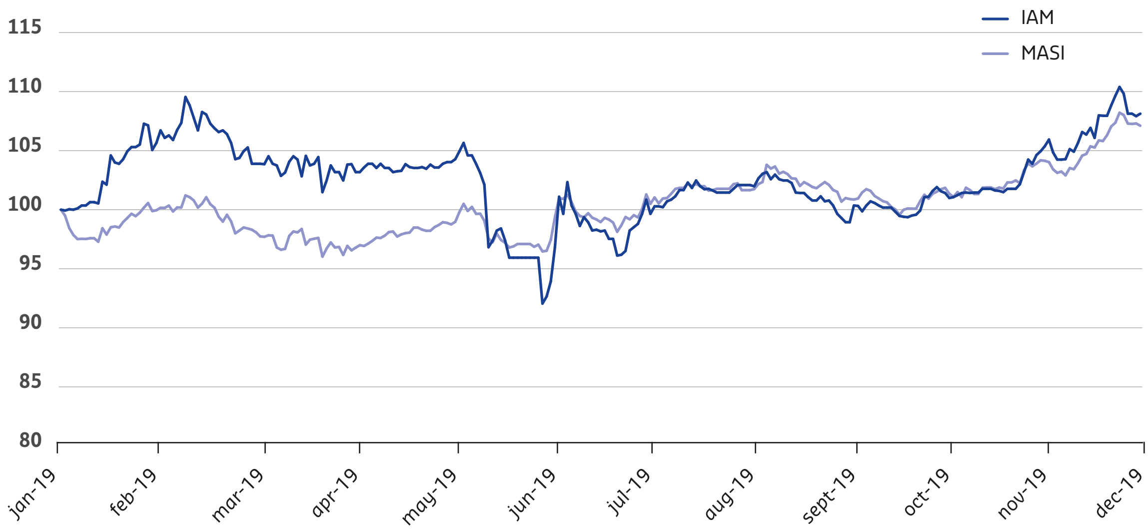
	Average price [a] (in MAD)	High [b] (in MAD)	Low [b] (in MAD)	Transactions [c] In number of shares (in thousands)	Transactions [c] In capital (In MAD million)
January 2019	147.20	155	141	2,316.94	341.06
February 2019	151.02	155.45	147.55	1,666.84	251.72
March 2019	146.27	149.9	143.2	1,111.19	162.54
April 2019	146.19	147	143.6	990.58	144.81
May 2019	144.31	150	135.75	2,930.45	422.89
June 2019	141.11	145	129.55	5,205.76	734.57
July 2019	140.34	144.75	135.5	6,643.88	932.43
August 2019	144.76	146.5	143	1,728.74	250.26
September 2019	142.09	145.4	139.2	2,318.76	329.46
October 2019	142.38	144.85	140.3	3,148.74	448.31
November 2019	146.27	150.95	142.8	3,196.27	467.52
December 2019	153.38	156.2	146.6	6,122.08	938.98

(a) The average price is calculated by dividing trading value of the transactions by the number of shares.
(b) Intraday.
(c) Excluding off-market transactions.
Source: Casablanca Stock Exchange.

MAROC TELECOM SHARE PRICE PERFORMANCE ON THE CASABLANCA STOCK EXCHANGE

Since December 2004 (base 100)

Since January 2019 (base 100)



At the end of 2019, 99.6% of the float was outstanding on the Casablanca Stock Exchange.

EURONEXT PARIS

Eurolist – Foreign securities, code MA0000011488, eligible for Euronext's SRD (deferred settlement service)

				Transactions (c)	
	Average price (a) *(in EUR)*	High (b) *(in EUR)*	Low (b) *(in EUR)*	In number of shares *(in thousands)*	In capital *(In € millions)*
January 2019	13.20	14.55	12.80	63.38	0.84
February 2019	13.88	14.80	13.45	13.67	0.19
March 2019	13.55	14.55	13.45	9.47	0.13
April 2019	13.28	13.75	11.55	16.98	0.23
May 2019	13.20	13.70	12.80	14.47	0.19
June 2019	12.71	13.80	12.90	10.06	0.13
July 2019	13.02	13.80	13.20	12.18	0.16
August 2019	13.46	13.60	12.60	13.01	0.18
September 2019	13.34	13.50	11.55	28.51	0.38
October 2019	13.31	13.70	12.70	29.93	0.40
November 2019	13.33	13.80	12.90	32.98	0.44
December 2019	13.95	14.70	13.20	25.93	0.36

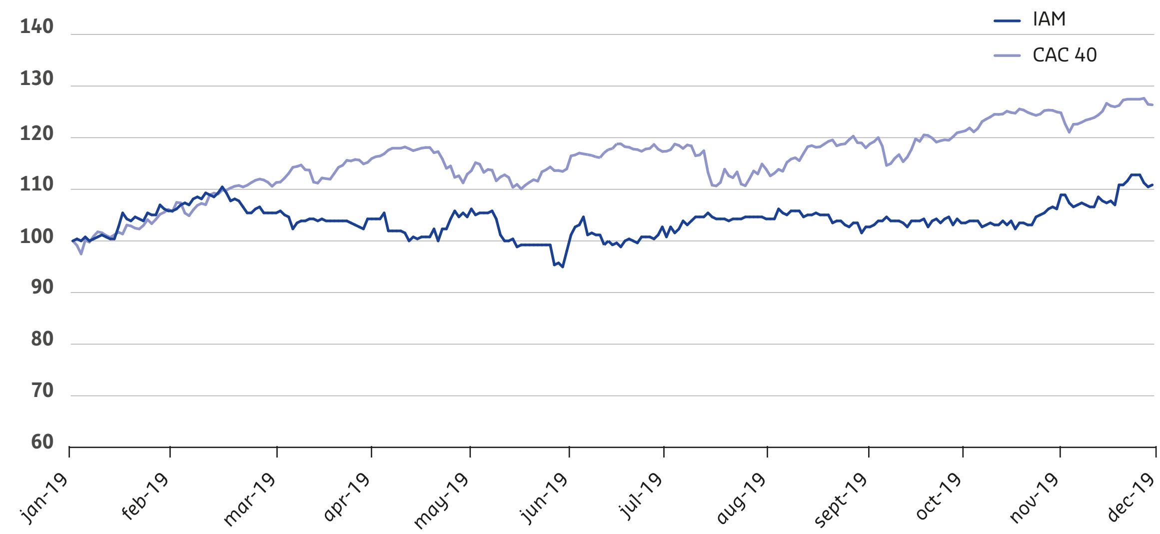
(a) The average price is calculated by dividing trading value of the transactions by the number of shares.
(b) Intraday.
(c) Excluding off-market transactions.
Source: Euronext Paris.

3

MAROC TELECOM SHARE PRICE PERFORMANCE ON THE PARIS STOCK EXCHANGE

Since December 2004 (base 100)

Since January 2019 (base 100)



At the end of 2019, 0.4% of the float was outstanding on the Paris Stock Exchange.

3.2.2.5 DIVIDENDS AND DIVIDENDS POLICY

3.2.2.5.1 Dividends paid out over the past fiscal years

The following table shows the amounts of dividends (in MAD million) paid out by the Company for fiscal years 2004 to 2019:

Fiscal year	Payment date	Dividends
2004	05/04/2005	4,395
2005	05/02/2006	6,119
Extraordinary dividend	06/12/2006	3,516
2006	05/15/2007	6,927
2007	05/28/2008	8,088
2008	06/03/2009	9,517
2009	06/02/2010	9,063
2010	05/31/2011	9,301
2011	05/31/2012	8,137
2012	06/03/2013	6,501
2013	06/02/2014	5,275
2014	06/02/2015	6,065
2015	06/02/2016	5,591
2016	06/02/2017	5,590
2017	06/05/2018	5,697
2018	06/04/2019	6,004
2019	06/02/2020	4,870 [(a)]

(a) Amount proposed to the Ordinary Shareholders' Meeting of April 29, 2020. This amount is adjusted to reflect the number of treasury shares held on the dividend payment date.

At December 31, 2019, the Company's reserves totaled MAD 4,691 million (excluding the earnings at end-December 2018), of which MAD 1,267 million were available for distribution.

3.2.2.5.2 Future dividend policy

The Company is keen to reward its shareholders to their satisfaction, while also ensuring the means for its growth. This is why Maroc Telecom has decided to pursue a policy of regular dividend distribution in significant amounts, based on current conditions, the Company's profits and its financing needs.

However, the amount of dividends to be paid will be determined by taking into account the Company's capital requirements, return on capital and current and future profitability. The Company cannot guarantee shareholders that they will receive the same dividend payment every year. This does not constitute a commitment by the Company.

Note that Article 16 of the Bylaws provides for the payment to the shareholders, in the form of dividends, of a total amount that is at least half the distributable profit, unless otherwise approved by a majority of three-quarters of the Supervisory Board.

Moreover, under the provisions of Article 331 of Law 17-95 as amended and extended by Law 20-05 and 78-12, it is prohibited to stipulate a fixed dividend for shareholders; Any clause to the contrary is deemed to be void unless the State grants shareholders a guaranteed minimum dividend.

Moroccan company law requires Maroc Telecom, like any corporation, to allocate 5% of net income to the legal reserve until it reaches 10% of the share capital. Maroc Telecom reached the limit of its legal reserve in 2004 and may therefore, starting with fiscal year 2005, distribute all its distributable profit, if its shareholders consider this is advisable.

3.2.2.5.3 Tax treatment of dividends

MOROCCAN TAX TREATMENT

Shareholders should Note that the Moroccan tax treatment is described below only for guidance and is not an exhaustive description of the tax situation applicable to each shareholder. Shareholders should therefore take advice from their tax advisers regarding the tax applicable to their specific situation and in particular concerning the acquisition, ownership or transfer of the Company's shares.

The tax rules applicable in Morocco for dividend distribution are governed by the General Tax Code: Corporate Income Tax applicable to legal entities and Individual Income Tax applicable to individuals.

The income from shares (dividends) paid, made available to or entered into accounts belonging to individuals or legal entities, whether resident in Morocco or not, is subject to a withholding tax of 15%. The companies involved in the payment of this income are responsible for withholding the tax at source and paying it to the Treasury.

However, companies that have their registered office in Morocco are exempt from this withholding, provided that they deliver to the paying agents a certificate of ownership of the shares showing their IS tax identification number in Morocco.

Note that dividends and other income from investments resulting from the distribution of profits by companies within the scope of corporate income tax, even if those companies are specifically exempt from this, are included in the operating income of the beneficiary of the dividends and other income from investments with a 100% allowance.

Similarly, dividends and other income from investments resulting from the distribution of foreign profits are included in the operating income of the beneficiary company with a 100% allowance. This measure applies to dividends and other income from investments received after January 1, 2008;

Note that dividends paid to residents of countries with which the Kingdom of Morocco has signed double taxation treaties may be subject to taxation at a rate below 15%, if the treaties provide for such a rate.

International law effectively prevails, in accordance with the Moroccan Constitution. If the double taxation agreement provides for a rate below 15%, the rate stipulated in the agreement is applied.

For example, under the tax treaty between Morocco and France, a rate of 15% applies, similar to the common law rate. Under the tax treaty between Morocco and the UAE:

- a rate of 5% applies if the equity held in the Company paying dividends is 10% or more;
- a rate of 10% applies if the equity held is less than 10%.

These persons are usually entitled to a tax credit with the tax authorities in their country for the tax paid in Morocco, in accordance with the procedures to avoid double taxation, where this is allowed under the tax regulations in their country.

Moroccan exchange regulations allow foreign shareholders to transfer dividends abroad, on the condition that they present a certain number of documents to an approved intermediary, primarily:

- transfer orders;
- the balance sheets and income statements, as these are understood by the Tax Authorities, as well as the supporting documents relating to the fiscal year in respect of which the transfer is requested, and the statement of non-accounting corrections applied to obtain the taxable income;
- the minutes of the Ordinary Shareholders' Meeting(s) at which the Company's results were discussed, showing the distribution of profits and the amount of dividends paid out;
- the list of shareholders and foreign or Moroccan Directors residing abroad, indicating their identity, nationality, address and the number of shares held by each of them;
- documentary evidence of the withholding tax paid.

FRENCH TAX TREATMENT

Shareholders should Note that the French tax treatment is described below only for guidance and is not an exhaustive description of the tax situation applicable to each shareholder. Shareholders should therefore take advice from their tax advisers regarding the tax applicable to their specific situation and in particular concerning the acquisition, ownership or transfer of the Company's shares.

Individuals holding shares as part of their private assets and not habitually executing trades on the stock exchange

In accordance with the provisions of Article 25-2 of the Tax Treaty signed on May 29, 1970, by and between the Republic of France and the Kingdom of Morocco (the "Tax Treaty"), a shareholder resident in France is entitled to take a tax credit chargeable against the amount of tax on the income in France payable on this same income. The amount is set out in Article 25-3 of the Tax Treaty at a flat rate of 25% of the gross amount of the dividends distributed (before application of Moroccan withholding tax).

As of January 1, 2018, dividends received by persons resident in France are fully taxed at the flat tax rate of 30%, broken down as follows:

- 12.8% in income tax;
- 17.2% in social security contributions.

The tax is based on gross dividends and is without allowances. Taxpayers may, however, expressly request to have their dividends taxed at the progressive tax scale under the conditions described below. Once chosen, the option to have investment income taxed at the progressive tax scale cannot be reversed and must be applied to the tax return submitted the year after the dividends are paid.

Under the progressive tax scale option, pursuant to a valid decision of the competent bodies of the Company, dividends are taken into account in the calculation of income tax, after applying a 40% deduction on their gross amount (i.e., 60% of the gross dividend is taxable). Investors should Note that dividends denominated in Moroccan dirhams will, for the purposes of taxation in France, be converted into euros at the exchange rate in Paris on the dividend payment date. If there is no exchange rate on that day, the average exchange rate from a sufficiently close date is applied.

Applied to dividends, the flat tax consists of a social security contribution of 17.2% (from which can be deducted the CSG up to 6.8%) and a withholding income tax of 12.8%. However, persons whose taxable income for the previous year but one is less than EUR 50,000 (single, divorced or widowed taxpayers) or EUR 75,000 (joint taxpayers) may apply, no later than November 30 of the year preceding that of payment, for an exemption from this withholding.

Note that when the company paying the dividend is based in France, it is responsible for withholding these payments. Otherwise, shareholders must remit them voluntarily by the fifteenth of the month following payment of the dividends to the tax authority in their country of residence. They are subsequently declared by the shareholder with other income for the calendar year (in May/June of the following year) under the progressive tax, if so opted. The withholding tax of 12.8% and the minimum tax charge of 25% will apply.

Subject to the application of international agreements providing for reduced tax, dividends distributed to individuals who are not residents of France are subject to the maximum rate of withholding tax of 12.8%. Dividends paid in a Non-Cooperative State or Territory (NCST - Botswana, Brunei, Guatemala, Marshall Islands, Naura, Niue and Panama) are subject to a mandatory withholding tax of 75%.

Legal entities subject to corporate income tax

A distinction should be made depending on whether or not the shareholder is the parent company of Maroc Telecom.

Legal entities qualifying for the parent-subsidiary tax treatment

Legal entities meeting the requirements of Articles 145 and 216 of the General Tax Code may, at their option, claim an exemption for dividends received, in accordance with the parent-subsidiary tax treatment. Article 216 I of the General Tax Code stipulates however that a portion of the costs and expenses, set at a flat rate of 5% of the amount of dividends received, tax credit included, are to be added back into the taxable income of the legal entity beneficiary of such dividends. The tax credit cannot be offset against corporate income tax, but can be offset against any withholding tax that may be due in the event of further dividends being paid in the subsequent five years.

Legal entities not qualifying for the parent-subsidiary tax treatment

Companies are taxed on dividends received at the normal rate [1] of corporate income tax, plus the 3.3% social security contribution on corporate income tax if the amount of corporate income tax exceeds EUR 763,000 per 12-month period;

The flat-rate tax credit set out in Article 25-3 of the Tax Treaty at 25% of the amount of dividends distributed can be offset against corporate income tax. However, the tax credit cannot exceed the amount of corporate income tax for French companies in respect of such dividends. The surplus tax credit cannot be refunded or carried forward.

3.2.3 Corporate governance

Maroc Telecom, a company incorporated under Moroccan law, is not required to comply with governance Codes in France but has set up a system that complies with the principles of good governance.

3.2.3.1 MANAGEMENT AND SUPERVISORY BODIES

3.2.3.1.1 Executive Board

COMPOSITION OF THE EXECUTIVE BOARD

Composition

The Executive Board is composed of five (5) members. It manages and directs the Company under the control of the Supervisory Board.

The members of the Executive Board members must be individuals. All the members of the Executive Board must be employees of the Company and/or resident in Morocco for more than 183 days a year, unless an exception has been authorized at a Supervisory Board meeting by a qualified majority of three-quarters of the members present or represented.

If the current term of office of a member of the Executive Board is terminated, the Supervisory Board must appoint a replacement in the manner provided for by law and by the Company's Bylaws.

MEMBERS OF THE EXECUTIVE BOARD

Name	Current title and primary occupation	Date of appointment	Term of office ends
Abdeslam Ahizoune	Chairman	Date of first appointment: February 20, 2001 Appointment renewed: February 15, 2019	March 1, 2021
Hassan Rachad	Managing Director Networks and Systems (CTO)	Date of first appointment: December 5, 2014 Appointment renewed: February 15, 2019	March 1, 2021
Brahim Boudaoud	Managing Director, Legal and Regulatory Affairs	Date of first appointment: July 22, 2016 Appointment renewed: February 15, 2019	March 1, 2021
François Vitte	Managing Director Administration & Finance (CFO)	Date of first appointment: October 2, 2017 Appointment renewed: February 15, 2019	March 1, 2021
Abdelkader Maamar	Managing Director Services	Date of first appointment: February 15, 2019	March 1, 2021

(1) For fiscal years starting on January 1, 2018, the rate is 28% for profits up to 500,000 euros and 33.33% thereafter.

BIOGRAPHICAL DETAILS AND OTHER POSITIONS HELD BY MEMBERS OF THE EXECUTIVE BOARD

ABDESLAM AHIZOUNE

Chairman of the management board

AGE: 64

GENDER: M

NATIONALITY: Moroccan

REAPPOINTED:
2/15/2019

TERM OF OFFICE:
3/1/2021

BUSINESS ADDRESS:
Maroc Telecom – Avenue Annakhil, Hay Riad, Rabat, Morocco

BIOGRAPHY

Born on April 20, 1955, married with three children. Mr. Abdeslam Ahizoune has a graduate degree in engineering from Paris Tech (1977). He has been Chairman of Maroc Telecom's Executive Board since February 2001 and was a member of Vivendi's Executive Board from April 2005 to June 2012. Mr. Ahizoune has been Chairman of the Association of Moroccan Telecom Professionals (Association Marocaine des Professionnels des Télécoms, or MATI) since 2008. Chairman and Chief Executive Officer of Maroc Telecom from 1998 to 2001. Mr. Abdeslam Ahizoune was previously Minister of Telecommunications in four governments, from 1992 to 1995 and from 1997 to 1998, while holding the position of Director General of the National Office of Postal Services and Telecommunications (Office National des Postes et Télécommunications, "ONPT") from 1992 to 1997. From 1983 to 1992, he was Director of Telecommunications in the Ministry for Postal Services and Telecommunications. Mr. Abdeslam Ahizoune has been Chairman of the Royal Moroccan Athletics Federation (Fédération Royale Marocaine d'Athlétisme) since 2006, and Chairman of the Moroccan Culture Association (Association Maroc Cultures) since 2015.

CURRENT OFFICES

Companies	Positions and offices held
MOROCCAN COMPANIES	
Mohammed V Foundation for Solidarity (Fondation Mohammed V pour la Solidarité, Morocco)	Member of the Board
Lalla Salma Foundation for the Prevention and Treatment of Cancer (Fondation Lalla Salma de Prévention et Traitement des Cancers, Morocco)	Member of the Board of Trustees
Mohammed VI Foundation for the Environment (Fondation Mohammed VI pour la Protection de l'Environnement, Morocco)	Member of the Board
Moroccan Culture Association (Association Maroc Cultures, Morocco)	Chairman
Al Akhawayn University (Morocco)	Member of the Board of Trustees
Royal Moroccan Athletics Federation (Fédération Royale Marocaine d'Athlétisme, Morocco)	Chairman
Confederation of African Athletics	Deputy Chairman
Association of Moroccan Telecom Professionals (Association Marocaine des Professionnels des Télécoms, or MATI)	Chairman
FOREIGN COMPANIES	
None.	

OFFICES EXPIRED

Companies	Positions and offices held
MOROCCAN COMPANIES	
General Business Confederation of Morocco (Confédération Générale des Entreprises du Maroc, or CGEM)	Deputy Chairman
Royal Institute of Amazighe Culture (Institut Royal de la Culture Amazighe)	Member of the board
International Chamber of Commerce	Member of the Executive Committee
Axa Assurances (Morocco)	Board member
Holcim SA (Morocco)	Board member
FOREIGN COMPANIES	
None.	

DECORATIONS

In Morocco: 1985: WISSAM Order of Merit, Exceptional Class; 1991: WISSAM Knight of the Order of the Throne, 1995: WISSAM Officer of the Order of the Throne

In France: 2003: Knight of the National Order of the Legion of Honor

HASSAN RACHAD

Member of the Executive Board

AGE: 58
GENDER: M
NATIONALITY: Moroccan
REAPPOINTED: 2/15/2019
TERM OF OFFICE: 3/1/2021
BUSINESS ADDRESS: Maroc Telecom – Avenue Annakhil, Hay Riad, Rabat, Morocco

BIOGRAPHY

Born on August 6, 1962, Mr. Hassan Rachad has a graduate degree in engineering from École Nationale Supérieure des Télécommunications in Paris.
After joining Maroc Telecom in 1988 as Telecom Engineer, he has held several management positions within the same group, including Director of Human Resources and Regional Director for Greater Casablanca, Marrakesh and Oujda.
He is married with three children.

CURRENT OFFICES

Companies	Positions and offices held
MOROCCAN COMPANIES	
Maroc Telecom Group:	
Mauritel SA (Mauritania)	Board member
Casanet SA (Morocco)	Board member
MT Fly SA (Morocco)	Board member
MT Cash SA (Morocco)	Board member
Millicom Tchad SA (Chad)	Chairman of the Management Board
FOREIGN COMPANIES	
None.	

OFFICES EXPIRED

Companies	Positions and offices held
MOROCCAN COMPANIES	
Gabon Telecom SA (Gabon)	Board member
Onatel SA (Burkina Faso)	Board member
Sotelma SA (Mali)	Board member
Atlantique Telecom Togo SA (Togo)	Chairman of the Management Board
FOREIGN COMPANIES	
None.	

DECORATIONS
National Merit Wissam Outstanding Class

BRAHIM BOUDAOUD

Member of the Executive Board

AGE: 52
GENDER: M
NATIONALITY: Moroccan
REAPPOINTED: 2/15/2019
TERM OF OFFICE: 3/1/2021
BUSINESS ADDRESS: Maroc Telecom – Avenue Annakhil, Hay Riad, Rabat, Morocco

BIOGRAPHY

Born on April 7, 1968, Mr. Brahim Boudaoud graduated in 1995 with an MBA in Network Company Management from École Nationale des Postes et Télécommunications in Paris and holds a degree in postal and telecommunications administration.
Since 2000 Mr. Brahim Boudaoud has held several senior management positions within the same group, including Director of Sales, Director of Consumer Sales, Director of Marketing and Acting Chief Legal & Regulatory Officer.

CURRENT OFFICES

Companies	Positions and offices held
MOROCCAN COMPANIES	
Maroc Telecom Group:	
Gabon Telecom SA (Gabon)	Board member
MT Fly SA (Morocco)	Board member
MT Cash SA (Morocco)	Board member
FOREIGN COMPANIES	
None.	

OFFICES EXPIRED

Companies	Positions and offices held
MOROCCAN COMPANIES	
Onatel SA (Burkina Faso), listed company	Board member
Atlantique Telecom Côte d'Ivoire (Côte d'Ivoire)	Board member
Atlantique Telecom Togo (Togo)	Board member
Etisalat Benin (Benin)	Board member
Sotelma SA (Mali)	Board member
FOREIGN COMPANIES	
None.	

FRANÇOIS VITTE

Member of the Executive Board

AGE: 52

GENDER: M

NATIONALITY: French

REAPPOINTED:
2/15/2019

TERM OF OFFICE:
3/1/2021

BUSINESS ADDRESS:
Maroc Telecom – Avenue Annakhil, Hay Riad, Rabat, Morocco

BIOGRAPHY

Born on March 4, 1968, Mr. François Vitte is a graduate of the Ecole Supérieure de Commerce in Toulouse, France.

Mr. Vitte has had a varied international financial career, mostly within the Orange Group, which he joined in 1996. During part of his time there, he was Deputy Chief Executive Officer in Egypt and Ethiopia. Previously, he held several financial positions in France and the UK before going to the Dominican Republic to serve as Vice President of Finance.

Mr. Vitte began his career in the Club Med Group, where he held various financial positions, mainly in Paris.

CURRENT OFFICES

Companies	Positions and offices held
MOROCCAN COMPANIES	
CMC SA (Mauritania)	Chairman of the Board of Directors
MT Cash SA (Morocco)	Permanent representative of Maroc Telecom, Board member
FOREIGN COMPANIES	
None.	

OFFICES EXPIRED

Companies	Positions and offices held
None.	

ABDELKADER MAAMAR

Member of the Executive Board

AGE: 50

GENDER: M

NATIONALITY: Moroccan

APPOINTMENT:
2/15/2019

TERM OF OFFICE:
3/1/2021

BUSINESS ADDRESS:
Maroc Telecom – Avenue Annakhil, Hay Riad, Rabat, Morocco

BIOGRAPHY

Born on November 4, 1970, Mr. Abdelkader Maamar is a graduate of the Institut National des Postes et Télécommunications in Rabat and the Institut Européen d'Administration des Affaires in Paris where he studied Management.

Since 2004, Mr. Maamar has held a number of positions at Maroc Telecom, including Sales Director and Marketing Director.

CURRENT OFFICES

Companies	Positions and offices held
MOROCCAN COMPANIES	
Maroc Telecom Group:	
Sotelma SA (Mali)	Permanent representative of Maroc Telecom, Board member
MT Cash SA (Morocco)	Board member
FOREIGN COMPANIES	
None.	

OFFICES EXPIRED

Companies	Positions and offices held
None.	

APPOINTMENT, OPERATION AND RESPONSIBILITIES OF THE EXECUTIVE BOARD

Appointment and removal of members of the Executive Board

Members of the Executive Board are appointed by a simple majority of the members of the Supervisory Board present or represented. The Supervisory Board appoints one of them as Chairman.

They may be removed from office by the Ordinary Shareholders' Meeting. If the removal is without just cause, it may result in the payment of damages.

The removal from office of a member of the Executive Board does not have the effect of terminating the employment contract that the person concerned may have signed with the Company.

Term of office

Members of the Executive Board are appointed for a renewable term of two (2) years.

If the appointment of a member of the Executive Board is terminated during such member's term in office, the Board member's replacement is appointed for the time remaining until the re-appointment of the Executive Board.

Members of the Executive Board may always be reappointed.

Operation

The Executive Board manages collectively the affairs of the Company.

The members of the Executive Board may, with the approval of the Supervisory Board, allocate management tasks among themselves.

However, this allocation may not in any way have the effect of removing from the Executive Board its characteristic collective responsibility for the management of the Company. Its decisions are made by a majority vote of the members present or represented, each of them having one vote. Mr. Hassan Rachad and Mr. Abdelkader Maamar represent the Kingdom of Morocco, while Mr. Abdeslam Ahizoune, Mr. François Vitte and Mr. Brahim Boudaoud represent Etisalat.

Meetings of the Executive Board may be held outside the registered office or by videoconferencing or equivalent methods enabling members to be identified, as provided for by current regulations.

Minutes of Executive Board deliberations, if kept, are entered in a special register and signed by the Chairman of the Executive Board and one other member. Copies or extracts of these minutes are certified by the Chairman of the Executive Board or by an executive officer.

Powers

The Executive Board is vested with the broadest powers to act in all circumstances in the name of the Company, within the limits of its corporate purpose, and subject to the powers expressly granted to the Supervisory Board by law and 10.5.3 by Articles to 10.5.5 of the Bylaws.

In its dealings with third parties, the Company is bound even by action taken by the Executive Board which falls outside the corporate purpose and Bylaws, unless it proves that the third party knew that the action was ultra vires and/or that the action exceeded statutory provisions or that the third party must have been aware of this, given the circumstances.

The provisions of the Bylaws restricting the powers of the Executive Board are not binding on third parties.

The Chairman of the Executive Board represents the Company in its relations with third parties. The Supervisory Board may, however, assign the same power of representation to one or more members of the Executive Board who then hold the title of executive officer.

The provisions of the Bylaws restricting the Company's power of representation to the Chairman or, if applicable, the executive officer are not binding on third parties.

The Chairman of the Executive Board or the executive officer(s) may grant powers of attorney to a third party. However, the authority granted by such power of attorney must be limited and relate to one or more specific purposes.

With regard to third parties, all acts binding the Company are valid if carried out by the Chairman of the Executive Board or any member appointed by the Supervisory Board as an executive officer.

Reporting obligations

The Supervisory Board may at any time ask the Executive Board to submit a report on its management and ongoing operations. At the request of the Supervisory Board, this report may be supplemented by a provisional financial statement of the Company.

As and where necessary, the Executive Board delivers to the Supervisory Board a report explaining the possible application or implementation of the items to be adopted by the Supervisory Board in accordance with Articles 10.5.3 to 10.5.5 of the Bylaws.

At least once in every quarter, the Executive Board presents a report on the Company's operations to the Supervisory Board.

Within three (3) months of the end of each fiscal year, the Executive Board must approve the Company's annual financial statements (balance sheet, income statement and accompanying Notes) and submit them to the Supervisory Board so that it can exercise control.

The Executive Board must also deliver to the Supervisory Board the report to be presented to the Ordinary Shareholders' Meeting called to approve the financial statements for the previous fiscal year, so that it may, if necessary, prepare comments that will be presented to the meeting.

Compensation

As part of its appointment decision, the Supervisory Board sets the method and the amount of the compensation for each Executive Board member.

Liability

Without prejudice to the specific liability resulting from receivership or liquidation of the Company's assets, the members of the Executive Board are jointly and severally liable, as applicable, to the Company or third parties, for violations of legal and regulatory provisions applicable to corporations, for breaches of the Bylaws, or for misconduct in their management.

In 2019, the Executive Board met over 45 times.

3.2.3.1.2 Supervisory Board

COMPOSITION OF THE SUPERVISORY BOARD

Composition

The Supervisory Board is composed of at least eight (8) and no more than twelve (12) members; the number of members may be increased to fifteen (15) since the Company's shares are listed for trading on the Casablanca Stock Exchange.

Each member of the Supervisory Board must own at least one share of stock in the Company during the member's entire term of office.

The members of the Supervisory Board are elected by the Ordinary Shareholders' Meeting.

If, on the day of appointment, a member of the Supervisory Board does not own at least one share in the Company or if, during the member's term, he or she ceases to own said share, the Board member will be deemed to have automatically resigned from office if the situation is not rectified within three (3) months.

Name	Current title and primary occupation	Date of appointment	Term of office ends	Occupation Or main position
Mohamed Benchâaboun	Chairman	Supervisory Board meeting of December 7, 2018	Ordinary Shareholders' Meeting called to vote on the 2024 annual financial statements	Ministry of the Economy and Finance
Obaid Bin Humaid Al Tayer	Deputy Chairman	Supervisory Board meeting of December 6, 2019	Ordinary Shareholders' Meeting called to vote on the 2024 annual financial statements	Chairman of Etisalat Group
Abdelouafi Laftit	Member	Supervisory Board Meeting of July 21, 2017	Ordinary Shareholders' Meeting called to vote on the 2024 annual financial statements	Minister of the Interior
Abderrahmane Semmar	Member	Supervisory Board Meeting of July 22, 2016	Ordinary Shareholders' Meeting called to vote on the 2024 annual financial statements	Manager of the Department in charge of State Owned Enterprises and Privatization at the Ministry of Economy and Finance
Hatem Dowidar	Member	Supervisory Board Meeting of July 22, 2016	Ordinary Shareholders' Meeting called to vote on the 2024 annual financial statements	Managing Director of Etisalat International
Saleh Al Abdooli	Member	Supervisory Board meeting of December 9, 2016	Ordinary Shareholders' Meeting called to vote on the 2021 annual financial statements	Managing Director of Etisalat Group
Mohammed Saif Al Suwaidi	Member	Supervisory Board Meeting of May 15, 2014	Ordinary Shareholders' Meeting called to vote on the 2024 annual financial statements	Managing Director of Abu Dhabi Fund for Development
Mohammed Hadi Al Hussaini	Member	Supervisory Board Meeting of May 15, 2014	Ordinary Shareholders' Meeting called to vote on the 2024 annual financial statements	Board member of Etisalat Group
Serkan Okandan	Member	Annual Shareholders' Meeting of September 23, 2014	Ordinary Shareholders' Meeting called to vote on the 2019 annual financial statements	Chief Financial Officer of Etisalat Group

Term of office

The term of office of members of the Supervisory Board is six years.

The term of office of a member of the Supervisory Board expires at the close of the Ordinary Shareholders' Meeting that approved the financial statements for the previous fiscal year and that is held in the year in which the term of office of the Supervisory Board member expires. They may always be reappointed.

They may be removed by the Ordinary Shareholders' Meeting at any time.

No member of the Supervisory Board and no employee or officer of a legal entity that is a member of the Supervisory Board may be a member of the Executive Board. If a member of the Supervisory Board is appointed to the Executive Board, the term of office of such member on the Supervisory Board ends upon the member's entry into office on the Executive Board.

A legal entity may be appointed to the Supervisory Board. On its appointment, the legal entity is required to appoint a permanent representative who is subject to the same conditions and obligations and who incurs the same civil and criminal liability as if the representative were a member of the Supervisory Board in his or her own name, without prejudice to the joint liability of the legal entity he or she represents.

When a legal entity revokes the appointment of its representative, it is required, at the same time, to appoint another representative in its place. It must immediately inform the Company of its decision. The same procedure is followed in the event of the death or resignation of the permanent representative.

Vacancies – Cooptation

If one or more seats on the Supervisory Board become vacant because of the death, resignation or other impediment of a member, the Board may make provisional appointments between two (2) Shareholders' Meetings.

If the number of members of the Supervisory Board falls below eight (8), the Supervisory Board must make provisional appointments to fill the Board within three (3) months from the date on which the vacancy occurs.

Provisional appointments made by the Supervisory Board are subject to ratification at the next Ordinary Shareholders' Meeting; the member appointed to replace another will remain in office only for the rest of his or her predecessor's term.

If provisional appointments are not ratified, the resolutions adopted and the actions taken previously by the Supervisory Board nonetheless remain valid.

If the number of members of the Supervisory Board falls below three (3), the Executive Board must call an Ordinary Shareholders' Meeting to fill the Board within thirty (30) days from the date on which the vacancy occurs.

BIOGRAPHICAL DETAILS AND OTHER POSITIONS HELD BY MEMBERS OF THE SUPERVISORY BOARD

MOHAMED BENCHÂABOUN

Chairman

AGE: 59

GENDER: M

NATIONALITY:
Moroccan

APPOINTMENT:
12/7/2018

TERM OF OFFICE:
12/31/2024

BUSINESS ADDRESS:
Ministry of Economy and Finance

BIOGRAPHY

Mr. Benchâaboun was born in Casablanca on November 12, 1961. On August 20, 2018, His Majesty King Mohammed VI appointed him Minister of Economy and Finance.

A graduate of the École Nationale Supérieure des Télécommunications de Paris, Mr. Benchâaboun was appointed in 1996 Director of the Administration of Customs and Indirect Taxes.

After a three-year stint at Cusmtoms and Indirect Taxes, he joined Banque Centrale Populaire, where he fulfilled a number of duties as Deputy General Manager.

In September 2003, he was appointed by His Majesty the King as General Manager of the National Agency for the Regulation of Telecommunications (ANRT).

In February 2018 he was appointed Chairman & CEO of Banque Centrale Populaire.

Mr. Benchâaboun has held several senior posts in the private sector, such as Industrial Manager of Alcatel Alsthom in Morocco.

As an active member of professional and institutional bodies, from 2005 to 2006 he chaired the FRATEL network, an association of national telecom regulators, and from 2012 to 2015 was Chairman of the CIBP, the international Banques Populaires confederation.

Currently Mr. Benchâaboun sits on the Economic, Social and Environmental Council as well as on the boards of various banks and companies. He is also a member of the Mohamed V Foundation for Solidarity and of the Mohamed VI Foundation for Environmental Protection.

CURRENT OFFICES

Companies	Positions and offices held
None.	

OFFICES EXPIRED

Companies	Positions and offices held
None.	

OBAID BIN HUMAID AL TAYER

Deputy Chairman

AGE: 68

GENDER: M

NATIONALITY: Emirati

APPOINTMENT: 12/6/2019

TERM OF OFFICE: 12/31/2024

BUSINESS ADDRESS: Etisalat – Intersection of Sheikh Zayed THE First Street AND Sheikh Rashid Bin Saeed Al Maktoum Road, Po 3838, Abu Dhabi

BIOGRAPHY

Mr. Obaid Humaid Al Taye was born in Dubai on October 1, 1952. He has been Minister of Finance of the United Arab Emirates since February 2008.

On the back of his experience, Mr. Al Tayer has held a number of positions within various international and regional organizations, including in particular the OPEC Fund for International Development, the International Fund for Agricultural Development, the Arab Fund for Economic and Social Development and the Arab Monetary Fund.

He has also received a number of international awards including "Finance Minister of the Year in the Middle East and North Africa" awarded by Emerging Markets Magazine in 2012, in the margins of the annual meeting of the International Monetary Fund and the World Bank Group held in Tokyo in October 2012.

Mr. Al Tayer has a bachelor of science in electrical engineering from the University of Colorado, USA.

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CURRENT OFFICES

Companies	Positions and offices held
Etisalat Group	Chairman
Banque Emirati de Développement	Chairman of the Board of Directors
Emirates General Petroleum Corporation	Chairman of the Board of Directors
Al Etihad Credit Bureau	Chairman of the Board of Directors
General Tax Authority	Vice-Chairman
Autorité Emirati d'Investissements	Member of the Board of Directors and Chairman of the Executive Committee
General Pension and Social Security Authority	Deputy Chairman
Real Estate Authority	Deputy Chairman
Arab Bank for Economic Development	Governor
Multilateral investment guarantee agency	Governor
Arab Investment and Export Credit Guarantee Corporation	Governor
International Islamic Trade Finance Corporation	Governor

OFFICES EXPIRED

Companies	Positions and offices held
Arab Group at the International Monetary Fund	Vice-governor and Chairman
World Bank Group	Member
Islamic Development Bank	Governor
Industrial Bank	Chairman
Real Estate Bank	Vice-Chairman
Chamber of Commerce and Industry	Chairman
Emirates Post Group	Chairman
Federal Customs Authority	Chairman
Federal National Council	Member
Dubai Municipal Council	Member
Dubai Economic Council	Member
National Bank	Member

DISTINCTIONS

In Italy: in 2007 awarded the "Ordine Della Stella Solidarity Italiana" prize by the President of the Italian Republic

In France: in 2003 awarded the "Mérite national Lee Jordi" prize by the President of the French Republic

ABDELOUAFI LAFTIT

Minister of the Interior

AGE: 52
GENDER: M
NATIONALITY: Moroccan
APPOINTMENT: 7/21/2017
TERM OF OFFICE: 12/31/2024
BUSINESS ADDRESS: Ministry of the Interior

BIOGRAPHY

Mr. Abdelouafi Laftit was born September 29, 1967, in Tafrist. On April 5, 2017, he was appointed by HM King Mohammed VI as Minister of the Interior.

A graduate of the Ecole Polytechnique of Paris in 1989 and the Ecole Nationale des Ponts et Chaussées in 1991, Mr. Laftit started his professional career in the financial field in France before joining the port operating office where between 1992 and 2002 he held the post of Director of Ports in Agadir, Safi and Tangiers, before being appointed, in May 2002, Director of the Tangier – Tetouan Regional Investment Center.

On September 13, 2003, Mr. Laftit was appointed by HM the King to be Governor of Fahs-Anjra Province, and in October 2006, he was then appointed Governor of the Province of Nador, a position he held until his appointment in March 2010 as Chairman and Managing Director of the Société d'Aménagement pour le Reconversion de la Zone Portuaire de Tanger.

On January 24, 2014, he was appointed by HM the King to be Wali of the Rabat-Sale-Zemmour-Zaer Region, Governor of the Rabat Prefecture.

CURRENT OFFICES

Companies	Positions and offices held
None.	

OFFICES EXPIRED

Companies	Positions and offices held
None.	

ABDERRAHMANE SEMMAR

Manager of the Department in charge of State Owned Enterprises and Privatization at the Ministry of Economy and Finance

AGE: 60
GENDER: M
NATIONALITY: Moroccan
APPOINTMENT: 7/22/2016
TERM OF OFFICE: 12/31/2024
BUSINESS ADDRESS:
Ministry of Economics, Finances and Administration Reform

BIOGRAPHY

Mr. Semmar is Manager of the Department in charge of State Owned Enterprises and Privatization at the Ministry of Economy and Finance.

For nearly 34 years, including 32 years in the Manager of SOEs and Privatization Department (DEPP) in the Ministry of Economy and Finance, he served as Director of the Division of Programming and Restructuring and Deputy Director for Information Design and Systems.

He also serves as Chairman of the Interministry Commission on Public-Private Partnership and Chairman of the Permanent Committee of the National Accounting Board.

Mr. Semmar has a degree in Business Administration from the University of Casablanca, a post-graduate degree in Economics from the University of Rabat and a Diploma of the 3rd cycle of the National School of Public Administration of Rabat.

CURRENT OFFICES

Companies	Positions and offices held
None.	

OFFICES EXPIRED

Companies	Positions and offices held
None.	

HATEM DOWIDAR

Managing Director, Etisalat International

AGE: 51

GENDER: M

NATIONALITY: Egyptian

APPOINTMENT:
7/22/2016

TERM OF OFFICE:
12/31/2024

BUSINESS ADDRESS:
Etisalat – Intersection of Sheikh Zayed the First Street and Sheikh Rashid Bin Saeed Al Maktoum Road, Po 3838, Abu Dhabi

BIOGRAPHY

Mr. Dowidar has been Managing Director of Etisalat International since March 2016. He joined Etisalat in September 2015 as Executive Director of Group Operations.

He was Chairman of the Board of Directors of Vodafone Egypt and Deputy Executive Director of Vodafone Group. Mr. Dowidar has more than 25 years of experience in multinational companies.

He first joined Vodafone Egypt in 1999 as Marketing Director, then served as Executive Director of Vodafone Malta, followed by the position of Executive Director of Vodafone Egypt from 2009 to 2014.

Mr. Dowidar, born in 1969, holds a Bachelor's degree in Communication and Electrical Engineering from the University of Cairo and an MBA from the American University of Cairo.

CURRENT OFFICES

Companies	Positions and offices held
Etisalat Égypte	Board member
PTCL (Pakistan)	Board member
Ufone (Pakistan)	Board member
Barclays (Egypt)	Board member

OFFICES EXPIRED

Companies	Positions and offices held
GSMA (United Kingdom)	Board member
Etisalat Nigeria	Board member
Vodafone Égypte	Chairman
Vodacom (South Africa)	Board member

SALEH AL ABDOOLI

Chief Executive Officer, Etisalat Group

AGE: 55

GENDER: M

NATIONALITY: Emirati

APPOINTMENT:
12/9/2016

TERM OF OFFICE:
12/31/2021

BUSINESS ADDRESS:
Etisalat – Intersection of Sheikh Zayed the First Street and Sheikh Rashid Bin Saeed Al Maktoum Road, Po 3838, Abu Dhabi

BIOGRAPHY

Mr. Saleh Al Abdooli is the Chief Executive Officer of the Etisalat Group and serves as Etisalat CEO in the United Arab Emirates. He is also Vice-Chairman of the Board of Directors, Chairman of the Executive Committee of Etisalat Misr, a member of the Board of Directors of Etisalat Services Holding, and the Etisalat representative on the Board of Directors of Mobily.

Mr. Al Abdooli launched his career with Etisalat in 1992 as a planning engineer for mobile network systems, and went on to hold several executive positions, including the position of Chief Executive Officer of Etisalat Misr.

Mr. Al Abdooli, an engineer, holds a Master's degree in Telecommunications technology, and an electrical engineering degree from the University of Colorado in the United States.

CURRENT OFFICES

Companies	Positions and offices held
Etisalat Égypte	Vice-Chairman
Etisalat Services Holding Company (UAE)	Chairman
Mobily (Saudi Arabia)	Board Member, representing Etisalat
Thuraya (UAE)	Chairman

OFFICES EXPIRED

Companies	Positions and offices held
None.	

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MOHAMMED SAIF AL SUWAIDI

Chief Executive Officer, Abu Dhabi Fund for Development

AGE: 49
GENDER: M
NATIONALITY: Emirati
APPOINTMENT:
5/15/2014
TERM OF OFFICE:
12/31/2024
BUSINESS ADDRESS:
Etisalat – Intersection of Sheikh Zayed the First Street and Sheikh Rashid Bin Saeed Al Maktoum Road, Po 3838, Abu Dhabi

BIOGRAPHY

Mr. Al Suwaidi holds a Bachelor's Degree in Business Administration (1992) from California Baptist University, USA.

Mr. Al Suwaidi is currently Chief Executive Officer of Abu Dhabi Fund for Development. He was also Director of the Operations Department of this fund for 11 years where he managed all the projects financed by the Fund.

Mr. Al Suwaidl is Chairman of Al Ain Farms for Livestock Production and Deputy Chairman of Arab Bank for Investment and Foreign Trade.

CURRENT OFFICES

Companies	Positions and offices held
Abu Dhabi Fund for Development	Chief Executive Officer
Arab Bank for Investment and Foreign Trade	Deputy Chairman
First Gulf Bank	Board member
Center of Food Security of Abu Dhabi	Board member
Al Ain Farms for Livestock Production	Chairman
UAE Red Crescent	Board member
Aghtia	Board member
CEPSA	Board member

OFFICES EXPIRED

Companies	Positions and offices held
Al Hilal Bank	Board member

MOHAMMED HADI AL HUSSAINI

Board member, Etisalat Group

AGE: 43
GENDER: M
NATIONALITY: Emirati
APPOINTMENT:
5/15/2014
TERM OF OFFICE:
12/31/2024
BUSINESS ADDRESS:
Etisalat – Intersection of Sheikh Zayed the First Street and Sheikh Rashid Bin Saeed Al Maktoum Road, Po 3838, Abu Dhabi

BIOGRAPHY

Mr. Al Hussaini, holds a Master's degree in International Commerce from Switzerland and has professional experience in banking/finance, real estate and investments. He currently serves on the Board of Directors of five listed companies: Etisalat, Emirates NBD, Emirates Islamic Bank, Dubai Refreshments and Emaar Malls. He also serves on the Board of Directors of Dubai Real Estate Corporation. He comes from a long line of entrepreneurs whose main line of work is commerce.

CURRENT OFFICES

Companies	Positions and offices held
Etisalat Group	Board member
Emirates NBD	Board member
Emirates Islamic Bank	Board member
Dubai Refreshments	Board member
Emaar Malls	Board member
Dubai Real Estate Corporation	Board member

OFFICES EXPIRED

Companies	Positions and offices held
National General Insurance	Board member
Takaful House	Board member
Dubai Bank	Acting Chairman
Emirates Financial Services	Chairman
Economic Zones World	Board member

SERKAN OKANDAN

Chief Financial Officer, Etisalat Group

AGE: 48

GENDER: M

NATIONALITY: Cypriot

APPOINTMENT:
9/23/2014

TERM OF OFFICE:
12/31/2019

BUSINESS ADDRESS:
Etisalat – Intersection of Sheikh Zayed the First Street and Sheikh Rashid Bin Saeed Al Maktoum Road, Po 3838, Abu Dhabi

BIOGRAPHY

Mr. Okandan is a recognized expert in regional and international telecoms. In January 2012, he joined the Etisalat Group as Chief Financial Officer following a long and fruitful spell at Turkcell where he served as Group Chief Financial Officer between 2006 and 2011 and as Acting CEO for Ukraine operations in 2010. He began his professional career at PwC in 1992. Prior to his appointment as a GCFO at Turkcell, he was entrusted with the job of Group Financial Controller at Turkcell. In his prior assignment as a GCFO he led the Finance function of Turkcell, a publicly listed company, and its operations across eight different countries. He is known for his wealth of experience in IFRS, debt capital markets, syndicated loans, acquisitions and disposals at the regional and international level.

Mr. Okandan was awarded a degree in Economics from Bosphorus University, Istanbul, Turkey, in 1992.

CURRENT OFFICES

Companies	Positions and offices held
Etisalat Group	Chief Financial Officer
Ufone (Pakistan)	Board member and Chairman of the Audit Committee
PTCL (Pakistan)	Board member and Chairman of the Audit Committee
Etisalat Services Holding (ESH)	Board member and Chairman of the Audit Committee
Mobily (Saudi Arabia)	Board member and member of the Audit Committee

OFFICES EXPIRED

Companies	Positions and offices held
Turkcell (Turkey)	CFO
Turkcell (Ukraine)	Acting CEO
Mobily (Saudi Arabia)	Deputy CEO

3

OPERATION AND RESPONSIBILITIES OF THE SUPERVISORY BOARD

Chairman – Deputy Chairman

The Board elects from among its members a Chairman and a Deputy Chairman who each have the power to convene the Board and to chair its deliberations and who hold office for their term on the Supervisory Board.

The Chairman and the Deputy Chairman must be individuals.

The Board may appoint a secretary at each meeting who may be chosen from outside the members of the Board.

Calling of meetings – Deliberations

The Supervisory Board meets when called by its Chairman or Deputy Chairman, whenever the interests of the Company require, at the registered office or any other location specified in the notice of meeting. The notice of meeting may be sent by registered mail with return receipt or by email with acknowledgment of receipt or by international express courier, fifteen days before the date of the meeting; this period may be reduced if all the members of the Supervisory Board agree.

The Supervisory Board may validly deliberate only if at least half of the members of the Supervisory Board are in fact present.

If this quorum is not reached, the Chairman or the Deputy Chairman of the Supervisory Board will convene a second meeting, in the same manner as the first called meeting, seven business days before the date of the meeting, where the postmark, the certificate of delivery or the electronic acknowledgment of receipt is authentic. The notification of the second meeting must, in any event, be delivered at the latest during the week following the holding of the first meeting. If a quorum is still not reached, a third meeting is called and held in accordance with the terms and conditions for a minimum quorum established by Moroccan law. It is agreed that in the event that a quorum is not reached at the time specified in the notice for the meeting of the Supervisory Board, the beginning of the meeting will be postponed by one hour.

Members of the Supervisory Board attending a meeting of the Supervisory Board by videoconference or equivalent means that allow identification as stipulated by the regulations in force are deemed present for calculating the quorum and majority.

This provision does not apply when the agenda refers to the appointment and removal of the Chairman of the Board, approval of the Company's financial statements and the convening of Shareholders' Meetings.

In addition to the transactions subject by law to prior approval of the Supervisory Board and in accordance with Article 10.5.3 of the Bylaws, the following decisions require the prior approval of the Supervisory Board, voting by simple majority of the members present or represented:

- the examination, approval and revision of the business plan;
- the examination, approval and revision of the budget (without prejudice to the provisions of Article 10.5.4 (iii) of the Bylaws);

- the prior approval of any services agreement or any other contract between the Company or its Affiliates and one of its minority shareholders or one of its Affiliates, excluding contracts relating to current arm's length transactions;
- the annual or multi-annual labor policy, including policies for compensation, training, human resources management and the creation of incentive plans for employees or senior managers of the Company;
- subject to Article 10.5.4 (v) in the Bylaws, any proposal to the Shareholders' Meeting to appoint one of the two auditors of the Company;
- the appointment of members of the Executive Board in accordance with applicable laws and the provisions of Article 9 of the Bylaws;
- the creation of committees, the drafting, approval or amendment of their bylaws or their mission;
- approval of the proposed resolutions to be submitted to the Company's Shareholders' Meeting concerning appropriation of the earnings of the Company and its subsidiaries (dividends, reserves, etc.) under the terms stipulated in Articles 16 and 10.5.4 of the Bylaws;
- any change in the Company's accounting policies not required by law or by the applicable regulations, unless such change has a significant impact on the distributable profit of the Company, in which case the decision should be taken by qualified majority in accordance with Article 10.5.4 (i) of the Bylaws;
- any transfer of a shareholding in an entity holding one or more operating licenses for fixed-line and mobile telecommunications networks open to the public, if the annual financial statements of said entity, certified by the Statutory auditors, show negative EBITDA for the last two consecutive years, calculated in accordance with accounting standards currently in force within the Company (such an entity is hereinafter referred to as "Loss-Making Entity");
- determining the transfer price and terms of the sale agreement on disposal of an interest in an entity that has one or more network operating licenses of fixed-line and mobile telecommunications open to the public, if it is not a Loss-Making Entity, as referred to in Article 10.5.4 (x) of the Bylaws.

However, as an exception to the provisions of Article 10.5.3 described above and the provisions of Article 10.5.4 of the Bylaws, the following decisions must be approved by a qualified majority of three-fourths of the members of the Supervisory Board present or represented:

- any significant change in the Company's accounting policies having a material impact on the Company's distributable profit, unless such change is required by law or the applicable regulations;
- the revocation, surrender or transfer of licenses or the granting of major operating facilities;
- any decision aiming to oblige the Company or its Affiliates, in respect of any action or any legal, administrative or arbitration proceedings, involving the Company or its Affiliates, and sums due or receivable by the Company or its Affiliates, in an amount greater than three hundred million dirhams;
- any decision concerning the entering into, amendment and/or termination of any contract for the provision of services, or any other agreement between, on one hand, the Company or its Affiliates and on the other, the controlling shareholder or its Affiliates, excluding agreements relating to current arm's length transactions;
- any proposal to the Shareholders' Meeting to appoint the second Statutory auditor of the Company;
- any decision for a merger, in any form whatsoever, between the Company's businesses and any business(es) controlled by the majority shareholder which compete(s) with the Company in Fixed-line, Mobile or Internet telecommunications sectors and in exchanges of data;
- any decision to dispense with the requirement that a member of the Executive Board must be an employee of the Company and/or must be present in Morocco for more than one hundred eighty-three days a year;
- any overrun of more than 30% of the limits set in the Budget for investments or divestments or for borrowing or lending;
- any creation of a Company Affiliate or Company Affiliates with share capital or initial stockholders' equity in excess of three hundred million dirhams, and any acquisition(s) or sale(s) of ownership interest in any group or entity in an amount of more than three hundred million dirhams;
- any acquisition of ownership interest in an entity holding one or more operating licenses for fixed-line and mobile telecommunications networks open to the public; and any decision in principle to sell the ownership interest in such an entity if it is not a Loss-Making Entity;
- any decision(s), including in the event of internal restructuring, concerning (a) a merger, spin-off, partial transfer or lease management of all or part of the goodwill of the Company or its Affiliates, and (b) any decision to wind up, liquidate or terminate a substantial business belonging to the Company or its Affiliates, provided that the decisions referred to in and (b) above may only be made by qualified majority if they concern an Affiliate whose estimated value or business exceeds five hundred (500) million dirhams;
- any exemption from an obligation under the dividend distribution policy set out in Article 16 of the Bylaws to distribute dividends in an amount at least half the distributable profit.

In addition, and pursuant to the provisions of Article 10.5.5 of the Bylaws described below, the Supervisory Board may not submit the following resolutions to the Shareholders' Meeting unless they have been adopted by at least three-fourths of the members of the Supervisory Board present or represented:

- a proposal to change the Company's Bylaws concerning, among other things, an increase or decrease in the Company's share capital;
- a proposal for the Company to issue new types of shares or securities;
- a proposal to modify substantially the corporate purpose and/or principal business of the Company, or any of its Affiliates holding one or more operating licenses for fixed-line and mobile telecommunications networks open to the public;
- a proposal to amend the rights and obligations attached to the Company's shares;
- a proposal to change the closing or opening dates of the Company's fiscal year;
- a proposal to revoke the appointment of members of the Executive Board or of the Supervisory Board appointed at the request of one of the minority shareholders pursuant to the provisions contained in Articles 9 and 10 of the Bylaws;
- any proposal to rebrand the Company's trading name or to change the brand or trade name of the Company in Morocco or among the Company's affiliates.

Duties and Powers of the Supervisory Board

The Supervisory Board exercises permanent oversight over the Executive Board's management of the Company. At any time of the year, it performs the checks and controls that it considers appropriate, and may request any documents that it considers necessary for the performance of its duties.

The members of the Supervisory Board may review any information or data relating to the life of the Company.

The Supervisory Board may, within the limits it sets and subject to the provisions of Article 10.5 of the Bylaws cited above, authorize the Executive Board to sell real estate, sell all or some holdings, set up security interests as well as sureties, pledges, endorsements or guarantees in the name of the Company.

It presents its comments on the Executive Board report and the financial statements for the fiscal year to the Annual Shareholders' Meeting.

The Supervisory Board may set up, within the Board and with the assistance, if deemed necessary, of third parties, whether shareholders or not, technical committees to study questions it refers to them for an opinion. The activities of these committees and advice given or recommendations made are reported at Board meetings.

These committees have advisory powers and act under the authority of the Supervisory Board that has created them and to which they report.

Committee members are appointed by the Supervisory Board. Unless otherwise decided by the Supervisory Board, the term of office of committee members is the same as their term as members of the Supervisory Board.

Each committee establishes its own rules of procedure which must be approved by the Supervisory Board.

Compensation

The Shareholders' Meeting may allocate to members of the Supervisory Board, as compensation for their work, an annual fixed sum as Directors' fees. The Supervisory Board may also allocate exceptional compensation for the duties or offices held by its members.

Liability

The members of the Supervisory Board are liable, individually or jointly as applicable, to the Company or to third parties, either for violations of the laws or regulations applicable to corporations, or for breaches of the Bylaws, or for misconduct in their management.

If several members of the Supervisory Board have contributed together to the same acts, the court will determine the contribution of each in the reparation for damages.

The members of the Supervisory Board are liable for personal misconduct committed in the performance of their duties. They incur no liability in respect of management actions and their outcome. They may be found civilly liable for offenses committed by members of the Executive Board if, having knowledge of such offenses, they have not disclosed them to the Shareholders' Meeting.

In 2018, the Supervisory Board met three (3) times, to approve both the performance of the business and its growth prospects in the medium to long term, with an average attendance rate of nearly 74%.

Mr. Mohamed Benchaaboun, Mr. Abdelouafi Laftit, and Mr. Abderrahmane Semmar (three members) were appointed to the Supervisory Board on the recommendation of the Kingdom of Morocco; and Mr. Obaid Bin Humaid Al Tayer, Mr. Mohammed Hadi Al Hussaini, Mr. Hatem Dowidar, Mr. Saleh Al Abdooli, Mr. Mohammed Saif Al Suwaidi, and Mr. Serkan Okandan (six members) were appointed on the recommendation of Etisalat.

3.2.3.2 AUDIT COMMITTEE

Morocco Telecom has an Audit Committee, the main purpose of which is to assist the Supervisory Board in exercising its oversight responsibilities relating to financial reporting, internal control systems, risk management, audits, and compliance with the laws and regulations in force and with the Code of Ethics.

To perform its task of assessing and validating the Company's internal control systems, the Audit Committee is supported by the General Control Department, defining its action plan and analyzing its findings.

The attendance rate among Audit Committee members at meetings held in 2019 was 100%.

COMPOSITION

Since July 17, 2014, the Audit Committee has been composed of five members, namely two representatives of the Kingdom of Morocco and three representatives of the Etisalat Group, including the Chairman.

The composition of the Audit Committee is as follows:

Name	Current position	Date of appointment	Primary Occupation or Employment
Mohamed Hadi Al Hussaini	Chairman	2014	Member of the Board of Directors of Etisalat
Samir Mohamed Tazi	Member	2017	Wali (regional governor), official in the Ministry of the Interior
Abderrahmane Semmar	Member	2016	Director of Public Enterprises and Privatization, Ministry of the Economy and of Finance
Serkan Okandan	Member	2014	Chief Financial Officer of Etisalat Group
Mohammed Dukandar	Member	2016	Chief Internal Control and Audit Officer of Etisalat Group (UAE And International Operations)

Biographical details and other positions held by members of the Audit Committee

Mohamed Hadi AL HUSSAINI

Mr. Mohamed Al Hussaini, an Emirati national, holds a Master's degree in International Commerce from Switzerland and has professional experience in banking/finance, real estate and investments. He currently serves on the Board of Directors of five listed companies: Etisalat, Emirates NBD, Emirates Islamic Bank, Dubai Refreshments and National General Insurance. He comes from a long line of entrepreneurs whose main line of work is commerce.

Samir Mohamed TAZI

Mr. Samir Mohammed Tazi is a Wali and an official in the Ministry of the Interior. He holds an engineering degree from the Ecole Polytechnique and an engineering degree from the Ecole Nationale des Ponts et Chaussées obtained, respectively, in 1983 and 1988.

In May 2001, Mr. Tazi was appointed Deputy Budget Director in charge of the Coordination of Industry and Synthesis Structures, a position he held until his appointment in June 2010 to Director of the Public Sector Entities and Privatization Department. In February 2016, he was appointed by HM King Mohammed VI to be Managing Director of Local Authorities.

In 2011, Mr. Tazi was decorated Wissam Officer of the Order of the Throne. He is a member of the Competition Authority and a board member of several public sector entities including the National Ports Agency, the National Railways Office, the National Airports Authority and Crédit Agricole du Maroc.

In June 2017, Mr. Tazi was appointed by His Majesty King Mohammed VI as Wali and Managing Director of the FEC, a municipal infrastructure investment fund.

Abderrahmane SEMMAR

Mr. Abderrahmane Semmar is Director of Public Companies and Privatization in the Ministry of the Economy and Finance. For nearly 34 years, including 32 years in the Ministry of Economy and Finance, he served as director of the Division of Programming and Restructuring and Deputy Director for Information Design and Systems. He also serves as Chairman of the Interministry Commission on Public-Private Partnership and Chairman of the Permanent Committee of the National Accounting Board. Mr. Semmar has a degree in Business Administration from the University of Casablanca, a post-graduate degree in Economics from the University of Rabat and a doctoral degree from École Nationale d'Administration Publique of Rabat.

Serkan OKANDAN

Mr. Serkan Okandan joined Etisalat in January 2012 as Chief Financial Officer of the Etisalat Group. Previously he was Group Chief Financial Officer at Turkcell. Mr. Okandan began his career at PricewaterhouseCoopers in 1992, and worked for DHL and Frito Lay as Management Controller before joining Turkcell. Mr. Okandan is a member of the Board of Directors and Chairman of the Audit Committee of PTCL, Ufone and member of the Board of Directors of Etisalat Services Holding Company.

Mr. Okandan holds a degree in Economics from Bosphorus University.

Mohamed DUKANDAR

Mr. Dukandar, Chief Internal Control and Audit Officer, directs the consolidated internal control and audit functions (UAE & International Operations). Mr. Dukandar is a Certified Accountant, Certified Internal Auditor (CIA) and Certified Self-Control Assessment (CCSA) with more than 20 years experience in governance, including Enterprise Risk Management (ERM), Insurance, Internal/External Audits, and Legal Analysis (Forensics). He has served as Director of Internal Audit in the Telkom Group (South Africa) since 2009. In this position, he was responsible for providing to the Board and Management assurance about the control environment and the areas with high exposures to material risks.

Mr. Dukandar began his career as an Auditor with KPMG Inc. in 1996 and then worked for the National Treasury and the City of Joburg (South Africa).

OPERATION

The Audit Committee was set up by the Supervisory Board in 2003 to respond to calls from shareholders to adopt international standards for corporate governance and internal control at Maroc Telecom.

The Audit Committee was convened for the first time in May 2004, and held five meetings in 2019. Its role is to make recommendations and proposals to the Supervisory Board on matters such as:

- review of statutory and consolidated financial statements before their submission to the Supervisory Board;
- consistency and effectiveness of the Company's internal audit process;
- supervision of audit programs of internal and external auditors and review of their audit findings;
- accounting policies and methods, and consolidation scope;
- the Company's off-balance-sheet risks and commitments;
- monitoring of the Company's insurance policies;
- procedures for the selection of the Statutory auditors, formulation of an opinion on the fees requested for the performance of their audit duties, and the monitoring of compliance with the rules guaranteeing auditor independence; and
- any issues that the committee believes might pose risks or serious procedural problems for the Company.

3.2.3.3 MANAGEMENT'S INTERESTS

3.2.3.3.1 Compensation of management and supervisory bodies

As part of its appointment decision, the Supervisory Board sets the method and the amount of the compensation for each Executive Board member. A Compensation Committee consisting of the Chairman and Deputy Chairman of the Supervisory Board meets once a year to review the aggregate compensation of the members of the Executive Board, including a variable portion, and submits its recommendation to the Supervisory Board.

The total gross compensation paid by the Company, its subsidiaries, and all controlling companies to members of the Executive Board for their work on behalf of Maroc Telecom Group for the 2019 fiscal year stood at MAD 93 million. The variable portion, for 2019, was determined for Executive Board members on the basis of the following criteria: (a) Maroc Telecom's financial objectives and (b) the priority actions of their activity.

The following table shows the compensation for the last three fiscal years:

(In MAD million)	2019	2018	2017
Short-term benefits	93	96	84
Termination benefits	117	117	105
TOTAL	**210**	**213**	**189**

Based on compensation for 2019, the minimum amount to be paid by the Company in the event of termination of employment contracts of members of the Executive Board, except in cases of gross negligence or willful misconduct, would amount to MAD 117 million. Furthermore, the Company bears the cost of entertainment and travel expenses incurred by members of the Executive Board in the course of their duties.

The impact of benefits in kind and special complementary pension plans set up for corporate officers is included in the figures in the above table.

For members of the Supervisory Board, the Shareholders' Meeting of April 26, 2016, voted to allocate the aggregate annual amount of two million five hundred forty thousand dirhams in Directors' fees to the members of the Supervisory Board and the Audit Committee.

This decision remains valid until a new decision is made by the Shareholders' Meeting. The conditions and criteria for distributing the fees must be set by the Supervisory Board.

3.2.3.3.2 Ownership of Company shares by members of the management bodies

At December 31, 2019, the members of the Executive Board directly or indirectly held 142,451 shares in Maroc Telecom.

3.2.3.3.3 Conflicts of interest and other relevant considerations

Over the past five years, no member of Maroc Telecom's Executive Board or Supervisory Board has been convicted of fraud; no member of the Executive Board or Supervisory Board has been associated with a bankruptcy, receivership or liquidation; and no official public indictment and/or sanction has been issued against them by legal or regulatory authorities or professional organizations. Similarly, no corporate officer of Maroc Telecom has been prevented by a Court from acting as a member of an executive, management or supervisory body of an issuer, or from participating in the management or the business of an issuer.

Finally, the appointment of members of the Executive Board and Supervisory Board is governed by a Shareholders' Agreement under the terms and conditions described in Section 3.2.2.2.4 "Shareholders' Agreements".

3.2.3.3.4 Management's interest in key customers or suppliers

None.

3.2.3.3.5 Service agreements

With the exception of employment contracts between members of the Executive Board and the Company, there are currently no contracts between members of the Executive Board or Supervisory Board and the Company and/or its subsidiaries that bestow any particular benefits.

3.2.3.3.6 Loans and guarantees granted to senior managers

None.

3.2.3.4 RELATED-PARTY AGREEMENTS

3.2.3.4.1 Legal framework

Under the terms of Article 95 et seq. of Moroccan Law No. 17-95 concerning Limited Liability Companies, as amended and supplemented by Law No. 20-05, Law No. 78-12 and Law No. 20-19, any agreement between the Company and a member of the Executive Board or of the Supervisory Board, or one of its shareholders directly or indirectly holding more than 5% of the Company's capital or voting rights, is subject to prior authorization by the Supervisory Board.

The same applies to agreements in which any person referred to in the previous paragraph has an indirect interest or whereby any such person deals with the Company through an intermediary.

Also subject to the same authorization are agreements between the Company and an entity, if a member of the Company's Executive Board or of the Supervisory Board is the owner, an indefinitely responsible associate, the manager, the Director, the Chief Executive Officer, or a member of the Executive Board or of the Supervisory Board, of the said entity.

Accordingly, the regulated agreements signed in 2019, and the agreements signed in previous years that continued in effect during 2019, are presented below. However, these agreements are not the only existing parent-subsidiary flows between Maroc Telecom and its subsidiaries.

3.2.3.4.2 Related-party agreements renewed in 2019

None

3.2.3.4.3 Agreements from previous years still in effect in 2019

BRAND LICENSING AGREEMENTS

Effective January 26, 2015, Maroc Telecom became the majority shareholder of Atlantique Telecom Côte d'Ivoire, Etisalat Bénin, Atlantique Telecom Togo, Atlantique Telecom Niger, Atlantique Telecom Gabon (an entity absorbed by Gabon Telecom on June 29, 2016 with effect from January 1, 2016) and Atlantique Telecom Centrafrique. As a result, Maroc Telecom acquired the rights connected with the "Moov" and "No Limit" trademarks belonging to the Etisalat Group as well as the Trademark Licensing Agreements associated with them for the subsidiaries cited above.

Maroc Telecom is a majority shareholder of those entities, and for Gabon Telecom, Mr. Brahim Boudaoud is also a member of the joint management bodies.

TECHNICAL SUPPORT AGREEMENT

Effective January 26, 2015, Maroc Telecom became the majority shareholder of Atlantique Telecom Côte d'Ivoire, Etisalat Bénin, Atlantique Telecom Togo, Atlantique Telecom Niger, Atlantique Telecom Gabon (an entity absorbed by Gabon Telecom on June 29, 2016 with effect from January 1, 2016) and Atlantique Telecom Centrafrique. As a result, Maroc Telecom acquired the rights stemming from the Technical Assistance agreements by and between these companies and the Etisalat Group.

Maroc Telecom is a majority shareholder of those entities, and for Gabon Telecom, Mr. Brahim Boudaoud is also a member of the joint management bodies.

AGREEMENTS FOR ADVANCES ON CURRENT ACCOUNT

Effective January 26, 2015, Maroc Telecom became the majority shareholder of Atlantique Telecom Côte d'Ivoire, Etisalat Bénin, Atlantique Telecom Togo, Atlantique Telecom Niger, Atlantique Telecom Gabon (an entity absorbed by Gabon Telecom on June 29, 2016 with effect from January 1, 2016) and Atlantique Telecom Centrafrique. Maroc Telecom also acquired the Etisalat Group's current accounts in these subsidiaries.

Maroc Telecom is a majority shareholder of those entities and for Gabon Telecom, Mr. Brahim Boudaoud is also a member of the joint management bodies.

TECHNICAL SERVICES AGREEMENT WITH ETISALAT

In May 2014, Maroc Telecom signed a Technical Services Agreement with Emirates Telecommunications Corporation (Etisalat) whereby the latter will provide to Maroc Telecom on request, directly or indirectly, technical support services, particularly in the following fields: digital media, insurance, financial rating.

These services may be performed by expatriate personnel.

From May 14, 2014, Etisalat became the main shareholder in Maroc Telecom through SPT and the members of both Executive Boards are Mr. Obaid Bin Humaid Al Tayer, Mr. Mohammad Hadi Al Hussaini, Mr. Hatem Dowidar, Mr. Saleh Abdooli, Mr. Serkan Okandan and Mr. Mohammed Saif Al Suwaidi.

SERVICES AGREEMENT WITH GABON TELECOM

In November 2016, Gabon Telecom signed an agreement with Maroc Telecom for the latter to provide it with services in the following fields: strategy and development, organization, networks, marketing, finance, purchasing, human resources, information systems, and compliance.

These services are performed mainly by expatriate personnel.

Maroc Telecom is a majority shareholder of those entities, and for Gabon Telecom, Mr. Brahim Boudaoud is also a member of the joint management bodies.

SERVICES AGREEMENT WITH SOTELMA

In 2009, Sotelma and Maroc Telecom signed an agreement under which Maroc Telecom provides it with technical support and services.

Maroc Telecom is the majority shareholder of Sotelma and the member of the joint management bodies is Mr. Abdelkader Maamar.

SERVICES AGREEMENT WITH ONATEL

In September 2007, Onatel signed an agreement with Maroc Telecom for the latter to provide it with services in the following fields: strategy and development, organization, networks, marketing, finance, purchasing, human resources, information systems, and compliance.

These services are performed mainly by expatriate personnel.

Maroc Telecom is the majority shareholder of Onatel.

SERVICES AGREEMENT WITH MAURITEL

In 2001, Mauritel SA signed an agreement with Maroc Telecom for the latter to provide it with work projects linked to services, to technical support and to the sale of equipment.

Maroc Telecom is the majority shareholder of Mauritel and the member of the joint management bodies is Mr. Hassan Rachad.

AGREEMENT FOR THE ACQUISITION AND FINANCING OF THE SUBSIDIARIES ACQUIRED FROM ETISALAT

The agreement is for Maroc Telecom to pay the acquisition price in five interest-free installments and for Etisalat to grant a USD 200 million zero-rate loan which the Company has reallocated to certain acquired subsidiaries.

Etisalat is the reference shareholder of Maroc Telecom. Members who are also on Etisalat Executive Boards are Mr. Obaid Bin Humaid Al Tayer, Mr. Mohammad Hadi Al Hussaini, Mr. Hatem Dowidar, Mr. Saleh Abdooli, Mr. Serkan Okandan and Mr. Mohammed Saif Al Suwaidi.

AGREEMENT WITH CASANET

Since fiscal year 2003, Maroc Telecom has signed several agreements with its subsidiary Casanet, for the purpose, among others, of maintaining Maroc Telecom's Menara internet portal in operational condition, and providing development and hosting services for the Mobile portal of Maroc Telecom's websites.

Maroc Telecom is the majority shareholder of Casanet and the member of the joint management bodies is Mr. Hassan Rachad.

ADVANCE ON CURRENT ACCOUNT – CASANET

Maroc Telecom decided to transfer its business directory activity to its subsidiary Casanet.

Accordingly, on December 4, 2007, the Supervisory Board authorized the Company to take on the necessary investment costs which would be financed by advances on a non-interest bearing current account.

Maroc Telecom is the majority shareholder of Casanet and the member of the joint management bodies is Mr. Hassan Rachad.

AGREEMENT WITH THE MOROCCAN ROYAL FEDERATION OF TRACK AND FIELD (FRMA)

The agreement between Maroc Telecom and FRMA, of which Mr. Abdeslam Ahizoune is also Chairman, expired in December 2018.

At its meeting of December 7, 2018, the Supervisory Board renewed the agreement for a maximum period of three (3) years and a maximum amount of three million dirham (MAD 3,000,000) a year.


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4

DESCRIPTION OF THE GROUP, BUSINESS OPERATIONS AND LEGAL AND ARBITRATION PROCEEDINGS

4.1 • Description of the Group

4.1.1 Overview

Maroc Telecom is the incumbent telecommunications operator in the Kingdom of Morocco. It operates in the Fixed-Line telephony, Mobile telephony and Internet segments. Since 2001, Maroc Telecom Group has focused on international development. The Group acquired a controlling interest in the incumbent operators of Mauritania (Mauritel, via CMC holding), Burkina Faso (Onatel) in December 2006 and Mali (Sotelma) in July 2009. The Group acquired a controlling interest in Gabon Telecom in February 2007.

In January 2015, Maroc Telecom finalized the acquisition, started on May 4, 2014, of the six subsidiaries of Etisalat in Benin, Côte d'Ivoire, Gabon, Niger, the Central African Republic and Togo.

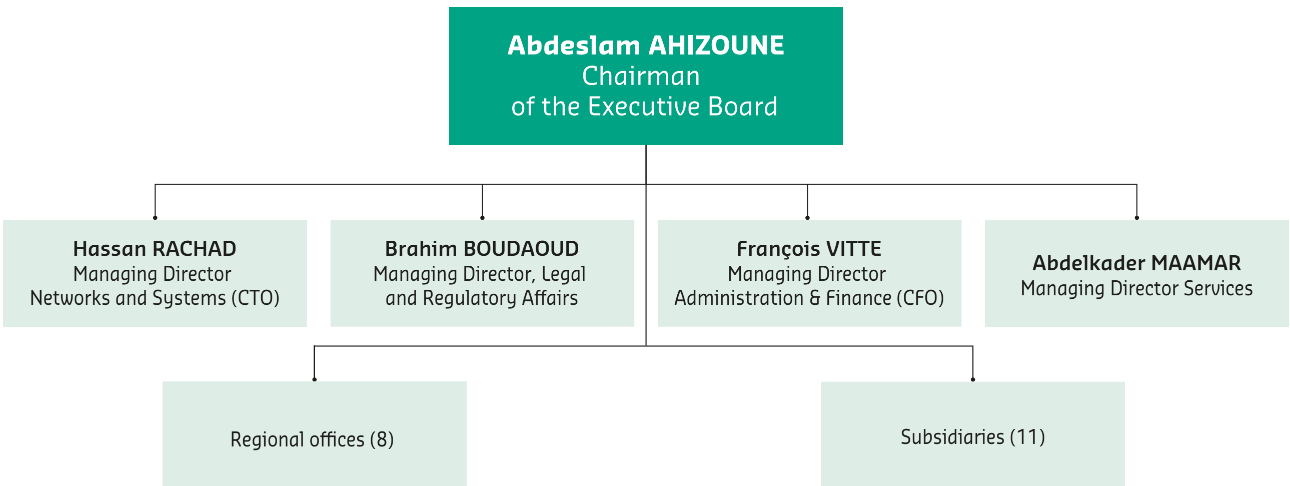
In June 2019, Maroc Telecom completed the acquisition process, begun on March 14, 2019, relating to all of the capital of its subsidiary company Tigo Chad, Chad's leading mobile operator.

In addition, Maroc Telecom owns 100% of Casanet, a leading Internet service provider in Morocco and host of the menara.ma web portal.

Maroc Telecom is organized by "Business Units" around its business activities and services. The Fixed-Line and Mobile operating segments are combined within the Services Division (DGS) and the Networks and Systems Division (DGRS), while support functions are covered by the Regulatory and Legal Affairs Division (DGRAJ) and the Administration and Finance Division (DGAF). Within the strategic framework defined by the Group's management bodies, these divisions ensure oversight of subsidiaries and compliance with the rules of Maroc Telecom Group.

Maroc Telecom is decentralized, with eight Regional Offices each with their own operating structure and support functions.

The Maroc Telecom Group's organizational chart at December 31, 2019, was as follows:



4.1.2 Human resources

Human resources management is the mainstay of the MT Group's performance. The Group's development essentially relies on the expertise, know-how and commitment of its employees.

Maroc Telecom's human resources policy is based on the recognition of performance, skills development, fairness and equal opportunities.

4.1.2.1 MAROC TELECOM GROUP EMPLOYEES

Group headcount

The tables below illustrate the changes in headcount at Maroc Telecom during the three fiscal years ended December 31, 2017, 2018, and 2019:

	2019	2018	2017
Maroc Telecom	7,425	7,689	7,920
Subsidiaries	2,997	2,920	2,959
GROUP	**10,422**	**10,609**	**10,879**

N.B.: For the average number of employees of Maroc Telecom Group see Chapter 5 of Note 19 to the consolidated financial statements.

Breakdown of headcount by area at Maroc Telecom

Year	2019
Workforce	**7,425**
Management	**1,134**
Customer offer	2,389
Production	**2,607**
Support	1,295

N.B: Same trend over the last three years.

99.8% of the total workforce are on permanent contracts.

Age and years of service

The average age in the Group is 47 years and the average seniority is 21 years.

Male/female breakdown

74% of employees are men and 26% are women.

31% of executives at Maroc Telecom are women.

Maroc Telecom is committed to equal opportunities and treats its employees equally, without any form of discrimination. Promotion, assessment, compensation and access to training are unaffected by gender, skin color, religion, political opinions, physical features or any other subjective criterion.

Staff turnover

Staff turnover%	2019	2018	2017
Maroc Telecom	1.17	0.98	1.0
Subsidiaries	1.23	1.28	1.5
GROUP	**1.19**	**1.0**	**1.1**

The low staff turnover at Maroc Telecom and its subsidiaries is a testimony of employee loyalty.

ARRIVALS/DEPARTURES BY REASON AND BY CATEGORY AT MAROC TELECOM

	2019		2018		2017	
	Executives	Non-executives	Executives	Non-executives	Executives	Non-executives
Lay-offs	1	3	3	7	6	7
Resignations	37	46	35	31	47	34
Recruitment	10	4	7	13	56	266

Change in staff compensation

Payroll costs have changed as follows over the past three fiscal years:

(In MAD million)	2019	2018	2017
Maroc Telecom	2,089	1,857	2,190
Maroc Telecom Group	3,098	2,891	3,138

4.1.2.2 PROFESSIONAL DEVELOPMENT

Recruitment

Aware of the strategic challenges in the changing telecommunications sector, Maroc Telecom is continually adapting its recruitment policy to consolidate its leadership position. The Group's recruitment approach is transparent, equitable, rigorous and highly selective. This attracts the best talent from national and international colleges and universities.

Training

Maroc Telecom places training at the heart of its strategic vision. The training offer is key to long-term progress. It is increasingly tailored to the needs expressed, and aims to upgrade employee skills and respond to technological and organizational developments and changes in the competitive landscape.

An infrastructure commensurate with the ambition of Maroc Telecom Group provides training that best meets employee needs. Maroc Telecom has a training Center in Rabat where most (70%) of the training is delivered.

Permanent and temporary in-house trainers lead around 50% of training to transfer business skills. Maroc Telecom also uses external service providers to deliver specific training and training on current topics.

More than half of employees receive training each year; the training cost as a percentage of payroll is almost 3%.

To encourage employees who want further education in areas of operations related to their jobs, Maroc Telecom has introduced a program of training leading to qualifications. The training can be done alongside regular work, which finances 80% of the study costs. Since its launch in 2016, three class groups have completed this program.

The African subsidiary companies are part of the Maroc Telecom Group vision and, as such, receive support to modernize, notably by upgrading employee skills. In addition to locally-provided training, Maroc Telecom organizes regular seminars, workshops and immersion periods for employees, so that business know-how is aligned right across the Group.

Mobility

INTERNAL MOBILITY

Maroc Telecom encourages internal mobility in the interests of nurturing its employees' professional development and ensuring the Company's flexibility in a constantly changing environment. Several programs are in place to help employees get accustomed to their new duties.

INTERNATIONAL MOBILITY

International career opportunities are available to employees wishing to give their careers with the Maroc Telecom Group a new impetus. Talented employees can take up expatriate opportunities in various subsidiaries as part of the Group's modernization strategy. In this way the Group encourages the sharing of skills and best practices with its sub-Saharan subsidiaries.

Skills development

Skills development is at the center of all Maroc Telecom's HR processes. It rests in large part on the annual performance appraisal (EAP). The EAP is an opportunity to discuss formal targets and performance and to assess an employee's expectations and career prospects.

4.1.2.3 FRINGE BENEFITS

Maroc Telecom offers a number of fringe benefits to its employees and their families:

- grants to purchase a means of transport (car or motorbike);
- grants for the Hajj;
- housing loan agreements with several banks to facilitate home ownership. The housing loan rates are negotiated with the banks and supplemented by Maroc Telecom;
- assistance and insurance contracts for medical transport;
- additional health insurance to improve the coverage of medical costs incurred by employees;
- medical insurance for serious conditions with complete treatment in countries which have excellent health and medical care facilities;
- death or disability cover;
- an annual flu shot campaign;
- a program to help smokers quit;
- vacation centers in several Moroccan towns and subsidized vacation packages.

4.1.2.4 DIALOGUE BETWEEN MANAGEMENT AND LABOR

	2019	2018	2017
Number of employee representatives	81	81	81
Number of strike days	-	-	-
Corporate lawsuits involving current employees	-	-	-
Number of workplace accidents	61	55	63

Dialogue between management and labor is a tradition at Maroc Telecom. It serves as a platform to discuss the concerns and aspirations of the Company's employees with the social partners.

The year 2019 was characterized by continued dialogue and meetings with both employee representatives and trade unions.

4.1.3 Maroc Telecom's sustainable development policy

The challenges of sustainable development and social, societal and environmental challenges are central to many countries' policies. The aim is to value human capital and natural resources in economic development policies and reduce inequality and poverty.

As a major telecommunications operator in Africa, the Group has integrated the concerns of sustainable development in its growth strategy for several years. This strategy has also been based on the three principles of economic efficiency, social equity and environmental responsibility.

The Group has been working for a number of years to facilitate access to communications services for the greatest number of people and conducts a number of programs for the well-being of the population. It maintains responsiveness-based relationships of trust with all its stakeholders, whether employees, customers, shareholders or suppliers.

4.1.3.1 MAJOR CHALLENGES OF THE SUSTAINABLE DEVELOPMENT POLICY AND ENVIRONMENTAL POLICY

The analysis of the sustainable development challenges specific to Maroc Telecom has resulted in four strategic priorities:

- **bridging the digital divide, whether in geographic or social terms, to make information and communication technologies accessible to everyone in every region, no matter how remote.** Maroc Telecom is making substantial capital expenditures to both extend its networks and connect remote areas, and increase connectivity and speeds. Attentive to people's needs, it creates offers that are in line with their resources and needs.
- **contributing to the social and economic development of the country.** Maroc Telecom is helping to attract investment throughout the regions by rolling out high-speed broadband which is an important economic issue for Morocco. It is committed to offering efficient and competitive services for economic players and supports small businesses by providing tailored services at competitive rates. Maroc Telecom contributes significantly to job creation and is increasing initiatives to foster talent and promote access to education and knowledge.
- **contributing to the well-being of the population.** Maroc Telecom supports several humanitarian initiatives to help those in need, as well as culture and sports.
- **acting as a responsible company.** Maroc Telecom's commitments in this regard are to strengthen the skills and well-being of its employees, maintain transparency and uphold ethical principles in its dealings with customers, suppliers, employees and stakeholders in every sense and to contribute to the protection of the environment.

The environmental challenges are set out in the environmental policy. Maroc Telecom has developed an environmental policy which aims to control the impact of its operations on the environment. This policy is in line with the national sustainable development strategy and complies with laws and regulations in force.

It is structured around the following main objectives:

- **reducing direct and indirect greenhouse gas emissions** by optimizing the consumption of fossil fuels and paper: promoting digitalization and paperless operations, using renewable energies and using the latest and most efficient technologies in networks.
- **effectively managing waste from its operations,** in accordance with current regulations and industry best practices.
- **reducing visual pollution of technical facilities.**
- **promoting the protection of the environment internally among employees** (training, awareness campaigns, etc.) **and externally** (by supporting and taking part in several civil society initiatives to raise awareness on the protection of the environment and meet great environmental challenges).

4.1.3.2 NON-FINANCIAL REPORTING

Maroc Telecom introduced non-financial reporting in 2009: the Company has compiled more than 170 environmental, social and employee-related indicators each year, some of which are published.

The employee-related indicators mainly show:

- the regional, economic and social impact of the Company's operations: number of remote communities covered by the networks, percentage of purchases made with local suppliers, number of jobs created locally, initiatives to facilitate access to ICT, particularly among the school community and small businesses to support their activities, support for humanitarian initiatives, promoting culture and sports, etc.
- business ethics: the protection of personal data, information tools for health- and mobile telephony-related issues; assessment of suppliers' sustainable development commitments; prevention of corruption, etc.

Environmental indicators show the environmental impact of the Company's operations (energy, paper and fuel consumption, waste production, CO2 emissions by source: electricity, vehicle fleet, business trips, etc.) and explain the measures taken to minimize these impacts (use of renewable energies, measures to improve energy efficiency, etc.)

Social indicators relate to the workforce, diversity in employment (age distribution; percentage of men vs. women, etc.); health and safety, training, etc.

Maroc Telecom's non-financial report refers to the Global Reporting Initiative: to information provided by the GRI guidelines. Carbon emissions are calculated using factors from the Morocco carbon base.

The social indicators and some of the employee-related indicators concern the Maroc Telecom Group.

The environmental indicators concern Maroc Telecom.

A reporting procedure describing the actions and steps to follow to calculate the indicators is distributed to all Maroc Telecom and subsidiary employees. The data is audited each year by the internal auditors. These audits guarantee that reporting meets the criteria for completeness and reliability, as detailed in the procedure.

4.1.3.3 ASSESSMENT OF THE SOCIAL RESPONSIBILITY PERFORMANCE BY AN INDEPENDENT THIRD PARTY

Maroc Telecom has its sustainable development approach regularly assessed by an independent third party to measure, promote and build on its performance, by adopting internationally recognized standards.

In 2014 Maroc Telecom obtained the CSR Label from the Confédération Générale des Entreprises du Maroc (CGEM). The label shows that Maroc Telecom's commitments comply with universal principles of social responsibility and sustainable development in line with objectives from the CGEM charter of corporate social responsibility. The charter meets Moroccan legal requirements, complies with the standards, agreements and recommendations of international organizations such as the UN, ILO and OECD, and is in line with the guidelines of ISO 26000.

Continuing its ongoing progress in the field of sustainable development, early 2017, Maroc Telecom had an independent third-party expert carry out its first CSR audit under the globally acknowledged framework: ISO 26000.

Maroc Telecom has held the Vigeo- Eiris 26 000 certification since 2017 (Vigeo- Eiris is a leading European non-financial analyst) with an "Advanced" score, which is the highest level on the consultancy's ratings scale.

The certification is granted and then renewed every 18 months after an audit which measures compliance with the commitments under ISO 26000 as well as progress made. The results confirmed the continued implementation of CSR practices and the inclusion of CSR in the Company's policies and growth strategy.

4.1.3.4 A GROUP THAT IS ATTENTIVE TO ITS STAKEHOLDERS

The Maroc Telecom Group takes into account the expectations of each of its stakeholders in the countries where it operates. It engages in constructive dialogue in those countries.

Dialogue with regulatory authorities

The telecommunications sector is regulated in Morocco and in the countries where the Group's subsidiaries operate by regulatory authorities. The main objectives of this are to ensure regulatory compliance and fair competition between operators to ensure the smooth development of the industry. Maroc Telecom and its subsidiaries are in regular and permanent dialogue with regulators, providing them with all the necessary information.

Communication with shareholders and investors

Every year Maroc Telecom, listed on the Casablanca and Paris Stock Exchanges, publishes a Registration Document that can be viewed and downloaded on its website, which contains detailed information on the Group's operations, financial position and outlook.

The Company's reports to investors and financial analysts as well as its press releases are also available online.

Onatel is listed on the Abidjan Regional Stock Exchange and regularly distributes detailed and complete information on its operations and earnings.

Since 2009, the Maroc Telecom Group has published a sustainable development report, which provides all information relating to social, employee, environmental and ethics-related actions taken.

The Group has published a report since 2011, which combines the progress report and sustainable development report and therefore provides all information relating to its economic initiatives and actions to support development. It shows how important social, employee and environmental-related challenges are to the Group's performance and value creation. This integrated report, which can be viewed on the Maroc Telecom website, is intended for all stakeholders and reflects the Group's desire to transparently share its commitment to ongoing progress.

Participation in civil society initiatives

Aware of its responsibility as a leading economic and social player, the Group plays its part in civil society initiatives.

Maroc Telecom and its subsidiaries are actively engaged, through lasting partnerships, with various foundations and associations. Maroc Telecom is particularly involved in humanitarian programs with the Mohammed V Foundation for Solidarity; the protection of health with the Lalla Salma Foundation for the Prevention and Treatment of Cancer; and the protection of natural environments with the Mohamed VI Foundation for Environmental Protection.

The Maroc Telecom Group's subsidiaries support associations that work for the human development and well-being of local communities and also provide support for humanitarian causes, health, education and protection of the environment.

Attentive to employees

The Maroc Telecom Group brings out the best of its human capital, through training programs and measures to promote employee well-being. Maroc Telecom has a collective bargaining agreement which addresses aspects relating to human resources management and labor relations.

Maroc Telecom ensures that regular and high-quality social dialogue with employee representatives in the eight regional offices and central services at headquarters are set up and maintained (refer to 4.1.2 section).

Respecting consumers' interests

In order to maintain their trust, the Maroc Telecom Group is committed to ensuring its customers even greater transparency, in particular with regard to pricing terms and conditions, on issues relating to the protection of health in mobile telephony and personal data protection.

The Customer Commitment Charter formalizes and recalls the regulations on how to treat customers (welcoming and listening to them, protection of personal data, etc.) but also on information concerning the general and specific conditions of offers.

Maroc Telecom has set up a complete personal data protection system which has been ISO 27001 certified.

Maroc Telecom keeps close watch over health issues related to Mobile telephony and engages in constructive dialogue with local residents and customers who want to be better informed. In addition to tests carried out by the regulator, Maroc Telecom conducts its own annual surveys to measure the intensity of electromagnetic waves near relay masts. In 2019, measurements were taken at almost 640 sites. The results showed that all sites met international standards.

Maroc Telecom gives its customers the opportunity to express their opinion, through surveys, with respect to the quality of its telecommunications products and services as well as that of its pre-sales and after-sales services (customer welcome, advice, processing requests and complaints, billing, etc.). To evaluate and assess the mobile service quality offered by its networks, Maroc Telecom also performs technical measurements in the field. All of the results are used to make improvements.

Maroc Telecom has implemented several activities to protect the public from risks linked to the use of new technologies, with a special focus on young people. With this in mind, Maroc Telecom's content is rigorously selected; the Maroc Telecom Facebook page is moderated. Maroc Telecom also offers a range of services to help consumers protect their data and access, such as: SMS Antispam, which blocks unsolicited SMS (that may come from malicious networks); "Data center Hosting", which provides businesses with a secure physical infrastructure (24/7) to host their hardware; "MT Cloud", which offers very secure virtual servers; and "DDOS Security" and "Web & email Security", which offer protection against cyberattacks and internet-based threats.

Responsible practices with economic partners

Economic partners represent real drivers for the Maroc Telecom Group, both from the point of view of economic growth and local employment and the values to which the Group is committed. The Group is therefore committed to establishing fair and constructive relationships with its suppliers, distribution networks and subcontractors. The recruitment of suppliers is completely transparent according to a clear procedure. Distribution networks benefit from the fair sharing of costs and earnings with Maroc Telecom as well as regular training initiatives.

Since 2010, "sustainable development" clauses have been included in all supplier agreements. These clauses cover respect for fundamental human rights and labor rights as well as commitments relating to environmental protection and anti-corruption measures.

Since 2012, Maroc Telecom's Internal Audit Department has performed annual supplier audits to verify compliance with these clauses.

Since 2014, a charter of these same principles has been deployed with Maroc Telecom distributors and "Full Image" retailers.

Since 2015, it has included the distributors and "Full Image" retailers within the scope of the audits.

At end 2019, 79 audits had been conducted with 74 partners.

Regular information to rating agencies

Maroc Telecom has been included in the non-financial rating by Vigeo-Eiris of over 40 companies listed on the Casablanca stock exchange since the initiative was launched in Morocco in 2011. To date, Vigeo-Eiris has conducted six assessments: in 2011, 2013, 2015, 2017, 2018, and 2019. At the end of each of these assessments, Maroc Telecom has always been declared a "Top CSR performer" by Vigeo-Eiris.

In 2019, Maroc Telecom was named "Top CSR Performer 2019" for the sixth consecutive year among 10 companies recognized for their overall performance.

Maroc Telecom also kept its place on the "Casablanca ESG 10", which was launched in September 2018 by the Casablanca Stock Exchange. It ranks the 10 stock exchange listings with the best ESG (environmental, social and governance) ratings as awarded by Vigeo Eiris.

Furthermore, in 2019 Maroc Telecom remained on the Emerging Market 70 list for the fifth consecutive year. This ranking lists the companies with the best corporate social responsibility practices in emerging or developing countries as selected by Vigeo-Eiris.

4.1.3.5 CONTRIBUTION TO BRIDGING THE DIGITAL DIVIDE

Opening up remote areas

Maroc Telecom has always been committed to reducing the digital divide and deploying its infrastructure even in the most remote areas. As part of the Pacte universal service program launched in 2008 to provide telephone and Internet access services to all white areas in Morocco, Maroc Telecom covered 7,300 white areas, representing a contribution of nearly 80% to this program. Outside the Pacte, Maroc Telecom also covered 20,000 other localities.

At the end of 2019, Maroc Telecom will provide voice and data coverage for approximately 99% of the population.

Maroc Telecom's subsidiaries also participate in efforts to open up remote areas and cover isolated localities each year. In 2019, nearly 200 isolated localities were served in Benin, Burkina Faso, Chad, Côte d'Ivoire, Gabon, Mali, Mauritania, Niger and Togo.

Massive investments and large-scale infrastructure projects to strengthen territorial connectivity

Maroc Telecom has carried out major fiber optic cable construction projects on its own account:

- the Atlas Offshore submarine cable, between Morocco and France, and the Loukoss submarine cable, between Morocco and Spain;
- the Transafricain, a land cable from Morocco to Burkina Faso and Niger, via Mauritania and Mali, which increases the connectivity of the countries it crosses, and a new international fiber optic submarine cable "West Africa" (construction in progress). By increasing the connectivity of the countries they serve, these cables are helping to sustainably reduce the digital divide in Africa.

Diversified services to democratize access to telephony and the internet and facilitate digital uses

Maroc Telecom is multiplying initiatives to meet the needs of all and to generalize and promote the use of digital technology.

Some examples: top-ups starting at MAD 5, post-paid with no commitment starting at MAD 59 per month, offers adapted to the needs of young people such as the "Facebook Flex" service, which allows users to stay connected when their internet account balance runs out, innovative offers to enable them to benefit from the latest and most advanced digital uses worldwide (e.g. connected devices).

Initiatives to generalize and promote digital uses continued throughout 2019: To continue to support the use of new technologies in learning and access to knowledge, Maroc Telecom launched a special offer for students at the beginning of the school year, including a laptop, a 4G+ router and a six-month internet subscription.

Maroc Telecom introduced the first non-touch phones on the market, at more affordable prices than smartphones and giving access to numerous digital content and services such as WhatsApp, Facebook, Youtube, Google Maps and Twitter.

A pioneer in the introduction of on-demand content, Maroc Telecom continues to enrich the content of its services to meet the needs of all, and to promote access to culture and entertainment (music streaming and on-demand video services, plus other multimedia content: games, apps, etc.).

4.1.3.6 CONTRIBUTION TO ECONOMIC AND SOCIAL DEVELOPMENT AND THE WELL-BEING OF POPULATIONS

Support for business creation and employment

Maroc Telecom supports the integration of new technologies within start-up companies by offering them preferential prices on telecoms products.

Maroc Telecom's investments and business operations have a positive impact on job creation: Maroc Telecom is responsible for almost 113,000 indirect jobs in Morocco and more than 850,000 in all the countries where the Group operates: resellers, subcontractors, call centers, etc.

Support for education and training

Maroc Telecom is committed to supporting young people who are a major part of Morocco's human capital and a driver of its development. It is increasing actions to facilitate their access to learning so that they can expand their knowledge.

The "MOSSANADA" Association (formerly the Maroc Telecom Association for Business Creation and Employment Promotion "MT2E") has to date supported more than 720 bright young people from modest families in pursuing higher education in Morocco or abroad, by awarding them scholarships for five academic years.

Maroc Telecom is the leading contributor to national measures seeking to integrate ICT into education and vocational training.

The deployment of the third phase of the Engineering program continued in 2019. In this phase, Maroc Telecom won the contract to equip more than 3,200 schools with ADSL internet access with filters to protect students from sensitive internet content, representing a major participation of 41% among four operators. During the first and second phases of Genie, Maroc Telecom connected nearly 1,300 schools.

Under the Injaz Program, Maroc Telecom offers innovative products that so far have provided mobile broadband internet access as well as laptops and tablets at competitive prices to over 88,600 students.

Maroc Telecom also continued its involvement in the Nafida@ Program under which almost 286,300 teachers have obtained internet access at discounted prices.

Maroc Telecom is therefore contributing 69% and 71% to the Injaz and Nafid@ programs respectively.

Large-scale investments to improve infrastructure

Maroc Telecom is continuing to roll out high-speed broadband. This is an important economic issue for Morocco and a key factor in attracting investment throughout the country, enabling firms to be more competitive and harnessing technology to develop new services.

In 2019, Maroc Telecom continued the roll-out of its 4G+ Mobile network and its FTTH (Fiber To The Home) network, which is now available in all big cities across Morocco.

Maroc Telecom is the first operator to launch a "Broadband internet via VSAT satellite" offer in 2017, with full coverage of Moroccan territory.

Embracing humanitarian causes

Because it is important to promote solidarity for inclusive, fair and sustainable development, Maroc Telecom is engaged with a number of national foundations and associations that perform humanitarian actions to benefit those who are sick or economically disadvantaged, including the Mohammed V Foundation for Solidarity, the Lalla Salma cancer prevention and treatment foundation, and the AIDS association (ALCS).

The Company also supports children's charities and organizations, such as the Moroccan Down Syndrome Association, the National Institute for Children's Rights, and the Lalla Asmaa Foundation for Deaf Children.

Supporting culture and sports

Maroc Telecom has been supporting culture for several years and in many areas: music, cinema, theater, books and painting. Maroc Telecom promotes art and culture in all their diversity, which are elements vital to individual and collective human development.

Every year since 2002, Maroc Telecom has held its summer beach festival in the major cities along Morocco's coast. The free beach festival attracts several million visitors each year.

With 135 concerts and shows, the 18th edition of the beach festival in 2019 brought together several million spectators, honoring the greatest artists of Moroccan song in different musical styles - classical, modern and heritage as well as the new stars of the national musical scene.

Every year, Maroc Telecom is associated with numerous festivals in the Kingdom: large and famous festivals that showcase Morocco's artistic heritage and welcome the greatest national and international artists, as well as regional festivals that aim to perpetuate traditional popular arts. Maroc Telecom has also been a patron of the Théâtre National Mohammed V de Rabat since 2002 and has been instrumental in publishing various books on Moroccan history and culture.

The Maroc Telecom auditorium, with a capacity of 600, was designed to be modular and flexible so that it could host a wide variety of events, including conferences, concerts, shows and film screenings. By opening it to the public, Maroc Telecom underscores its commitment to fostering cultural diversity and universal shared access to culture. Since its inauguration in June 2013, the auditorium has already hosted numerous events.

The Maroc Telecom museum, Morocco's first technological museum, traces the history of the telecom sector; it helps to preserve the nation's cultural heritage and gives current and future generations the opportunity to discover new developments in telecoms technologies in Morocco. Open to the public and with free admission, it arranges regular fun and educational guided tours for children. The museum has tools for those with specific needs, to provide a cultural space that is accessible to all.

For years Maroc Telecom has supported Moroccan sport, which are emblematic of national values and a means of boosting the country's economy. It has formed long-term partnerships with the Royal Moroccan Soccer Federation and the Royal Moroccan Athletics Federation, as their official sponsor since 2000 and 1999 respectively. Maroc Telecom also supports other disciplines, such as equestrian sports, golf, tennis and motor racing.

Developing young talent

Maroc Telecom supports creativity and young talent, helping to increase the involvement of young people in social and cultural life.

Maroc Telecom is supporting a range of initiatives to promote the artistic expressions of younger generations and develop talent, such as the "Jidar, Toiles de rue" festival, a celebration of urban art in Morocco's capital city, and the "Afrique du Rire" festival, the first festival to showcase African comedians from Morocco and other countries, with established comedians as well as new talents in a tour across the continent.

Maroc Telecom has its own sports school, created in 2001. The school provides soccer classes for children aged 6 to 16. It takes in 200 to 250 children every year. The children of employees account for more than one third of the children enrolled. In addition, Maroc Telecom has been a partner of the Mohammed VI Soccer Academy since 2007. The Academy provides high level training and contributes to the preparation of professional players.

4.1.3.7 CONTRIBUTION TO ENVIRONMENTAL PROTECTION

Control of the environmental impacts of the Company's operations

Maroc Telecom's environmental policy is based on several commitments both to reduce the environmental impact of the Company's activities and to mobilize, alongside civil society, to meet great environmental challenges.

Maroc Telecom has set up a system to assess its environmental compliance: a reference framework of applicable national regulations and best practices in the sector and audit grids to regularly measure compliance and environmental performance and identify improvements.

In 2019, Maroc Telecom undertook work to calculate the carbon footprint of its activities.

This work makes it possible to identify all the impacts of the Company's operations on the environment and to strengthen measures to control them. The main impacts relate to the use of energy, waste production, atmospheric emissions and visual pollution.

Maroc Telecom carries out numerous actions to reduce the impact of its business on the environment.

- it uses renewable energy sources, in particular to supply remote technical sites;
- it optimizes its consumption of fossil fuels (electricity, fuel);
  - an extensive awareness campaign involving all employees (Eco Gestes),
  - Maroc Telecom requires its suppliers to provide equipment with high energy performance and deploys recent technologies that optimize electricity consumption. Examples include single RAN and free-cooling,
  - the Maroc Telecom Tower has been designed to reduce energy consumption and optimally manage water: reduced energy consumption thanks to centralized management (blinds, air conditioning, lighting, etc.), a double skinned facade, the installation of presence detectors and specific glazing reducing the need for artificial lighting; optimal water management thanks to rainwater recovery to irrigate outdoor spaces, timed faucets with infrared detection, filtering of grey water, etc.,
  - Maroc Telecom is reducing its fuel consumption. By using operational leases, Maroc Telecom regularly renews its fleet and benefits from ever newer vehicles that consume less fuel and pollute less, thanks to technological advances made in engine technology;
- with a view to preserving the beauty of the natural landscape, Maroc Telecom uses mobile phone masts that are appropriate to the surrounding environment (for example, masts that resemble a palm or pine tree). It also uses equipment, materials and other techniques (painting, disguising antenna to look like palm fronds, concealed base transceiver stations) to make its mobile sites as unobtrusive as possible;
- Maroc Telecom implements the necessary actions to treat and recover each type of waste in accordance with applicable regulations and best industry practices. A procedure specifies the rules and conditions for the storage, disposal and treatment of waste by type;
- Maroc Telecom continuously improves the use of paper and resources, in particular for the marketing of products and services: diversification of dematerialized means for the purchase of mobile communication credits, online invoicing, reduction of the size of the SIM card pocket and support to optimize the use of paper and plastic, etc.

Raising awareness of environmental protection

Maroc Telecom raises its employees' awareness of environmental and sustainable development issues:

- training on sustainable development issues has been provided since 2009;
- an "Eco-gestures" guide has been rolled out to employees and is available on the intranet; it provides information on environmental issues and impacts related to the consumption of electrical energy, paper and fuel and encourages employees to adopt environmentally responsible behavior at work through simple acts;
- an eco-driving charter has also been rolled out to employees, with recommendations to use when in their vehicle in order to save energy and pollute as little as possible.

Maroc Telecom supports and participates in several civil society initiatives to raise citizens' awareness of environmental protection and help address major environmental issues.

Maroc Telecom participates in the Voluntary Carbon Offsetting Program of the Mohammed VI Foundation for the Protection of the Environment. Each year, it offsets part of its irreducible greenhouse gas (GHG) emissions by participating in the financing of GHG sequestration projects such as equipping rural schools with solar energy and organizing awareness-raising activities, including the development of teaching guides for environmental education.

Every year, Maroc Telecom participates in the Foundation's Clean Beaches; it carries out cleaning and development work on the Kingdom's beaches and conducts awareness-raising campaigns for summer visitors.

Maroc Telecom also helped build the Foundation's *Centre de Sensibilisation à la Protection de l'Environnement* (an environmental awareness center) in Bouknadel.

As part of its partnership with the Temara Zoo, Maroc Telecom helped to raise awareness among young people about animal and plant diversity by supporting the organization of educational workshops.

Maroc Telecom participates in the international action "Earth Hour," an hour to raise awareness of climate change. For one hour, the facade of the Tower is switched off, as well as the building's signs and all non-essential lights and appliances. On this occasion, Maroc Telecom is mobilizing its employees by inviting them all to participate in this global momentum.

4.1.3.8 2020 FOCUS

In 2020, the Corporate Social Responsibility policy will be strengthened. The scope of the reporting will be extended to new social indicators in the subsidiaries. Ongoing initiatives such as managing waste, landscaping cell towers, reducing energy consumption, and promoting and assessing the CSR performance of suppliers will continue. New initiatives are also planned, such as the carbon assessment of Maroc Telecom's business operations.

Maroc Telecom environmental indicators

Electricity used (thousands of KWh): 572,209

- Waste Electrical and Electronic Equipment (WEEE) (Kg): 172,580
- Fuel used (generators) (L): 9,452,822

Total Maroc Telecom CO_2 emissions (kg CO_2): 457,831,921 (1)

- CO_2 emissions from mobile usage (t CO_2 eq)
  - Gasoline: 59
  - Diesel: 9,236
- CO_2 emissions from fixed-line usage (t CO_2 eq)
  - Electricity: 412,277
  - Other sources: 35,749
- CO_2 emissions from business travel (t CO_2 eq)
  - Train: 122
  - Airplane: 388

The Group's employee performance indicators

- Headcount: 10,422
- Female employees: 2,770
- Male employees: 7,652
- Average age:
  - Maroc Telecom: 48 years
  - Subsidiaries: 45 years
- Average years of service:
  - Maroc Telecom: 22.8 years
  - Subsidiaries: 16.2 years
- Employees under age 25: 101
- Percentage of female executives: 31%
- Average number of training days per employee: 2.7

The Group's societal indicators

Regional, economic and social impact:

- Indirect jobs created by the Group: over 850,000 jobs. Almost 113,000 in Morocco and almost 740,000 in the countries of the subsidiaries;
- 65% of Maroc Telecom's purchases were made with local suppliers;
- Isolated rural locations covered over the year: 39 in Benin, 22 in Burkina Faso, 4 in Côte d'Ivoire, 11 in Gabon, 53 in Mali, 9 in Mauritania, 37 in Niger, 3 in Chad, and 15 in Togo.

Consumer health and safety

- Number of measurements of the electromagnetic field (Maroc Telecom): almost 640.

(1) *Emission Factors of the Carbon Base Morocco*

4.1.4 Real-estate holdings

Maroc Telecom runs its networks and its retail, support and administrative operations from more than 8,364 sites (buildings, land, etc.) throughout Morocco, of which approximately 87% are leased and 13% are owned by the Group. These facilities are primarily sites historically owned by the Kingdom of Morocco which were legally transferred to Maroc Telecom at the time of its incorporation in 1998 in accordance with Law 24-96 through a contribution in kind. Maroc Telecom is in the process of obtaining formal legal title to these sites.

The registration rates for the sites on which Maroc Telecom holds property rights are 97.87% composed of the following:

- 87.08% of the sites have a deed in the name of Maroc Telecom;
- 10.79% of the sites are being requisitioned from land conservancies.

Requisition is a claim to a property right. It is issued by the land registrar once the application for land registration has been made. It becomes a property title after completion of the regulatory administrative formalities.

Sites pending registration (2.1%) break down as follows: 12 sites involved in regularization, of which 1 site is at an advanced stage in the process while 11 sites are under dispute.

There are 41 other sites over which Maroc Telecom does not have ownership rights:

- 36 sites are being expropriated;
- 5 sites are under dispute.

The disputed sites and those subject to expropriation mainly concern land belonging to the private domain of the State and to municipalities, the regularisation of which is subject to an administrative procedure, as well as private land lacking proof of ownership.

The estimated costs of these transactions (e.g., payment of land-registration fees) and/or the potential financial risks likely to arise from any dispute over the legal title of ownership are deemed to be insignificant in relation to the total value of the real estate assets registered in the name of IAM.

A similar process is taking place at Maroc Telecom's sub-Saharan subsidiaries.

4.1.5 Intellectual property, research & development

At December 31, 2019, Maroc Telecom owned some 865 trademarks and brand names, five patents, four industrial models and two industrial designs registered with the Moroccan Office for Industrial and Commercial Property (OMPIC).

Itissalat Al-Maghrib, Maroc Telecom, Jawal, El Manzil, Kalimat, Menara, Fidelio, the Maroc Telecom pages jaunes (yellow pages), Mouzdaouij, Solutions Entreprises, Phony, Mobicash and MT Cash are among the main trademarks and brand names owned by the Group in Morocco.

The trademarks and brand names currently owned by Maroc Telecom are protected throughout Morocco. For the 285 trademarks registered prior to December 18, 2004, when Law 17-97 concerning the protection of industrial property rights took effect, the patent protection period is 20 years, renewable indefinitely; for the 580 trademarks registered after this date, the patent protection period is 10 years, also renewable indefinitely.

Since 2006, in order to protect its industrial and intellectual property rights abroad, Maroc Telecom has extended the protection of 32 of its trademarks, including Mobicash and Nomadis, to France, Benelux, Germany, Spain, Portugal, Italy, Algeria, the European Union and the African Intellectual Property Organization.

Moreover, when it acquired new subsidiaries in January 2015, Maroc Telecom also acquired the title to trademarks registered with the African Intellectual Property Organization (OAPI) and in select African countries, notably Angola, Rwanda, Burundi and Gambia.

These consist of the Moov trademark and a few Moov-derived trademarks.

In addition, Maroc Telecom is committed to taking all necessary and appropriate measures to protect the trademarks, patents and industrial models it has developed.

The rights to use the trademarks and brand names granted to Maroc Telecom are described in the service agreements signed with its contractors. Certain contracts for the sale of services or products grant retailers the right to use Maroc Telecom's trademarks for the term of the agreement, in accordance with the procedure agreed on by the parties.

4.2 • Description of operations

4.2.1 Morocco

GLOBAL OPERATING ENVIRONMENT

KEY MACROECONOMIC INDICATORS

	2019	2018	2017
Population *(in thousands)*	35,587	35,220	34,852
GDP per capita *(in USD)*	3,345.0	3,365.5	3,147.8
GDP growth *(in%)*	2.7	3.0	4.2
Inflation *(in%)*	0.7	1.9	0.8

Source: IMF, October 2019.

OPERATING ENVIRONMENT

The Moroccan telecommunications market is made up of three operators which offer their customers a wide range of services covering Fixed-Line and Mobile communications, data transfer, and other value-added services.

The Mobile market has entered a phase of maturity, with the speedy roll-out of Mobile telephony leading to an almost universal adoption of this service in both urban (99.8%) and rural (99.7%) households.

The decreasing trend in fixed lines observed worldwide also affects the Moroccan market, the number of fixed residential lines having fallen 8.2% over the last six years.

Internet services are becoming more popular and they are gradually reaching rural areas. At the end of 2017, 70.2% of households had an internet connection, with 77.2% of those being urban households and 51.3% rural households. However, Mobile Internet is still the main way in which people access the internet.

Source: ANRT.

COMPETITIVE ENVIRONMENT AND EXISTING OPERATORS

At December 31, 2019, a total of 25 telecommunications licenses had been awarded in Morocco.

The telecommunications market by operator and type of service is summarized below:

Technology	Number of licenses	Operator
Fixed-Line	3	Maroc Telecom Medi Telecom Inwi
Mobile (2G)	3	Maroc Telecom Medi Telecom Inwi
Mobile (3G)	3	Maroc Telecom Medi Telecom Inwi
Mobile (4G)	3	Maroc Telecom Medi Telecom Inwi
GMPCS	4	SOREMAR ORBCOMM Maghreb European Datacomm Maghreb Al Hourria Telecom
VSAT	6	Spacecom Cimecom (Nortis) Gulfsat Magrheb Maroc Telecom Wana Corporate (with restricted mobility) Société d'Aménagement et de Développement Vert (SADV)
3RP	3	Cires Telecom Moratel Société d'Aménagement et de Développement Vert (SADV)

Source: ANRT.

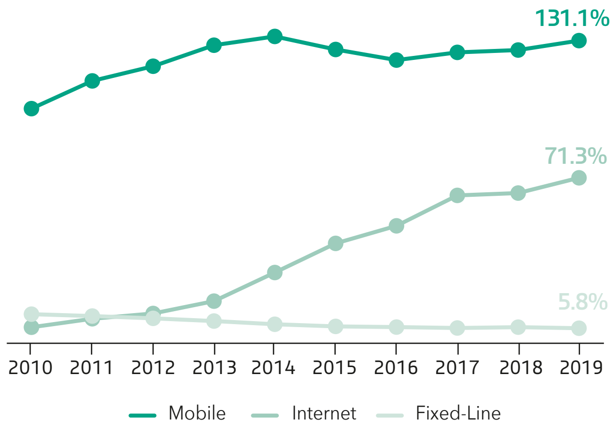
Maroc Telecom's principal competitors are as follows:

- Medi Telecom (Meditel), holder of a Mobile license since August 1999, renamed Orange Maroc on December 8, 2016. Orange Maroc is 49% owned by the Orange Group, 25.5% by FinanceCom, and 25.5% by CDG;
- Wana, in which SNI Group holds a 69% stake, with the remaining 31% held by the consortium composed of Al Ajial Investment Fund Holding and Zain Telecommunications Group.

4

KEY INDICATORS FOR THE MOROCCAN TELECOMMUNICATIONS SECTOR

MOBILE, FIXED-LINE (INCLUDING RESTRICTED MOBILITY) AND INTERNET PENETRATION RATE IN MOROCCO, 2010-2019



Source: ANRT.

The mobile penetration rate reached 131.1% at the end of December 2019. The change is due to: (i) investments made to expand coverage; (ii) enhanced packages.

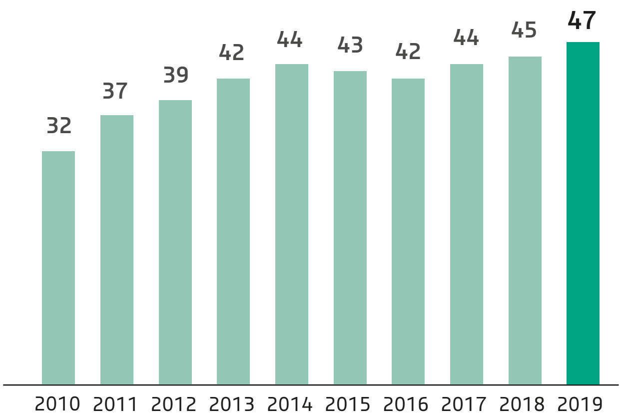
The Fixed-Line penetration rate is currently 5.8%, down as a result of the decrease in the customer base (limited mobility accounted for by the ANRT in the Fixed-Line base).

The Internet market continued its strong growth, driven by Mobile internet and the ADSL Double Play package, with the penetration rate going from 6% in 2010 to 71.3% at the end of December 2019.

CUSTOMER BASE TRENDS

MOBILE TELEPHONY SEGMENT

MOBILE CUSTOMER BASE IN MOROCCO, 2010-2019
(in millions of customers)

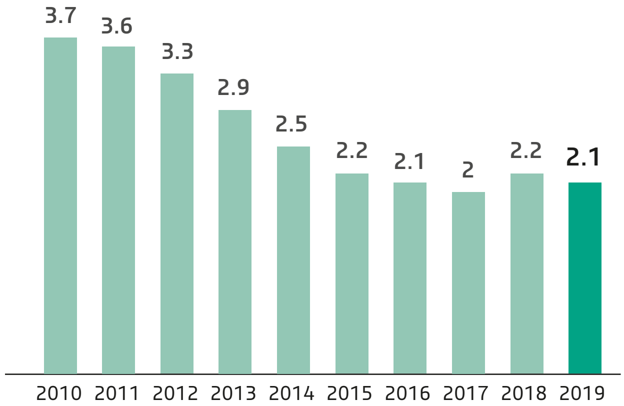


Source: ANRT.

The Mobile telephony market is dominated by prepaid customers, who represent 91% of the total customer base. At end-December 2019, there were a total of 47 million Mobile customers.

FIXED-LINE TELEPHONY SEGMENT (INCLUDING RESTRICTED MOBILITY)

FIXED-LINE CUSTOMER BASE IN MOROCCO, 2010-2019
(in millions of customers)

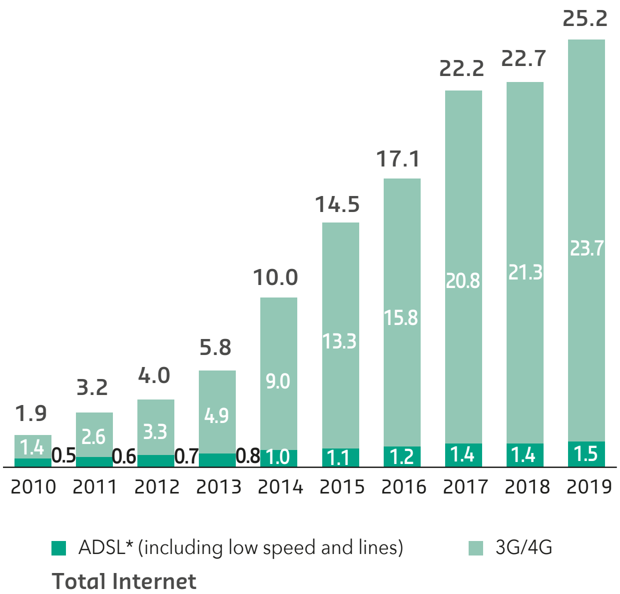


Source: ANRT.

Until 2010, the Fixed-Line market enjoyed steady growth from the introduction of restricted-mobility offers. Since 2010, the Fixed-Line market has been in steady decline owing to deep price cuts in the Mobile segment. The wired Fixed-Line market shrank slightly in Q4 2019, despite a strong performance by ADSL services, particularly Double Play.

INTERNET SEGMENT

INTERNET CUSTOMER BASE IN MOROCCO, 2010-2019
(in millions of customers)



Source: ANRT.

Growth in the Internet market has gathered pace since 2008, mainly because of the introduction of 3G/4G Internet offers that expand internet access at increasingly lower prices, as well as the launch in 2012 of ADSL Double Play plans to revive the Fixed-Line and Internet market. At the end of 2019, there were 25 million internet customers, including 23.7 million Mobile internet customers (93% of the customer base).

4.2.1.1 MOBILE TELEPHONY

Market and competitive environment

In a mature market characterized by intense competition and a tougher regulatory environment, Mobile telephony in Morocco features generous call plans, repeated and aggressive promotional offers and more targeted marketing efforts to build customer loyalty, increase usage and win new customers.

To boost growth in this segment, call plans are often combined with data, whose usage is growing rapidly thanks to the accessibility of smartphones and the introduction of mobile broadband.

YEARS IN WHICH MOBILE TECHNOLOGIES WERE LAUNCHED ON THE MARKET BY THE THREE OPERATORS

	Maroc Telecom	Orange Morocco	Inwi
GSM 2G	1994	2000	2010
GPRS	2002	2004	2010
Roaming MMS and GPRS	2004	2006	2010
3G	2008	2008	2008
4G.	2015	2015	2015
VSAT	2017	-	2017

MOBILE MARKET SHARE OVER THE PAST THREE YEARS

Market share	2019	2018	2017
Maroc Telecom	42.92%	42.54%	42.13%
Orange Morocco	34.06%	34.55%	34.79%
Inwi	23.02%	22.91%	23.08%

Source: ANRT

Despite the challenging competitive environment, Maroc Telecom has remained the market leader in the Mobile segment. In December 2019, Maroc Telecom had a market share of 42.92%, compared with 34.06% for Orange Morocco and 23.02% for Inwi.

PREPAID MOBILE SEGMENT

Maroc Telecom is continuing to promote call and data bundles with its Jawal Passes.

Maroc Telecom continues to offer innovative services to its customers, such as the new Switch balance conversion service, which gives Jawal customers the freedom and flexibility to convert their Call credit to data or vice-versa, depending on their requirements.

In 2019, the Top-Up x12 offer had its exclusive launch, on an ongoing basis, for all Top-ups of MAD 10 or more, via the *Mon Espace MT* app.

To boost the prepaid customer base, the Jawal loyalty program was enhanced with prize draws to accompany the weekly Fidelio Jawal bonuses, with the chance to win a year's subscription to the Liberté plan or holidays to Egypt during the Africa Cup of Nations (CAN).

Market share in the prepaid Mobile telephony market over the past three years

Market share	2019	2018	2017
Maroc Telecom	42.31%	41.80%	41.27%
Orange Morocco	34.74%	35.03%	35.28%
Inwi	22.95%	23.17%	23.45%

Source: ANRT

POSTPAID MOBILE SEGMENT

Maroc Telecom is continuing to focus on customer loyalty by offering a full range of low-cost plans combining free data and voice services, as well as an unlimited plan offering customers everything they need at highly competitive rates.

Market share in the Mobile postpaid telephony market over the past three years

Market share	2019	2018	2017
Maroc Telecom	48.37%	50.29%	52.76%
Orange Morocco	28.02%	29.53%	28.74%
Inwi	23.61%	20.18%	18.50%

Source: ANRT.

Maroc Telecom has continued to focus on controlled plans to meet the needs of two customer segments: call-focused customers and data-focused customers.

Maroc Telecom has launched an enhanced, unlimited domestic and international plan for MAD 399 that includes unlimited calls to domestic numbers, 100 hours to international numbers, unlimited domestic and international SMS and 35GB internet.

In the B2B segment, medium and premium plans were readjusted as follows:

- launch of a new B2B 30 hours + 15GB + Intragroup plan from MAD 180 incl. tax, attractive for both Calls and Data and suited to each type of operations;
- improvement to premium Mobile plans by including additional 4G+ data at no additional cost to the customer. The 35-hour Package now includes 15GB of 4G+ internet instead of 10GB, and the 50-hour Package will include 30GB instead of 20GB at the same price.

In Mobile internet, there have been regular promotions on the 4G Wifi Box and there is a package combining unlimited internet access and a minutes allowance from MAD 199 incl. tax per month. Once the limit has been reached, the connection is not interrupted. The customer can continue having unlimited internet access at a lower speed but with a good QoE (Quality of Experience).

Performance

PRINCIPAL MOBILE PERFORMANCE INDICATORS

	2019	2018	2017
Sales – Mobile *(in MAD million)*	14,276	13,966	13,335
Mobile customers *(in thousands)*	20,054	19,062	18,533
o/w postpaid	2,302	1,993	1,767
Blended ARPU *(in MAD/customer/month)*	58.3	59.6	58.0

Mobile sales at end-December 2019 in Morocco rose 2.2% compared to December 2018 to reach 14,276 million dirhams.

At end-December 2019, Maroc Telecom's total active customer base increased 5.2% to over 20 million customers, essentially driven by strong performance by the postpaid customer base, which grew 15.5%. The mixed ARPU at end-December 2019 was 58 dirhams, a slight decrease of 0.5%.

PREPAID MOBILE SEGMENT

Prepaid plans have become more popular thanks to the accessibility of data with SIM card packs and pass credits and promotions launched by Maroc Telecom on top-ups and calls to boost consumption and customer loyalty.

Maroc Telecom's active prepaid Mobile customer base rose at end-December 2019 (4% higher than in December 2018), standing at 17.8 million customers.

POSTPAID MOBILE SEGMENT

The Mobile customer base rose 15.5% at end-December 2019 to 2,302 thousand customers. This positive change reflects the availability of affordable plans providing easy access to postpaid plans for customers migrating from prepaid mobile.

MOBILE INTERNET

The prepaid Mobile Internet customer base is currently 11,8 million, with data-only being replaced by data + calling. The prepaid data-only customer base fell 42% vs. December 2018.

Maroc Telecom consolidated its leading position on the Mobile Internet market, with a market share of 48.37% in Q4 2019. Mobile internet has proven popular with customers, with average Data use per customer increasing 18% at end-December 2019. Revenues from Mobile internet grew by 19%, thus enabling continued solid revenue growth of 5.6% from outgoing services.

Mobile offers and services

PREPAID PLANS

Maroc Telecom markets its prepaid plans under the Jawal brand. Prepaid plans are aimed primarily at the consumer market, which demands affordable SIM-only offers with frequent promotions on top-ups and calls. Maroc Telecom's prepaid plans are sold in the form of packages (handset and SIM card) and SIM card packs (SIM only) with a single price for calls to all national operators (MAD 0.07 incl.tax per second and MAD 0.96 incl. tax per SMS). International call and text rates vary depending on the country and international pricing zone.

Pay-as-you-go plans are continuously promoted by bonuses (depending on the value of the top-up and the promotional period):

- ongoing x4 offer for all top-ups from MAD 5 and Multiple Top-Up Promotions (alternating depending on the competitive situation: x10 top-up or x12 top-up);
- customers can choose from a wide range of passes:
  - pass *1 for texts only, *2 for voice and data, *3 for data, *4 for international calls, plus other passes for value-added services, such as *6 for social media access and *8 for data roaming, or *7 for bundled roaming voice, data and SMS.

POSTPAID RATE PLANS

Postpaid rate plans are available to Retail, Professional and Business customers:

- the Retail segment has a range of fixed-rate plans from MAD 59 and unlimited offers from MAD 399:
  - **basic Liberté plans:** comprehensive and affordable plans with domestic and international calls plus data bundles starting at MAD 59,
  - **Mid-range and Premium plans:** starting at 16 hours of airtime at MAD 159 (incl. tax) for domestic and international calls with a capping option, plus generous data bundles. These plans are also eligible for the Fidelio plan with access to a wide selection of competitively priced handsets,
  - **unlimited plans:** unlimited domestic and zone 1 international calls, unlimited texts and unlimited mobile internet depending on the plan;
- additional paying options are also available: unlimited paying numbers, Mobile internet pass, Double and Triple Top-Up in addition to the standard plan, SMS Pass, domestic voice pass and international voice pass to all countries;

- the Business segment has offers with free internal calls: Intragroup plan with 4 hours' airtime from MAD 72 per month and Optimis plans from MAD 149 per month, as well as two unlimited plans from MAD 399 per month offering unlimited Voice and SMS to all domestic operators, international calls and mobile internet;
- as for the Professional segment, a diverse range of flat-rate packages similar to the Business Package is available to meet the increasingly demanding business needs of artisans/traders, managers of very small enterprises and self-employed professionals;
- additional offers are also available for topping up when reaching the extra group ceiling, with Jawal top-ups that include ongoing free calls, the possibility of subscribing to voice and SMS passes and international pass to all countries.

MOBILE INTERNET

To guarantee easy browsing for all users of mobile internet, Maroc Telecom has rolled out 4G+ browsing speed for all prepaid and postpaid internet plans. In areas not covered by the 3G+/4G+ network, Maroc Telecom's GPRS network provides seamless mobile internet access.

To continue browsing once the volume ceiling has been reached for postpaid plans, the customers (data + voice) can buy internet top-ups (5GB for MAD 50 or 2GB for MAD 25). These can be held concurrently and any remaining credit can be rolled over to the following month.

Postpaid customers also have a number of volume capped plans depending on usage and from 15GB at MAD 99 incl. tax per month.

The prepaid mobile internet plan provides an internet connection via modem or telephone on a pay-as-you-go basis with no monthly bill. Maroc Telecom has a wide range, from 500MB for 5 dirhams up to 20GB for 200 dirhams.

VALUE-ADDED SERVICES

Smart devices

Smart Kids

This is the first range of smart devices targeting child safety in Morocco. By linking a smart tag to a single mobile voice and data plan, Smart Kids lets parents locate their children at all times.

With a Mobile Android or iOS app downloaded on the smartphone, parents can locate their child and view his or her location history, or receive notifications if the child enters or leaves predefined areas. An unlimited number of areas can be predefined.

The child can also make emergency calls to a single preset number by simply pressing the SOS button on the tag.

Smart Car

Maroc Telecom became the first company in Morocco to launch an integrated smart vehicle management system called "Smart Car". Now customers can manage and locate their vehicle(s) remotely and thus better manage their vehicle(s) or fleets.

The system consists of a terminal (Dongle) inserted into the vehicle's OBD-II connector and a cloud management platform accessed via a Web portal or a smartphone application. It is simple and easy to install via Plug and Play. Users can locate their vehicles in real time and set up email alerts and push notifications.

Smart Car also offers driving behavior indicators that can optimize car use over a weekly or monthly period. The solution also has dashboards and trip management reports.

Facebook FLEX

Maroc Telecom signed a partnership with Facebook, the world leader in social networks, to offer its mobile prepaid customers, particularly young people, the "Facebook Flex" service. It enables them to stay connected to their friends and family when their internet balance has run out, or even when it is low and they want to save it, by accessing many features of the social network (chat, posting, commenting, liking or sharing content) from their mobiles or tablets, free of charge. They also have the option of easily and transparently switching between the free-of-charge and paid-for modes, so that, if needed, they can access HD content (photos and videos).

Through Facebook Flex, Maroc Telecom provides its customers, especially young people, with technology and information solutions so that they can stay connected everywhere, all the time.

VOD services: ICFLIX & Starz Play

Maroc Telecom exclusively offers its customers two unlimited Video-on-Demand (VoD) services for connected devices.

ICFLIX

Launched in 2015, ICFLIX is Morocco's first official videos streaming service. It gives customers unlimited access to an extensive catalog of Hollywood content, Bollywood content, children's programs and major Moroccan film productions. The platform offers access to a diverse catalog of HD video content (over 40,000 hours), including movies, TV series, animations, documentaries and cartoons. It can be accessed on five connected devices simultaneously (smartphone, tablet, PC and smart TV).

Maroc Telecom offers a free trial period for ICFLIX (one month). The service costs MAD 9 for four days, MAD 15 per week, and MAD 50 per month.

Starz Play

Launched in October 2016, Starz Play is an unlimited VoD service offering a wide range of content – especially big US productions – for adults and children alike. Content can be streamed to two devices simultaneously (smartphone, smart TV, tablet, computer or games console).

Maroc Telecom offers a free trial period on Starz Play of three days. At the end of this period, the service is offered without obligation at the price of 35 DH per month and 17.5 DH per week.

Music services: ANGHAMI & DIGSTER

Maroc Telecom teamed up with Universal Music and Anghami to offer its customers world-class music content.

DIGSTER

Digster is a music service offering weekly playlists compiled by leading playlisters. It acts as a personal DJ catering to every mood and musical style from rock, pop and hip-hop to rai, *Nouvelle Chanson*, Oriental and Golden Oldies.

Anghami

Anghami is the leading official music streaming app in the Middle East and North Africa. Customers have unlimited access to a wide and diverse music catalog with over 20 million songs and special features. Anghami is available on any connected device (smartphone, tablet, smart TV, smartwatch or computer).

All new Digster and Anghami customers get up to one month and one week of free content respectively. The services are then billed monthly at MAD 25 (incl. tax) and MAD 30 (incl. tax) respectively. Cheaper options are also available with Pass Hebdo at MAD 10 (incl. tax) for one week of Digster and Pass 10 Jours at MAD 15 (incl. tax) for 10 days of Anghami.

Sports services: MT FOOT

In June 2019, Maroc Telecom launched a sports content service focusing on the most popular sport: Soccer.

MT Foot is a service for soccer fans, marketed under the Maroc Telecom brand. It offers them a range of content: matches in real time, 3D goals, forecasts, news, and quizzes. Maroc Telecom customers can access the main International and national championships: UEFA Champions League, UEFA Europa League, CAF Confederation Cup, CAF Champions League, La Liga, Ligue 1, Premier League, Bundesliga, Serie A and the Botola.

MT Foot can be accessed via the app or a Web Interface, for MAD 3 for a Day Pass and MAD 10 for a Weekly Pass.

App purchases on Google Play: Billing by Maroc Telecom

This service, available since September 2019, allows Maroc Telecom customers to purchase apps and digital content available on Google Play Store with two payment options:

- deduction from the Premium Services account (*9) for prepaid customers;
- billed as an added extra for postpaid customers.

Handset plans

Jawal prepaid packs

A wide variety of Jawal prepaid packs are available at different prices. Maroc Telecom strives to offer customers the latest handsets and cutting-edge functionalities, as well as the growth of the customer base for smartphones. In 2019, Maroc Telecom offered 4G smartphone packs at very low prices as well as a new 3G mobile on the KaiOS operating system for MAD 249 incl. tax. This launch aims to democratize access to data and the use of the main social media.

Thus, to encourage greater use of 4G, Maroc Telecom provided customers with a panoply of 4G Wifi equipment for simultaneous roaming connection on several handsets.

In fact, prepaid packs including a 4G Wifi, a Jawal case and 20GB of data were offered to customers at MAD 499 (incl. tax) during a promotion.

Postpaid packs

The postpaid-customer acquisition policy is based on the attractiveness of the call plan, the variety of associated products and services and the range of handsets on offer. Cobranded offers create momentum for handset launches and upgrades, often simultaneous with their international campaigns, by offering customers new products with state-of-the-art design and cutting-edge technologies. In 2019 Maroc Telecom continued to increase the uptake of smartphones (including 4G) by selling competitively priced next-generation handsets and launched several promotional offers on packs throughout the year.

Therefore, to support our B2B customers in equipping their mobile devices, Maroc Telecom has launched two editions of the Smartphone Business promotion pack, starting at MAD 999 incl. tax. New customers who select these promotions will receive a 4G smartphones plus a three-month subscription to the MAD 99 incl. tax plan.

As for Mobile internet, 2019 saw the introduction of several 4G+ Internet Box promotions. The box gives customers Wifi internet access with the option of connecting via several handsets at once.

To meet market demand, customers were offered very competitive prices on Mobile internet plans, such as 4G+ unlimited internet, featuring the 4G+ internet Box for MAD 299 (incl. tax) instead of MAD 690 (incl. tax).

CUSTOMER LOYALTY

Customer loyalty is one of Maroc Telecom's strategic strengths which has helped it prepare for the impact of the advent of competition.

Fidelio was the first points-based loyalty program introduced in Morocco. It allows Maroc Telecom's postpaid customers to accumulate points based on usage (customers earn one Fidelio point for every MAD 10 (excl. tax) billed) and to receive benefits in the form of free or discounted handsets or free call time, texts and free Data Passes. The Fidelio 24-month plan allows customers to renew their contracts and change their handsets for even less.

Maroc Telecom's Gold Club offers customers exclusive deals and customized benefits throughout the year such as special private offers, previews, season's greetings and regular invitations to cultural, sporting and other events.

Club members are longstanding mobile postpaid customers who consume a certain amount of airtime and data.

INTERNATIONAL ACTIVITIES

International roaming

In 2019, Maroc Telecom had 682 roaming agreements signed with partner operators across 234 destinations and/or countries, including 592 open GSM networks in 223 destinations/countries and 90 partners whose roaming agreements are signed but not open.

4G data roaming is available with the main partners, i.e. 253 mobile networks in 141 destinations (including 141 destinations/countries for Roaming Out). 3G Roaming is available with 502 operator networks in 211 destinations (including 211 destinations/countries for 3G Roaming Out).

For GPRS Roaming, Maroc Telecom has entered into agreements with 527 operator networks in 212 destinations and/or countries (including 212 destinations/countries for GPRS Out).

Prepaid roaming is also available: 202 destinations and/or countries thanks to agreements with 411 operator networks (including 202 destinations/countries for Roaming Out networks) and 183 destinations with 310 operators for prepaid Data Roaming.

Services for sending international SMS and MMS are also available over 213 destinations and/or countries covering the five continents, as well as short-code numbers (333 for voice mail and 777 for customer service).

2019 saw the launch of the new Pass Roaming *7 offer, which includes voice, SMS, and data in Roaming situations for Jawal customers, and capped plans for new destinations. Maroc Telecom has also added the Millicom Tigo Chad subsidiary to the Nomadis service, which offers low Roaming rates within the network of subsidiaries. These improvements went hand-in-hand with two cycles of Roaming promotions (Umrah & Hajj/Summer and Year-End 2019). Pilgrims once again benefited from free incoming calls on all the Saudi networks in 2019 as well as a promotion on Roaming or 2GB for MAD 100.

4.2.1.2 FIXED-LINE TELEPHONY

Market and competitive environment

Maroc Telecom is Morocco's leading provider of Fixed-Line telephony, Internet and Data Transmission services. It is also the only provider of ADSL/fiber optic TV in markets that were fully liberalized in 2005.

The main fixed-line telecommunications services provided by Maroc Telecom are:

- telephony services;
- interconnection services with domestic and international operators;
- data transmission services provided to businesses, Internet service providers and other telecommunications operators;
- high-speed and very-high-speed broadband with the associated value-added services;
- IPTV offer, Triple Play offer and SVoD.

Competitors launched their own fixed telephony and/or internet plans after the ANRT published its decision in 2015 setting the technical and pricing terms of the unbundling offer.

In April 2016, the ANRT issued new guidelines for the pricing of plans offered by telecoms operators.

Law 121-12 was adopted in July 2018, providing the ANRT with the task of imposing the technical and pricing arrangements for interconnection and access to the networks of telecom operators.

FIXED-LINE RESIDENTIAL TELEPHONY MARKET

Maroc Telecom offers a wide range of innovative plans tailored to the different needs of its customers:

- Phony offer, which allows customers to make unlimited calls to Maroc Telecom fixed-line numbers, as well as up to eight hours per month of free calls to domestic mobile numbers;
- Double Play ADSL is targeted at customers wanting very affordable 4 MB/s or 12 MB/s ADSL internet access from MAD 199 (incl. tax) per month;
- MT Box, the first Triple Play plan on the Moroccan market, includes unlimited Fixed-Line telephony, free calls to Mobile numbers, ultra-broadband ADSL fiber-optic internet access and various TV packages.

Fixed-line (including restricted mobility) Residential market share over the past three years

Market share	2019	2018	2017
Maroc Telecom	93.80%	84.40%	84.34%
Inwi	6.20%	15.60%	15.66%

Source: ANRT.

BUSINESS AND PROFESSIONAL FIXED-LINE TELEPHONY MARKET

For its Business customers, Maroc Telecom offers a wide range of plans tailored to the needs of this market:

- InfiniFix includes free unlimited calls to all of the company's domestic fixed-line numbers and Maroc Telecom mobiles intragroup. In addition, customers get up to ten hours of free calls to domestic mobiles and major international destinations;
- ForfaiFix Business includes a wide range of packages including phone line subscription and call time to national and major international destinations.

Additional options are available to tailor plans to the specific needs of each business and offer customers preferential rates:

- Intragroup Fixed-line or Mobile: free unlimited calls to all company landlines;
- Privilège Mobile: preferential rates to all domestic mobiles;
- Privilège International: preferential rates to all international destinations.

Professional customers benefit from a wide range of packages:

- Phony Pro offers unlimited calls to all Maroc Telecom fixed lines, and up to ten hours of free airtime to mobiles domestically as well as in the main international destinations;
- ForfaiFix Pro is a wide range of packages including subscription to the telephone line and hours of calls to national and major international destinations;
- MT Box Pro is a Triple Play package that includes unlimited calls to Maroc Telecom Fixed-Line and up to 20 hours of free calls to domestic Mobile and the main international destinations, internet access, several TV packages and value-added services specially designed for this customer class.

FIXED-LINE BUSINESS TELEPHONY MARKET SHARE OVER THE PAST THREE YEARS

Market share	2019	2018	2017
Maroc Telecom	84.28%	77.09%	83.92%
Orange Morocco	12.32%	19.94%	12.95%
Inwi	3.40%	2.97%	3.13%

Source: ANRT.

SPECIFIC SOLUTIONS

Maroc Telecom offers its Business customers tailored plans based on the latest technology that address the specific needs of each customer.

Indeed, in 2019, Maroc Telecom has accompanied several Key Accounts customers for the installation of specific solutions and to meet the needs in terms of turnkey solution meeting higher requirements.

INTERNET

In 2019, Maroc Telecom strengthened its leading position in the broadband market, reflected in continued growth in the number of Internet customers.

In the very-high-speed fiber optic market, competition was strong and aggressive this year. In response, Maroc Telecom implemented an aggressive retail policy, continuing to cut the prices of equipment and introducing generous and regular promotions. The aim was to enable more customers to access this new technology and benefit from a more powerful internet connection.

Moreover, to ensure rapid, reliable connectivity everywhere in Morocco, Maroc Telecom also offers satellite internet packages with generous plans and more affordable VSAT terminals, mainly thanks to price reductions.

This extensive range of services makes it possible to cover 100% of Moroccan territory and provide access to new information technologies to as many people as possible.

At end-December 2019, Maroc Telecom held its leading position in the ADSL market, with a 99.93% market share (Source: ANRT).

Performance

KEY PERFORMANCE INDICATORS FOR FIXED-LINE & INTERNET

	2019	2018	2017
Revenue (In MAD million)	9,261	9,239	8,962
Fixed-Line customers (a) (in thousands)	1,882	1,818	1,725
Broadband access (b) (in thousands)	1,573	1,484	1,363

(a) The customer base includes all Fixed-Line subscriptions, irrespective of the technology used (PSTN or ISDN). It does not include Maroc Telecom's proprietary base.
(b) Includes ADSL, FTTH and leased lines.

In 2019, Fixed-Line & Internet operations in Morocco generated a revenue of MAD 9,261 million, an increase of 0.2% vs. 2018.

At end-December 2019, the Fixed-Line customer base in Morocco had grown by 3.5% to 1,882 thousand lines.

CHANGE IN CONSUMER HABITS

The drop in Fixed-Line traffic has been limited thanks to abundance deals, especially the unlimited to Fixed-Line MT and the increased free hours to Mobile and the main international destinations.

"Residential" and "Business" plans

FIXED-LINE OFFERS AND SERVICES

As the leading fixed-line operator, Maroc Telecom has always been renowned for the wide range of plans and services it offers its Retail customers. The Fixed-Line offers include:

- bundled abundant packages:
  - Double Play ADSL and Fiber-Optic: combining Voice and Data, with advantages over voice and/or speed depending on customer needs,
  - Triple Play combining Voice, internet and multimedia content, with a variety of television and radio channels;
- Fixed-Line abundance offers: through the resounding success of the "Phony" brand, allowing free and unlimited calls to all Maroc Telecom Fixed-Line numbers and free national mobile plans.

INTERNET OFFERS

Maroc Telecom has a proactive policy to enable the Moroccan population to access the internet and provides solutions adapted to customers' needs and budgets. This policy is mainly reflected in the market launch of the Double Play ADSL 4MB entry-level package aimed at customers on limited budgets and the Fiber-Optic packages up to 200MB, to meet customers' requirements for speed and service quality. Furthermore, frequent promotions shake up the market throughout the year.

For customers located in areas not covered by ADSL, Maroc Telecom sells Internet services through satellite and CDMA technology.

ADDITIONAL SERVICES

Maroc Telecom offers its Residential and Business customers various services:

- convenience services: voicemail, itemized billing in Arabic or French, caller ID display, call-waiting notification, call transfer, three-way calling and an option for subscribers with capped rate to monitor their accounts and to top up their accounts remotely;
- value-added services: Maroc Telecom offers add-on services for its broadband plans, including home automation solutions, smart devices, parental control, IP addresses, national and international domain names, etc.

LOYALTY PROGRAM FOR RESIDENTIAL AND BUSINESS CUSTOMERS

Maroc Telecom has developed a points-based loyalty program for its customers. All Fixed-Line customers (excluding capped rate) are automatically enrolled in the fixed-line loyalty program. They can earn points based on the amount of their monthly bill. Points can then be exchanged for a range of gifts at Maroc Telecom stores.

A rewards brochure is published on www.iam.ma and is available from all retail outlets.

Business offers

TELEPHONY OFFERS

To meet the Fixed-Line telephony needs of Business customers, Maroc Telecom proposes a wide range of offers and rate plans using the Public Switched Telephone Network (PSTN) or the Marnis digital network.

The main plans are:

- ForfaiFix: A range of multi-destination plans, including subscription to the telephone line and airtime of 30 to 165 hours valid for calls to Fixed-Line, Mobile and the main international destinations;
- InfiniFix: A supplement to all national fixed lines and Maroc Telecom business mobiles, with free hours of communication to domestic mobiles and the main international destinations;
- rate options: Intra-fleet Fixed & Mobile, Privilège Mobile & International (discounts on rates per minute for all destinations);
- Marnis: Maroc Telecom has an integrated services digital network (ISDN) that enables businesses to optimize their telephone systems by connecting several telephones to a single access point. Companies then have a direct number for each employee and a large number of value-added services, such as videoconferencing, remote monitoring, payment services, etc.;
- customer-service number: Maroc Telecom has a range of customer-service numbers, toll-free numbers (08000xxxxx), reduced-rate numbers (08010xxxxx) and direct numbers (08020xxxxx), accessible throughout Morocco at a flat rate, making it easier for customers to reach a business and for businesses to offer personalized customer service.

FIXED-LINE INTERCONNECTION AND TRANSIT

International incoming IAM traffic continued to decrease significantly in 2019, despite call rates to IAM fixed lines from a number of international destinations remaining affordable for the customers making the calls. This drop is mostly due to the use of OTT applications' free calling services by individual and Business customers.

International traffic in transit via Maroc Telecom also fell in 2019 in an unfavorable environment on the international wholesale voice market, marked by a decline in international call volume, due mainly to the growing use of free calling solutions offered by OTT applications (WhatsApp, Viber, Skype, Facetime, etc.)

However, as part of its focus on the international voice traffic transit business, Maroc Telecom continues to strengthen its relationships in Africa, particularly with the subsidiary companies of the Maroc Telecom Group, to position itself as a secure quality Hub for these subsidiary companies and for the region's operators.

BUSINESS INTERNET SERVICES

Maroc Telecom's range of Internet services for Business customers was launched to enable companies to optimize their communication with co-workers, customers, partners and suppliers by means of flexible and upgradeable access. For businesses, Maroc Telecom provides broadband via ADSL, fiber optic, leased lines or satellite. ADSL and fiber broadband for Business customers are currently enjoying high demand, given their affordability and the add-on services they offer (e.g., secure email access, domain name, optional fixed IP address, etc.). Leased lines remain popular among large organizations owing to their performance, reliability (guaranteed symmetrical high-speeds) and end-to-end security. Satellite internet access connects businesses to their remote sites all over the country with download speeds of up to 20 MB/s and 100% coverage of Moroccan territory.

DATA SERVICES

Maroc Telecom offers its customers a comprehensive range of data plans: VPN IP, Ethernet, leased lines and international plans for interconnection of customer sites, with speeds of up to 1 GB/s and a choice of point-to-multipoint or any-to-any architecture.

To encourage customers to upgrade to faster data and internet access, Maroc Telecom waives the upgrade fees for all customers who have been with Maroc Telecom for more than 12 months.

Moreover, Maroc Telecom supports its access solutions with back-up and load sharing offers to ensure the continuity of customer activity in the event of a breakdown.

DATA TRANSMISSION CHARGES

The pricing structure for data transmission consists of a one-off connection fee plus monthly subscription charges, depending on the data plan. Discounts based on volume and contract length apply to monthly subscription charges.

In addition, Maroc Telecom adapts its offers and rate plans to the specific needs of each client.

Value-added services

Maroc Telecom offers its Business customers a complete range of value-added services, such as:

MT Cloud

Through MT Cloud, the first infrastructure as a service (IaaS) hosted in Morocco, Maroc Telecom has positioned itself as a pioneer in cloud services for Moroccan businesses. With its new service, Maroc Telecom offers Moroccan companies an efficient, secure and affordable solution. Customers can boost their competitiveness by launching IT solutions and sharing them online with no initial investment. With a monthly contract that can be canceled at any time, Maroc Telecom offers companies enormous flexibility when it comes to their IT resources, which they can scale up or down as required.

G-Suite

G Suite is a range of cloud-based messaging, storage and collaborative tools developed by Google for businesses (software as a service or SaaS), which Maroc Telecom provides to its Business customers along with technical support and locally-based assistance. In return for a single monthly user subscription, companies have access to all the software tools they need to communicate (customized Gmail, shared calendar, instant messaging and professional social network), store their files and data and share them easily and quickly (with Google Drive), and collaborate (desktop publishing tools for documents, spreadsheets and presentations and document editing and sharing tools).

MT VISIO service (innovative Maroc Telecom video-conferencing solution)

For the Business segment, the MT VISIO service is a new Cloud-based solution and a collaborative working tool that facilitates exchanges, speeds up digital transformation and provides a high level of flexibility.

This solution enables customers to hold virtual meetings and share content using a reliable, secure and stable solution that provides a fluid video-conference experience suited to different needs via a wide range of equipment.

Secure Web & Email

Maroc Telecom's internet security pack protects customers from threats when browsing the Web and using email. The cloud-based SaaS offers a simple means of securing employees' access to the internet at all times wherever they are and from any device. The Secure Web and Secure Email services are offered separately and come with their own advanced IT security management tools.

Datacenter hosting

This service offers a turnkey solution to host IT equipment such as servers, routers and disk arrays in a data center designed in line with the latest international standards and boasting 24/7 security with video surveillance, access control, security guards, fire detection and extinguishing mechanisms and monitoring systems. Customers can choose between full and half racks with dedicated access where they can host their own servers, routers, disk arrays and other infrastructure over which they have complete control and which they can administer on-site or remotely.

DDoS security

This SaaS is a turnkey solution to protect businesses from loss and damage caused by distributed denial-of-service (DDoS) attacks. It is a based on a local cloud architecture and comes in bronze, silver and gold editions.

Business Office 365

Business Office 365 is a business SaaS cloud-based suite of messaging, storage and collaborative tools offered by Microsoft which Maroc Telecom provides to its Business customers with local support and additional options. With it, companies have access to all the software they need to communicate (customized Outlook, shared calendar, instant messaging and professional social network), store and easily share files and data (One Drive), and collaborate (desktop publishing and document editing and sharing).

4.2.1.3 CUSTOMER SERVICES

In addition to diversifying the services offered to its customers, Maroc Telecom uses resources, tools and processes enabling it to anticipate and respond to queries, information or support requests and complaints from customers.

Call centers

For consumers, call centers specialized by product segment (Fixed-Line, Mobile and Internet) provide information and assistance services to customers. Business customers have their own call center with a dedicated telephone number.

The call centers provide information on Maroc Telecom's products and services and on activating or switching service plans, advice on using products and services, after-sales support and customer complaint processing. Customer complaints are referred to specialized call centers through various channels (call centers, Retail branches, etc.).

Billing

Maroc Telecom has taken a number of actions to reduce and optimize its consumption of paper and raw materials.

The electronic billing service is highly appreciated, particularly by Business customers. It allows customers to consult their bills online and download them and monitor consumption using tables and graphs. It has also been upgraded to include the Maroc Telecom customer selfcare service in the spirit of the global digital transformation.

The e-billing service will gradually replace paper bills. This is in line with Maroc Telecom's environmental objectives.

Digitalization

Maroc Telecom continues with its digital transformation by launching innovative projects for its customers:

- interactive multi-service terminals with tactile screens have been installed in the branch network in order to improve the customer experience. In just a few minutes, customers can pay their Mobile, Fixed or Internet bills, identify a prepaid card and also top up their mobile line quickly and independently;
- the digitalization of customer identification with an innovative self-identification system in the branches enables the customer to reliably and securely identify themselves. Sales staff also have a smartphone identification application for the digital and paperless processing of the identification procedure;
- special attention is given to Customer Relationship Management (CRM) systems, which are constantly being refined to improve customer service (e.g., maximizing real-time request processing) and ensure that customers are offered the right products. This is essential for building customer loyalty. In addition to this service, customers can activate certain services themselves via interactive voice servers or on the website (expansion of self-care);
- Maroc Telecom also offers to its customers a wide range of innovative payment options: by direct debit, on the Maroc Telecom website, at an ATM or using the Mobicash service;
- IAM encourages customers to pay their bills online using the mobile apps of Maroc Telecom and its partner banks, offering free, remote, rapid and secure 24/7 service.

Information

The 24-hour telephone information line has been enhanced by new value-added services, such as the ability to receive information by SMS and automatic connection.

4.2.1.4 SEASONALITY

In Morocco, the fortnight preceding the Eid al-Adha festival and the summer months (periods when Moroccans living abroad return home) traditionally see a spike in mobile usage and pay-as-you-go activation. The month of Ramadan represents a seasonal low for the Fixed-Line and Mobile segments. Fewer Fixed-Line and Mobile contracts are activated during this period.

4.2.1.5 REGULATORY ENVIRONMENT AND POSSIBLE DEPENDENCIES

Law nº 24-96 on postal and telecommunications services, as amended and completed, established with the head of Government, a public agency and separate legal entity that is financially independent and subject to the government's financial supervision and control: *Agence Nationale de Réglementation des Télécommunications* (ANRT), the Moroccan national telecommunications regulatory agency.

Roles and responsibilities of the ANRT

As a regulatory authority for the telecommunications sector, the role of the ANRT is to define the legal and regulatory framework (draft laws, decrees and ministerial decisions concerning telecommunications, contract specifications for operators, etc.) for the telecommunications sector, to monitor and ensure compliance with the antitrust laws applying to telecommunications operators and to resolve disputes.

The ANRT prepares the procedures for the award of licenses by competitive bids, processes applications for licenses and treats preliminary declarations for activities subject to reporting. The ANRT grants authorizations and prepares related licenses and contract specifications. It ensures that operators comply with the terms of their licenses.

The ANRT is also involved in legal action taken against telecommunications operators that fail to comply with current regulations.

It is also the ANRT's duty to resolve disputes over interconnection and infrastructure sharing.

Following the passage of Law 104-12 on open markets and competition, the Decree of May 31, 2016, amending and completing the Decree of July 13, 2005, on bringing disputes and allegations of anticompetitive and monopolistic practices to the ANRT granted it new powers to curb anticompetitive and monopolistic practices in the telecommunications sector as well as new powers to penalize such practices. The enactment on January 25, 2019 of Law no. 121-12, which amends and completes Law nº 24-96 on postal and telecommunications services, ratified these new powers entrusted to the ANRT.

Legal and regulatory framework of the telecommunications industry in Morocco

This section contains a summary of the legal and regulatory framework for the telecommunications industry in Morocco. It is not intended to be exhaustive.

OVERVIEW

Since the adoption of Law 24-96 of August 7, 1997, abolishing *Office National des Postes et Télécommunications* (Morocco's national post and telecommunications agency, ONPT), Morocco has had a modern regulatory framework establishing the conditions for liberalization of the telecommunications sector.

The dissolution of the ONPT led to the creation of three separate legal entities: Itissalat Al-Maghrib (Maroc Telecom), a stock company (*société anonyme*); Barid Al Maghrib (the postal service, hereinafter "BAM"), a financially independent public utility which in November 2011 became a stock company (*société anonyme*) wholly owned by the Moroccan government and the ANRT.

Liberalization continued with the adoption of a series of implementing decrees concerning the operation of the ANRT, interconnection, the general terms of operation for public telecommunications networks, the provision of value-added services and the provision of leased lines.

In November 2004, Law 24-96, as amended by Law 55-01, finalized the liberalization process begun in 1997 and clarified the existing statutory framework. In 2005 the decrees on interconnection and the general terms of operation of the public telecommunications networks were amended and added to.

The liberalization of Morocco's telecoms sector was based on a General Policy Document covering the period 2004-2008 which resulted in two Fixed-Line licenses, three 3G (UMTS) Mobile licenses and a third 2G Mobile license being awarded.

A second General Policy Document covered the period from February 25, 2010, to January 1, 2013.

A General Policy Document for 2014-2018 was adopted by the Board of Directors of the ANRT on March 18, 2015.

In January 2019, ANRT launched a study on the preparation of the General Guidance Note for 2023.

AMENDMENT OF THE STATUTORY AND REGULATORY FRAMEWORK

Act 121-12, amending and completing Act 24-96, was promulgated and published in the Official Bulletin of February 18, 2019. The main provisions added by this law are as follows:

- assignment to the ANRT of the power (previously granted by decree in 2016) to apply the law on competition, including sanctions (up to 10% of revenue, or twice that amount in case of a repeat offense), and the establishment of an "Offenses Committee" to be chaired by the Director General of the ANRT;
- establishment of the universal obligation to share infrastructure;
- increase in sanctions: 2% of revenue, 5% for a repeat offense, for failure to comply with regulations;
- increase in sanctions for failure to supply information: (MAD 100,000 to MAD 500,000);
- appointment by the planner/developer of an operator for managing infrastructure and instituting verification offices, approved by the ANRT, to check the compliance of connections (connection procedures have not yet been defined).

Rules governing the establishment and operation of telecommunication networks and services in Morocco

Law 24-96, as amended and supplemented, introduces separate rules depending on the type of telecommunications networks and services provided.

Operators seeking to establish public telecommunications networks using public rights-of-way or radio-frequency spectra are required to obtain a license (granted by decree). A license may only be granted following an invitation to tender conducted by the ANRT. Licenses are issued by decree of the Head of Government. They are unique to the license holder and may only be transferred to third parties by decree.

The establishment and operation of any independent network other than a business network require a license from the ANRT. Independent networks are nonprofit telecommunications networks that are reserved for private use (i.e., where use is reserved for the establishing company or individual) or shared use (i.e., where use is reserved for the exchange of internal communications between subsidiaries and/or branches of a single group of companies).

The provision of value-added services is unrestricted, subject to prior declaration to the ANRT and compliance with applicable laws and regulations. The list of value-added services was set by Decree 2-97-1024 of February 25, 1998, supplemented by Order 618-08 of March 13, 2008, and included the administration of the ".ma" domain name.

All equipment to be connected to a public telecommunications network and all radio systems is subject to the ANRT's prior approval.

Business networks and radio systems consisting solely of low capacity or short-range devices may be established without restriction. Restrictions against the use of DECT short-range devices in certain parts of Morocco were removed in 2013 for devices with an embedded antenna.

LICENSES AWARDED TO MAROC TELECOM

Under Law 24-96, the telecommunications networks and services previously operated by the ONPT (i.e., mainly fixed-line and mobile telecommunications networks and services, and the right to use the radio frequencies allocated or assigned to the ONPT) were transferred to Maroc Telecom.

As the incumbent operator, Maroc Telecom is subject to contract specifications ratified by Decree 2-97-1028 of February 25, 1998, as amended by Decree 2-00-1333 of October 9, 2000, and Decree 2-05-1455 of April 21, 2006, which define the conditions for the operation of all networks and services initially operated by the ONPT.

These contract specifications state the conditions under which Maroc Telecom is to establish and operate, for an unlimited duration:

- local and nationwide fixed landline telecommunications services (including data transmission services, leased lines and the integrated services digital network (ISDN);
- GSM-standard Mobile telephony services;
- international telecommunications services.

With regard to other telecommunications networks or services, Maroc Telecom, like other operators, is subject to the provisions of Law 24-96 and holds a license to deploy and operate public telecommunications networks using third-generation (3G) technology. Maroc Telecom was granted this license by Decree 2-06-498 of December 29, 2006.

On April 10, 2015, Maroc Telecom was awarded by Decree 2-15-277 a 4G license that was assigned for a period of 20 years, renewable for periods of 10 years and then 5 years.

On November 5, 2015, Maroc Telecom was awarded a 10-year VSAT license.

Finally, Maroc Telecom is bound by specifications relating to the carrying out of its universal service responsibility approved by Decree 2-07-932 of July 7, 2007, as amended by Decree 2-18-337 of June 4, 2018.

The following table summarizes all the licenses held by Maroc Telecom:

License	Effective date	Term
Fixed-Line + 2G	October 9, 2000	Undefined
3G license	January 18, 2007	25 years
4G License	April 11, 2015	20 years
VSAT license	November 5, 2015	10 years
Universal service	December 31, 2007	30 years

MAIN OTHER LICENSES GRANTED

- GSM (2G) Mobile telephony: granting of a license to Medi Telecom in August 1999, for a renewable term of 15 years, extended to 25 years in 2005; granting of a license to Wana in February 2009 (commercial launch in February 2010);
- Fixed-Line next-generation telephony: in 2005, two licenses were awarded for next-generation Fixed-Line telephony:
  - in July 2005, a fixed-line license including local loop (without restricted mobility) and national and international transmission was awarded to Medi Telecom,
  - in September 2005, a fixed-line license including local loop (with and without restricted mobility) and national and international transmission was awarded to Wana;
- 3G and 4G Mobile telephony: in addition to the licenses granted to Maroc Telecom, 3G and 4G mobile licenses were awarded to the existing operators Medi Telecom and Wana in 2006 (3G) and in 2015 (4G);
- VSAT licenses: in addition to the licenses allocated to Maroc Telecom in November 2015, two other licenses were issued in 2015 (Wana and SADV) in addition to the three existing licenses.

Retail-pricing regulations

Retail rates may be freely set by operators, subject to compliance with antitrust rules and uniformity of domestic rates. Operators must notify the ANRT of their rates 30 days before publishing or applying them. As an operator named by the ANRT as exerting a significant influence on relevant markets, Maroc Telecom is required to justify its rates with regard to its costs and whether third-party operators are effectively able to replicate its offers.

In addition, the duration and frequency of promotions are governed by the Order of June 3, 2008, which sets out the terms for the promotion of telecommunications services.

In April 2016, the ANRT adopted new guidelines for the review of operators' rate plans. Unlike Maroc Telecom, non-dominant operators are able to practice on-net and off-net rate differentiation for prepaid customers. Promotions (apart from pre-2016 offers) are also subject to the replicability test on a full-cost basis. The minimum margin required by Maroc Telecom for the replicability test is now 20% for Mobile and Fixed-Line calling and 30% for fixed-line broadband.

4

Regulation of wholesale rates

Interconnection rates (Fixed-Line and Mobile voice & SMS termination), leased line rates, local loop unbundling rates (physical, virtual and bitstream), and infrastructure access rates are set by the ANRT and integrated into Maroc Telecom's technical and pricing terms, which are subject to ANRT approval.

Interconnection and access

BACKGROUND

Interconnection is governed by Law 24-96 and Decree 2-97-1025, as amended and supplemented by Decree 2-05-770 of July 13, 2005, which defines the technical and pricing terms for interconnection to public telecommunications networks.

Every operator of a public telecoms network is required to accept requests for interconnection from a holder of a license to operate a public telecom network.

Law 121-12, which amends and supplements Law 24-96, brings in a general system for access and interconnection. The related procedures must be determined through regulation.

INTERCONNECTION RATES

In February 2017, the ANRT reintroduced asymmetric mobile call termination rates. The Mobile call termination rate for operators is shown in the schedule below.

In June 2018, the ANRT maintained the principle of pricing asymmetry by applying three different call termination rates (see schedule below).

The table below shows the changes in call termination rates on national mobile networks (MAD excl. tax per minute) since 2011:

	Mobile Maroc Telecom		Mobile Medi Telecom		Mobile Inwi	
	Peak (a)	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
From 01/01/2011 to 06/30/2011	0.8317	0.4158	0.998	0.499	1.2309	0.6154
From 07/01/2011 to 12/31/2011	0.6238	0.3119	0.7186	0.3593	0.8801	0.44
From 01/01/2012 to 06/30/2012	0.3924	0.1962	0.452	0.226	0.5536	0.2768
From 07/01/2012 to 12/31/2012	0.2755	0.1377	0.3052	0.1526	0.3378	0.1689
From 01/01/2013 to 12/31/2016		0.1399		0.1399		0.1399
From 03/01/2017 to 02/28/2018		0.1169		0.1399		0.1399
Since 06/12/2018 (b)		0.1169		0.1238		0.1399

(a) Peak: 8am to 8pm; Off-peak: 8pm-8am and on Saturdays, Sundays and public holidays. The peak/off-peak distinction fell away on January 1, 2013.
(b) Until a new decision is made.

The table below shows the changes in rates for call termination on national fixed-line networks (MAD excl. tax per minute) since 2011:

	Fixed-Line Maroc Telecom						Fixed-Line Medi Telecom		Wana Fixed-Line		Wana Restricted Mobility	
	Peak			Off-Peak								
	Intra CAA	Simple Transit	Double Transit	Intra CAA	Simple Transit	Double Transit	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
From 01/01/2011 to 06/30/2011	0.1155	0.2817	0.3860	0.0578	0.1409	0.1930	0.2693	0.1347	0.2693	0.1347	0.6238	0.3119
From 07/01/2011 to 12/31/2011	0.1079	0.2479	0.3531	0.0540	0.1240	0.1766	0.2410	0.1205	0.2410	0.1205	0.4678	0.2339
From 01/01/2012 to 06/30/2012	0.0740	0.1645	0.2411	0.0370	0.0823	0.1206	0.1617	0.0809	0.1617	0.0809	0.2277	0.1139
From 07/01/2012 to 12/31/2012	0.0591	0.1258	0.1894	0.0296	0.0629	0.0947	0.1252	0.0626	0.1252	0.0626	0.1798	0.0899
From 01/01/2013 to 02/28/2017	0.0360	0.0740	0.1130	0.0360	0.0740	0.1130		0.0740		0.0740		0.1160
From 03/01/2017 to 06/11/2018	0.0360	0.0740	0.1130	0.0360	0.0740	0.1130		0.0740		0.0740		0.1160
Since 06/12/2018 (a)	0.0306	0.0629	0.0960	0.0306	0.0629	0.0960		0.0740		0.0740		0.1160

(a) Until a new decision is made.

Since 2012, the rates for SMS termination on the mobile networks of the three operators have been as follows:

	From 01/01/2012 to 12/31/2012	From 01/01/2013 to 12/31/2016	Since 06/12/2018 [(a)]
SMS termination rate (MAD excl. tax per SMS)	0.08	0.03	0.03

(a) Until a new decision is made.

OPERATORS WITH A SIGNIFICANT INFLUENCE

Each year the ANRT imposes specific obligations in terms of interconnection on the operators it designates as exercising a significant influence over a particular market. An operator is considered to exercise significant influence if, individually or jointly with others, it has a dominant position enabling it to conduct its business independently of its competitors, its customers and consumers.

The guidelines regulating the ANRT's reviews of the rates offered by operators of public communication networks also impose a requirement on dominant operators for their retail offers to be able to be replicated by third-party operators (taking into account current specific market rates, which results in price squeeze tests being implemented as part of the preliminary audit by the regulator of retail offers).

The initial list of specific markets approved by the ANRT for 2012, 2013 and 2014 included the market for fixed-line termination rates (including for restricted mobility), voice mobile call termination rate, SMS mobile termination rates and wholesale rates for leased lines.

Following the ANRT's decisions of December 30, 2013 relating to specific markets and operators exercising a significant influence there, two new specific markets have been defined: "access to the physical infrastructure of the wired local loop" and "access to the civil engineering infrastructure throughout the national territory," for which Maroc Telecom was declared the only dominant operator in 2014.

By decision dated November 24, 2014, the ANRT extended the list of specific markets for 2015, 2017 and 2017. By its decision of December 9, 2015, it identified Maroc Telecom as the only dominant operator in all of those markets in 2017. Medi Telecom and Wana are identified as operators with significant influence in the mobile SMS call termination market. This has led to the renewal, for 2017, of the asymmetric regulation of the civil engineering and wired local loop physical infrastructure introduced in 2014/2015.

In June 2018, the ANRT published a new decision on specific markets. It provides for the following:

- broadening of the wholesale market for leased lines for dark fiber optic and segmentation of this market into two sub-markets: (i) urban and intercity in the fixed-line connectivity market (LLO and equivalent and intercity FO) and (ii) the fixed-line connectivity handset market (LLA and equivalent);
- introduction of the retail market for fixed-line broadband and very-high-speed broadband, irrespective of the device or technology used. The obligations applying to this market have not been specified;
- maintenance of wholesale markets: Mobile Call Termination Rate, Fixed-Line Call Termination Rate, SMS Call Termination Rate, Access to Civil Engineering infrastructure;
- broadening of the local fiber loop market.

Therefore, the ANRT has declared IAM as the only operator exerting a significant influence in all markets except SMS (for which all operators have been declared dominant).

As a result of these decisions Maroc Telecom is required to provide the following wholesale offers (apart from interconnection):

- physical unbundling of the local loop and sub-loop;
- virtual unbundling;
- access to the dark-fiber local loop for unbundling purposes;
- bitstream;
- access to infrastructure throughout the country;
- fixed-line handset connections.

In terms of infrastructure, the ANRT's decision of December 9, 2014, determines the technical and pricing terms of access to Maroc Telecom's urban and suburban underground infrastructure and requires it to provide technical and pricing terms for access to its overhead infrastructure. Pursuant to Decision ANRT/DG/12/18 of July 27, 2018, the offer's technical and pricing conditions were revised.

Local loop unbundling

Since January 1, 2008, Maroc Telecom has established technical and pricing terms for total and shared access to its local loop approved by the ANRT in like manner as its interconnection technical and pricing terms.

IAM's physical unbundling technical and pricing terms have been successively modified. This was the case in 2013 when the unbundling of inactive lines was added to the technical and pricing terms and in 2017 when some pricing was overhauled. Pursuant to Decision ANRT/DG/15/18 of August 7, 2018, the offer's technical and pricing conditions were revised.

In 2018, the main unbundling rates were as follows:

- physical unbundling for MAD 61/month (excl. tax) at the local loop level, and MAD 51/month (excl. tax) at the "local sub-loop" level (MSAN);
- fiber optic links for unbundling for MAD 10/lm/year (excl. tax);
- virtual unbundling for MAD 35.25/month (excl. tax) for partial access, and MAD 70.5/month (excl. tax) for full access; collection rates vary depending on speed, level of collection and class of service for regional collection.

Numbering and portability of numbers

The ANRT allocates numbers, blocks of numbers and prefixes to operators of public telecom networks in an objective, transparent and non-discriminatory manner. These numbers and blocks of numbers may not be transferred without ANRT's prior express consent.

The portability of fixed-line and mobile numbers has been operational since May 31, 2007.

The terms and conditions for its implementation were set by the ANRT in its Decision 10/06 of October 4, 2006, concerning the terms and conditions for number portability, and in its Decision 10/07 of July 18, 2007, setting the pricing terms of portability for Maroc Telecom's fixed-line and mobile numbers and Medi Telecom's mobile numbers. The decision of October 4, 2006 was repealed by the ANRT's Decision 1/11 of February 1, 2011, in turn amended and supplemented by Decision 09/12 of December 6, 2012, which was primarily intended to shorten the cancelation period offered to customers under this procedure.

The ANRT's decision 4/15 of October 8, 2015 on the terms and conditions of portability is intended to modify the portability process by reducing porting times (three business days vs. seven calendar days) and by requiring operators to set up a centralized database of ported numbers within a maximum of 18 months.

In May 2018, the ANRT launched a consultation for the selection of the third party responsible for setting up and operating this central database of ported numbers. The contract with the successful bidder tasked with managing the centralized database was signed on December 20, 2018 by the three operators. The centralized database has been in production since December 16, 2019.

Provision of infrastructure

Law 121-12, amending and supplementing Law 24/96, introduced a provision under which public-sector entities, utilities licensees and operators of public telecom networks are required, to the extent this does not interfere with public use, to make available to the operators of public telecoms networks which request them the easements, rights of way, civil engineering works, roads, cables, high points, etc., which they have, in order to install and operate transmission materials. These must be made available under acceptable, objective, proportionate and non-discriminatory technical and financial conditions, which ensure fair competition.

The persons to which this obligation applies must provide to the relevant government authority and to the ANRT, on request, all information relating to the above-mentioned infrastructure in their possession or which they use. A database containing data relating to the above-mentioned infrastructures will be created; the rules for managing it must be determined by the ANRT.

The procedures for applying the above-mentioned provisions should be determined through regulation.

Separate accounting

According to the terms of Decree 2-97-1026, as amended and supplemented by Decree 2-05-771 of July 13, 2005, and Decree 2-97-1025, as amended and supplemented by Decree 2-05-770 of July 13, 2005, operators are required to maintain an analytical accounting system which determines the costs, revenues and profits of each network they operate or service they offer. The financial statements must be submitted, for audit, to a body designated by the ANRT.

Decision 08/12 of December 6, 2012, established a consistent framework for regulatory statements of cost refunds and income which operators are required to submit annually to the ANRT.

Universal service

The universal service provided by operators of public telecommunications networks includes a minimum service which consists of telecommunications service of a specified quality, at an affordable price. It includes the provision of telecommunications infrastructure and services that enable access to broadband and to very-high-speed broadband access, as well as routing of emergency calls, telephone boxes on public roads, an information service, and a directory in printed or electronic form (the latter two services are mandatory), particularly in the outskirts of urban areas, industrial areas and in rural areas.

Pursuant to the "pay or play" principle brought in by Law 24-96, as amended and completed, operators of public telecommunications networks may either fulfill the universal service missions themselves, or pay a contribution into a special allocation account (called "US Fund") amounting to 2% of revenue excluding tax (net of interconnection costs, sales of handsets, and repayments to suppliers of value-added services).

The manner in which each operator provides universal service tasks are set out in one particular set of specifications, approved by decree.

In 2008-2011, the ANRT launched a consultation with all the national operators for the realization of a vast universal service program, called "PACTE," the objective of which was to provide coverage for telephone services and internet access to all the blank areas in Morocco, namely 9,263 villages. The Telecommunications universal service Management Board selected Maroc Telecom for 7,338 of them.

The entire program has now been completed, with the exception of villages considered as unrealizable.

Moreover, Maroc Telecom contributes to implementation of the Nafid@ and INJAZ programs, which have been selected as universal service programs by the Universal Service for Telecommunications Management Committee and partly funded by the Fund for Universal Service for Telecommunications (*Fond de Service Universel des Télécommunications* or FSUT).

In particular, these programs concern the general application of information and communication technologies in education:

- the INJAZ program is aimed at graduate students from a large number of teaching institutions, colleges and universities in the field of engineering, science and information and communication technology, and consists of giving them access to the mobile broadband Internet service and a laptop;
- the Nafid@ program, which supplements the GÉNIE program (which consists in equipping schools with computers and internet access), is intended to encourage the education sector to use information and communication technologies in the educational system, by availing the adequate means for this purpose (laptops and internet access).

Contributions to research, training and standardization of telecoms

Law 24-96, amended and supplemented by Law 121-12, sets the contribution of public telecoms network operators to training and standardization at 0.75% of revenue, before tax and net of interconnection fees, generated by the telecom operations covered by their license. The contribution for research is set at 0.25% of the revenue referred to above. This amount is paid into a special fund for research. Operators providing equivalent funding for research programs under agreements with officially-designated research agencies are exempt from the payment.

Since 2007, Maroc Telecom no longer enters into agreements with such agencies and pays the entirety of the abovementioned contribution into an account earmarked for research.

Identification of customers

The ANRT has informed the operators of public telecoms networks about Decision 04/11 of July 13, 2011, relating to the identification of 2G and 3G Mobile customers.

The ANRT issued a new decision on November 8, 2013, amended by a decision on January 31, 2014, pursuant to which the sale of pre-activated prepaid SIM cards was prohibited as from April 1, 2014.

Law 121-12 which amends and completes Law 24-96 placed stricter obligations on operators regarding the identification of customers. Operators are responsible for identifying the subscriber accounts opened by any subcontractors, distributors, resellers or retailers. They are also under an obligation to set up and keep an up-to-date database, including in electronic format, containing information relating to customer identification. This database shall be made available to the ANRT, on request.

Dispute resolution

The ANRT procedure for disputes, unfair business practices and economic concentrations, taking into consideration the new powers of the ANRT in terms of competitive environment, is outlined in Decree 2-05-772 of July 13, 2005, as amended and completed by the Decree of May 31, 2016.

Article 8bis of Law 121-12 amending and completing Law 24-96 vests the ANRT with the power to apply the provisions of the legislation on pricing freedom and competition in terms of unfair business practices and economic concentration transactions in the telecommunications sector. For this reason, the Agency implements the procedures provided for in said legislation subject to the following provisions:

- the general rapporteur is appointed by decision of the ANRT's Board of Directors from among the employees of the Agency who can demonstrate financial and legal experience, and knowledge of competition and consumer issues;
- the penalties and fines provided for in the event of unfair business practices and economic concentration transactions are determined by the Offenses Committee set up pursuant to Article 31bis of the above-mentioned law;
- the inquiries necessary to enforce the procedures of the above-mentioned Article 8bis are conducted by sworn agents of the ANRT as stipulated in Article 85 of said law.

4.2.1.6 DISTRIBUTION AND COMMUNICATION

Distribution

ORGANIZATION

Maroc Telecom has the largest distribution network nationally. It includes more than 75,000 distribution outlets for direct and indirect sales. In 2019, Maroc Telecom's various distribution channels were:

- the direct network, composed of 413 branches at the end of 2019. This network is growing fast and every year new Retail branches are added and existing branches are refurbished;
- more than 430 Full-Image resellers, managed directly by Maroc Telecom's own network, which market consumer products and services;
- the indirect network comprises independent local shops, some of which have exclusivity agreements and are managed by the nearest Retail branch. Nationwide distributors whose main activity is not telecoms;
- four national distributors, two of which operate exclusively in telecom for Corporate customers. The business of the other two concerns different customer segments and all Maroc Telecom's product ranges and services;
- five partners for the sale and installation of Corporate products.

DISTRIBUTION STRATEGY

The extent and organization of Maroc Telecom's distribution network is a major strategic asset for the Company.

The operator's distribution strategy is mainly focused on the following areas:

- expand its direct branch network by opening new Retail branches and refurbishing old ones every year, to maximize customer satisfaction while keeping up with the technological trends;
- increase digital distribution via indirect channels to forge closer ties with customers;
- strengthen the role of all those involved directly or indirectly, to promote its offerings and meet everyone's needs;
- diversify the distribution media (electronic top-ups, ATMs, express top-ups, online top-ups, pay points etc.);
- ensure synergy between direct and indirect channels in order to offer customers a very high-quality service.

DIRECT DISTRIBUTION NETWORK

In order to maintain the central and dynamic role of the direct network in its marketing and sales strategy, Maroc Telecom has continued with its program to expand and modernize its proprietary sales network in accordance with the new-generation Retail branch concept.

With three newly-opened Retail branches and two branches totally refurbished by the end of 2019, 352 of Maroc Telecom's sales outlets now feature the new design scheme.

At the end of 2019, Maroc Telecom had a network of 444 Retail branches, with eight regional offices, ensuring optimal coverage and density. The network has 413 Retail branches and 27 Corporate branches.

And four dedicated branches with nationwide coverage for key accounts.

INDIRECT DISTRIBUTION NETWORK

At the end of 2019, the indirect distribution network had a significant number of licensed resellers, top-up outlets and regional and national distributors.

The indirect distribution network serves two functions: it brings services closer to customers and plays a key role in regional job creation.

At the end of 2019, over 75,000 resellers offered Mobile prepaid services throughout the Kingdom. This sales channel is supported by a network of IAM Retail branches specialized in managing local resellers.

The resellers network is composed mainly of convenience stores and other distributors of telecoms products which have signed agreements to sell Maroc Telecom products and services. A new category of resellers ("Revendeurs Plus") has been added in the form of Full-Image sales points, which sell all Maroc Telecom prepaid and postpaid products. This network, which has a similar design scheme to Maroc Telecom Retail branches, currently has more than 430 stores. These make a valuable contribution to business performance and customer service, as well as providing visibility and sales coverage at the local level.

The network of "Full-Image" resellers bearing the Maroc Telecom branding continues to grow, standing at almost 430 sales outlets at the end of 2019. Agreements are signed with each partner, resulting in a denser network that ensures local distribution. Partners are paid through commissions on the products and services sold.

Maroc Telecom has also signed agreements with partners for the international distribution of electronic top-ups.

DISTRIBUTION AGREEMENTS

At the end of 2019, Maroc Telecom held distribution agreements with the following companies:

	Type of business	Date of partnership agreement	Maroc Telecom products distributed
GSM Al-Maghrib	Distribution of telecom products	11/2003	Prepaid Mobile and Fixed-Line cards, Mobile, Fixed-Line & Internet subscription; electronic top-up
Canal Market	Electronic payment service provider and distributor of electronic top-ups	11/2002 11/2006	Mobile and Fixed-Line electronic top-up Corporate Mobile, Fixed-Line & Internet subscription – Marrakesh region
Sicotel	Distributor of telecom products	11/2006	Prepaid Mobile and Fixed-Line cards, Mobile Subscriptions Fixed-Line and Internet
Lineatec	Distributor of telecom products	11/2006 11/2008	Mobile and Fixed-Line prepaid cards, Corporate Mobile, Fixed-Line & Internet subscription – Rabat and Tangier regions, Corporate Mobile, Fixed-Line & Internet subscription – Casablanca and Fes regions
M2T	Local customer services (bill payment, etc.)	04/2010	Mobile products (electronic and online top-ups)
CMI	E-commerce	06/2010 12/2015 04/2016 05/2016 06/2016 07/2014 09/2016 09/2016	Mobile, Fixed-Line and Internet top-ups Top-up and billing via online banking with CAM Top-ups and billing via online banking with BMCE Top-ups and billing via online banking with ABB Top-ups and billing via online banking with AWB Top-ups and billing via online banking with CIH Top-ups and billing via online banking with BMCI Top-ups and billing via online banking with CFG
		06/2014	Top-ups and billing via online banking with BP
		01/2013	Top-ups and billing via online banking with SG
Transfer To	International distribution of telecom products	02/2011	Top-up transfer from abroad
Vox Telecom	International distribution of telecom products	11/2013	Top-up transfer from abroad
PrepayNation	International distribution of telecom products	12/2016	Top-up transfer from abroad
Pintail (Indigo)	Distribution of international airtime	03/2017	Top-up transfer from abroad
Attijariwafa Bank	Bank	12/2007	Jawal top-up at ATM
Al Barid Bank	Bank	07/2005	Jawal top-up at ATM
Crédit Du Maroc	Bank	11/2004	Jawal top-up at ATM
Banque Populaire	Bank	12/2005	Jawal top-up at ATM
E-mania	Electronic banking, mobile top-up distributor	03/2015	Online top-up
BIM	Turkish hard discounter	01/2017	Online top-up

Communication

In 2019, Maroc Telecom retained its position as one of Morocco's top advertisers, continuing to spend a significant part of its advertising budget on its Mobile, Fixed-Line & Internet products, targeting the Retail and Corporate segments. Corporate, financial and event-driven communications were also increased through multiple targeted actions.

CORPORATE ADVERTISING

In 2019, the general aim of corporate advertising was to maintain the strong awareness of the Maroc Telecom brand, and increase its popularity across all its targets. Maroc Telecom also publicized its social, cultural and environmental responsibility throughout the year via public relations initiatives at every artistic, cultural, social and sporting event, promoting the population's general well-being.

Maroc Telecom continues to support local, regional, national and international cultural initiatives and events, associating its brand with them; this proves its commitment to the diversity and richness of Moroccan and African culture. Maroc Telecom also promotes and publicizes these events in the media, using its own public relations resources and social media to make them accessible to as many people as possible.

These combined actions resulted in Maroc Telecom receiving the Love Brand Morocco 2019 award, which is awarded to the most popular brands as selected by the Moroccan people: Maroc Telecom is the first national brand to be ranked in this list of citizen favorites, according to the results of the Love Brand survey conducted by Impérium as part of the "Impériales 2019".

Maroc Telecom Group's other field of institutional expression, which has a strong association with the brand, is national soccer. During the latest World Cup held in Russia in 2018, Maroc Telecom continued its support for the Atlas Lions in the final stages of the 2019 Africa Cup of Nations in Egypt, via the "Notre ambition se poursuit" ("Our ambition continues") support campaign. At the same time, Maroc Telecom introduced a communication platform to showcase its offers, promotions and contracts, but also to display its messages of support to the national team.

Furthermore, and also as part of CAN 2019, the Maroc Telecom Group continued its identity-focused communication strategy across the African continent via messages of encouragement to subsidiary countries participating in CAN 2019 and the "Africa is Now" music clip produced and directed with the involvement of the Group's muse, Teddy Riner, and featuring major artists from the African music scene, such as Serge Beynaud, Sidiki Diabaté, and Shura.

RETAIL AND CORPORATE ADVERTISING

In 2019, Maroc Telecom maintained an intensive events and advertising campaign to support special offers and new product launches with a tone appropriate to its youth target. With this in mind, and to promote the operator's packages and services to this group, the advertising concepts adopted this year are essentially based on modern, dynamic, creative ideas which replicate the codes and universal habits of young people on the internet and social networks.

On the Jawal Mobile prepaid segment, a promotional film was made about the "Switch" balance conversion service, featuring a dynamic setting showing young people using their mobiles in different situations.

Still focusing on young people, Maroc Telecom launched a communication campaign based on the "slam" music style to promote technological leadership and improve the daily lives of young people, enabling them to pursue their passions thanks to the best 4G network.

On a more humorous Note, the "SKHAWADANCE" (Dance of generosity) campaign specifically targeted young people, who were encouraged to reproduce this quirky new dance on the social networks.

Finally, Maroc Telecom a launched the "Notre vie s'embellit avec Jawal" ("Life is more beautiful with Jawal") commercial, drawn from the "Ya Zina" popular music and remixed by DJ VAN, to promote its network coverage all over Morocco and the generosity of the Jawal packages.

In the Mobile postpaid segment, 2019 saw sustained advertising of the *Forfaits Liberté* range to quickly increase the number of contracts being signed and to encourage the Jawal customer base to migrate to mobile subscription, by running highly competitive offers (15hrs + 5GB/5hrs + 15GB).

In the field of broadband internet, and to boost its image as an innovative brand at the forefront of new technology, Maroc Telecom launched a new commercial during Ramadan for residential internet connection, showcasing the benefits of the power and speed of very-high-speed broadband Wifi internet up to 200MB: convenience, speed, and ease of use. Maroc Telecom has brought out a fun, colorful commercial featuring a modern, connected family with everything going their way, thanks to their internet connection and the power of Wifi throughout their home.

Finally, as it does each year, Maroc Telecom held its annual year-end prize drawing open to all of its prepaid and postpaid customers, one of whom wins a luxury car each week.

ONLINE ADVERTISING

In 2019, Maroc Telecom firmly established its reputation on Moroccan social media, particularly through its Facebook page, which has more than 3.7 million fans.

Maroc Telecom is now the leading Moroccan community-based company and brand on both Facebook and Twitter. It also has a strong presence on YouTube and Instagram.

Similarly, Maroc Telecom continues to diversify its digital marketing to advertise the business and reach out to customers on line:

- interactive tie-ins with product and corporate campaigns (games, competitions, quizzes, etc.);
- relaying cultural, sporting and artistic events sponsored by Maroc Telecom;
- help and advice for customers requesting information or wishing to make a complaint;
- launch of a comedy series ("Ma femme, mon téléphone et moi" - "My wife, my telephone and me") featuring popular artists Rachid Allali and Ibtissam Laaroussi describing the daily life of a young Moroccan couple and their day-to-day relationship with the new communication technologies.

Maroc Telecom also has a website www.iam.ma that is considered to be the showcase for Maroc Telecom packages and services.

It provides a comfortable and user-friendly customer experience with content and layout that adapt to all device types (computers, smartphones and tablets).

The website has versions in French and Arabic with the corporate section available in English and offers many functionalities and features:

- rapid access to information (in a maximum of three clicks);
- possibility of sharing the content viewed on social media on all pages of the site;
- showcase of customer decision-making tools:
  - "Simulators" for the Mobile, Fixed-Line, Fidelio and International Roaming offers,
  - "Compare" functionality to evaluate the features of mobile handsets.

Maroc Telecom is also at the forefront when it comes to support for new digital communication projects, such as podcasts, which are really taking off worldwide. In 2019, Maroc Telecom supported "Radio Maarif", Morocco's first podcast, available on mobile apps and the website.

In the same vein, Maroc Telecom was the first advertiser to support the Moroccan start up Omniup Ads and benefit from visibility across a wide range of sites, principally shopping centers, train stations (including high-speed train stations), and high-volume cafés/restaurants. The Omniup Ads business model is based on free connection in exchange for users being exposed to advertising.

SPONSORSHIP AND CORPORATE PHILANTHROPY

From July 12 to August 21, 2019, Maroc Telecom hosted the 18th edition of the Maroc Telecom Beach Festival in seven of Morocco's main coastal cities. First launched in 2002, the Maroc Telecom Beach Festival is a must-see national event featuring a program of entertainment, celebrations and free concerts. Evening concerts featuring the biggest national stars draw jubilant crowds numbering in the millions.

Maroc Telecom is also involved, as it has been each year since 2001, in the "Clean Beaches" campaign, paying for equipment and facilities, and the cleanup of many beaches. Maroc Telecom also sponsors the program by the Rabat National Zoological Garden for the protection and conservation of wild animals.

Further, Maroc Telecom continues to sponsor the Arsat Moulay Abdeslam park in Marrakesh, which has been upgraded with the installation of cyber booths by Moulay Abdeslam since its restoration in 2003.

Community and humanitarian actions

Aware of the important role it plays in society, Maroc Telecom supported several foundations and charities in 2019, including:

- Mohamed V Foundation for Solidarity;
- Mohamed VI Foundation for Environmental Protection;
- National Institute for Children's Rights;
- Moroccan Down Syndrome Association;
- "Women for Africa" Foundation;
- the United Nations Secretariat in its Task Force on Violence Against Women;
- the Al Ihssane Association, for the organization of a concert to aid orphans from the Lalla Hasnaa children's home.

Sports sponsorships

Maroc Telecom is heavily involved in sports at the national and local levels, across a wide range of disciplines, through partnerships with:

- Mohammed VI Royal Soccer Academy;
- Athletic Club de Rabat (ACR) Association;
- Moroccan Royal Federation of Track and Field;
- Moroccan Royal Federation for Equestrian Sports;
- *Trophée Galop des étoiles*;
- Moroccan Royal Tennis Federation;
- Dar Essalam Royal Golf Club Association;
- Moroccan Royal Golf Federation;
- Hassan II Golf Trophy Association and the Lalla Meriem Golf Cup;
- *Mars d'OR* awards ceremony;
- Afriquia Race of Morocco;
- 2019 Morocco Rally.

Cultural sponsorships

Maroc Telecom is heavily involved in the cultural scene through its participation in many prestigious Moroccan and international festivals, such as the *Festival Mawazine Rythmes du Monde*; the Fes Festival of Sacred Music; the Timitar Festival of Agadir; the *Festival des Chants du Cèdre d'Ifrane*; the Bouznika Grape Festival; the Concert for Tolerance; the Marrakesh International Film Festival; the *Festival Jawhara d'El-Jadida*; the *Afrique du Rire* Comedy Festival, held in several cities across Morocco and Africa; the Oasis Festival in Marrakesh; the *Festival International de l'Art des BOUGHANIM* in EL HAJEB; and the *Festival des musiques des cimes et des fiançailles*.

Maroc Telecom also supports forums and conferences such as the *Colloque X-Maroc* for École Polytechnique students, the Crans Montana Forum in Dakhla, and many other events for the exchange of ideas.

Maroc Telecom has maintained its partnership with the Mohammed V National Theater and continues to support art, particularly the JIDAR "Toiles de Rues" festival in Rabat. It also sponsored the Ritz, ABC and Rif cinemas in Casablanca for the 2018/2019 season.

Maroc Telecom also supports the "Tairi N'Wakal" Association in organizing cultural and social events for the Amazigh new year.

Maroc Telecom sponsored the tour of RACHID KIDS SHOW, a talk show featuring child stars (song, dance, theater, games, etc.) which appears in Rabat, Marrakesh, and Casablanca. The last stage of this tour was organized for the children of Maroc Telecom employees at the Maroc Telecom Auditorium.

Maroc Telecom continues to support agriculture by repeating its contribution to and involvement in the SIAM (Morocco's International Agriculture Fair) by setting up an area to showcase its services and demonstrate technological innovations in step with the needs of the farming world.

4.2.1.7 NETWORK INFRASTRUCTURES AND SYSTEMS

Key performance indicators

	2019	2018	2017
Radio sites	10,024	9,851	9,583
Internet bandwidth (Gbps)	2,830	1,550	1,120
Mobile failure rate	0.44%	0.58%	0.77%
Mobile dropped-call rate	0.42%	0.52%	0.58%
2G coverage rate (as a% of the population)	99%	99.5%	99.5%
3G coverage rate (as a% of the population)	99%	98.4%	95.6%
4G coverage rate (as a% of the population)	98.8%	97.3%	93.4%

Mobile infrastructure

Maroc Telecom's Mobile network is a 2G/3G/4G (GSM/3G-HSPA+/LTE) network available across almost all of the country. The network has a well-developed infrastructure, high international connectivity and a service quality comparable to that of international operators.

The 4th-generation network (LTE) was launched on July 13, 2015. It supports high-speed voice and data communication services.

MOBILE CORE NETWORK AND SERVICE PLATFORMS

Maroc Telecom's Mobile switching network is equipped with Next-Generation Network (NGN) technology that supports IP and 2G/3G/4G simultaneously for optimal resource allocation.

Maroc Telecom has technical platforms enabling the provision of high-quality voice and data services to customers (voicemail, SMS, MMS, prepaid management systems, etc.). Maroc Telecom constantly adjusts the capacity of these platforms to cope with the increased usage of value-added services.

Packet switching and service platforms use highly redundant infrastructures in order to guarantee the highest network availability possible.

COVERAGE

Since the introduction of next-generation Single RAN (radio access node) technology, which combines 2G, 3G and 4G technologies, Maroc Telecom has continued to broaden its radio coverage while upgrading and boosting the capacity of its radio-access equipment.

At end-December 2019, the 10,024 Maroc Telecom radio sites covered 99.5% of its 2G customers and 99% of its 3G customers (compared with 98% at end-December 2018).

Maroc Telecom continued with its 4G coverage program, reaching 99% of the population at the end of December 2019 (97% at end-December 2018).

The base station network is continually being optimized by:

- a continuous program of equipment redeployment and extension;
- the latest software upgrades;
- voice-compression technology to cope with spikes in traffic during public holidays and promotional periods.

MOBILE SERVICE QUALITY

Maintaining and enhancing Mobile service quality is a permanent priority for Maroc Telecom's engineers. The call completion rate was 99.6% at end-December 2019, while the dropped call rate was 0.42%; the incoming SMS success rate was 99.97%.

Maroc Telecom is conscious of public health issues and follows the guidelines for human exposure to electromagnetic radiation fields issued by the International Commission on Non-Ionizing Radiation Protection (ICNIRP), a body recognised by the WHO, and conducts regular measurement campaigns to ensure compliance with international standards.

Fixed-Line network infrastructure

Maroc Telecom has a state-of-the-art Fixed-Line network enabling it to deliver a wide range of voice and data services to its Residential and Business customers.

This network comprises network access with copper and fiber optic technologies, a transmission backbone, switching centers and service platforms.

INTERNET – AND DATA – ACCESS NETWORK

To supplement its copper wireline access network, which enables high-speed broadband access (up to 20MB via ADSL 2+ in Morocco's major cities) and ADSL TV (more than 100 TV channels with direct control and VoD), Maroc Telecom continued to deploy its optical local-loop technology, with the aim of offering very-high-speed broadband to its Corporate customers, particularly by means of VPN IP technology.

In 2019, the Group continued bolstering its Fixed-Line network by means of next-generation Multiple Services Access Node (MSAN) equipment. MSAN equipment makes it possible to route call and fixed data traffic on the Maroc Telecom network, and supports FTTH with theoretical download speeds of up 200 Mb/s.

Finally, Maroc Telecom added to its internet package with satellite internet access via VSAT, offering download speeds of up to 20 Mb/s.

DOMESTIC TRANSMISSION NETWORK

Maroc Telecom's transmission network is entirely composed of fiber optic cable linking all of Morocco's cities.

Based on the latest hybrid NG-SDH and NG-WDM transmission technologies, and thanks to the introduction of 100GE services, the backbone can transmit up to 8Tbps on a single pair of fibers. These broadband connections are ultra-secure thanks to mesh networking and ASON (Automatically Switched Optical Network) technology.

SWITCHING PLATFORMS AND FIXED-LINE SERVICES

Fixed-Line switching is provided by next-generation equipment to provide value-added services (Voice over IP, three-way calling, call waiting, call transfers) while optimizing service quality.

INTERNATIONAL NETWORK

Maroc Telecom connects Morocco to the world through its infrastructure and agreements with large international operators:

- two international transit centers in Casablanca and Rabat;
- four fiber optic submarine cables linking Morocco to Europe. At end-December 2019, these cables had a combined capacity of 2,830 GB/s to meet the connectivity needs of Maroc Telecom customers;
- a nearly 5,300 km overland fiber optic cable connecting Maroc Telecom with its sub-Saharan subsidiaries in Mauritania, Mali, and Burkina Faso;
- and satellite links connecting the most remote parts of the country to the Maroc Telecom backbone.

Cable name	From	To	Length	Introduced (services etc.)
Atlas Offshore	Asilah (Morocco)	Marseille (France)	1,634 km	2007
Loukkos	Asilah (Morocco)	Rota (Spain)	187 km	2012
Tétouan-Estepona	Tétouan (Morocco)	Estepona (Spain)	113 km	1994
SEA-ME-WE3 [(a)]	Tétouan (Morocco)	Sesimbra (Portugal)	500 km	2009
Trans-Africa	Gueguerat (Morocco)	Ouagadougou (Burkina Faso)	5,300 km	2013

(a) IAM stake in a consortium of over 50 operators.

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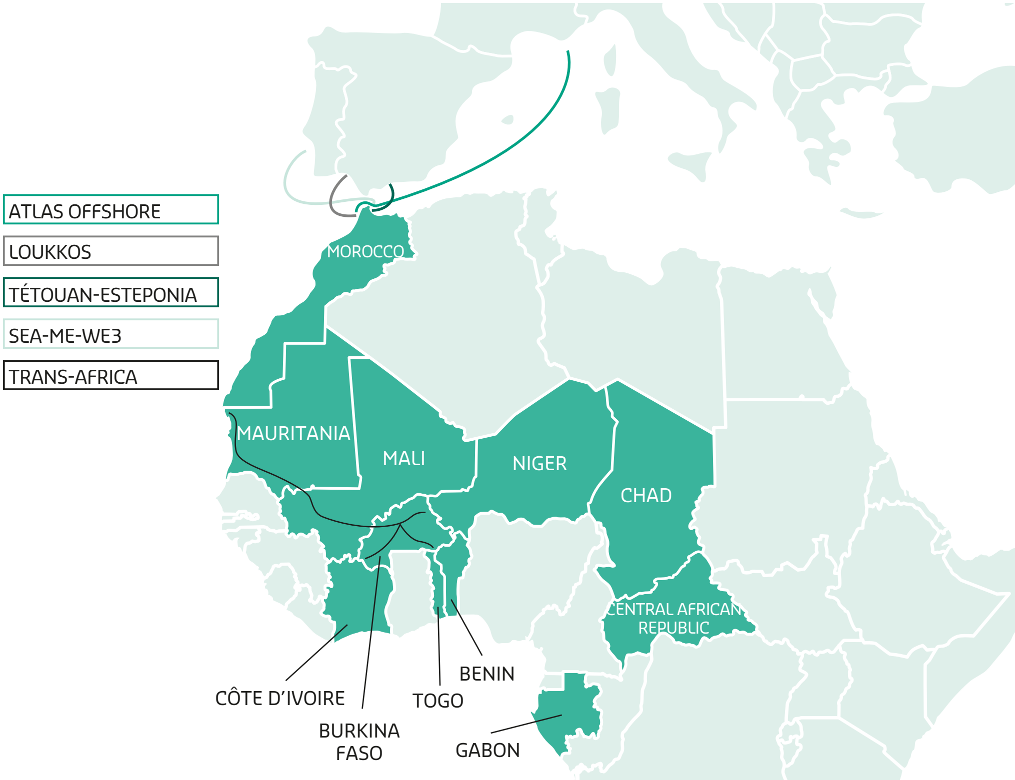
MAP OF MAROC TELECOM INTERNATIONAL SUBMARINE AND OVERLAND FIBER OPTIC CABLES



INFORMATION SYSTEMS

The Information Systems Department is responsible for providing the IT infrastructure and software applications required by Maroc Telecom's various Business segments.

Several major IT projects were completed in 2019:

- support measures for the 2019 marketing plan;
- ongoing efforts for paperless processes and Digitalization of the customer experience;
- adaptation and upgrade of Information Systems (data collection and provisioning, etc.) to support network technology developments;
- technical and functional upgrade of business line Information Systems (CRM and branches), decision support systems/Big Data tools, human resources management systems, and QoS/network performance tools;
- enhanced security for data and Information Systems.

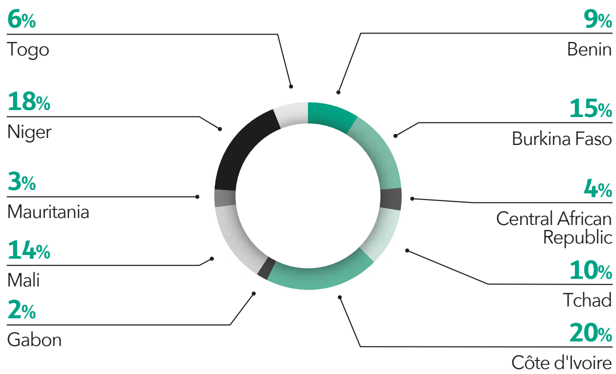
4.2.2 Subsidiary companies

4.2.2.1 CONSOLIDATED DATA

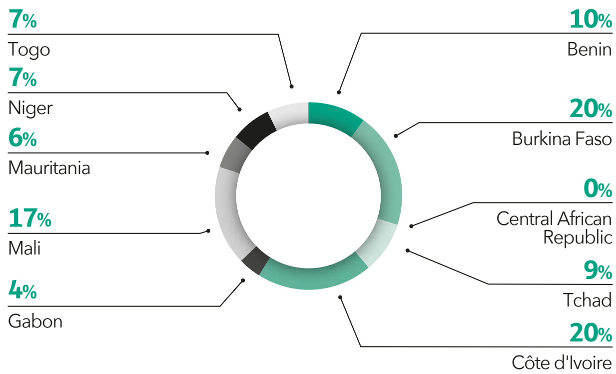
Population [a] (000)	Customers [b] (000)	Revenues [b] (MAD millions)
133,137	43,971	16,095

(a) Forecasts at end-December 2019 (source: IMF, October 2019).
(b) Data at end-December 2019 (source: Maroc Telecom).

BREAKDOWN BY POPULATION [1]



BREAKDOWN BY CUSTOMER [2]



4.2.2.2 MAURITEL

Macroeconomic indicators

	2019	2018	2017
Population (000)	4,058	3,970	3,881
GDP per capita (in USD)	4,881	4,598	4,433
GDP growth	+6.6%	+3.6%	+3.1%
Inflation	+3%	+3.1%	+2.3%

Source : IMF, October 2019

Mauritel SA is the incumbent operator in Mauritania. It was formed in 1999 following the break-up of *Office des Postes et Télécommunications*, the national postal and telecommunications operator. In 2000, Mauritel SA created its wholly owned subsidiary Mauritel Mobiles, which has since obtained its second GSM Mobile telephony network license.

On April 12, 2001, following an international call for tenders issued by the Mauritanian government, Maroc Telecom acquired a 54% stake in Mauritel SA.

In January 2002, Maroc Telecom created Compagnie Mauritanienne de Communication (CMC), to which it transferred the shares it held in Mauritel SA. On June 6, 2002, Maroc Telecom sold 20% of CMC to Mauritanian investors. In fiscal year 2003, CMC sold 3% of Mauritel SA to its employees for MAD 17 million, in accordance with the commitments made during its privatization in 2001.

Once the Mauritanian government gave up its veto over Mauritel SA on July 1, 2004, Maroc Telecom gained exclusive control of its subsidiary, which became a fully-consolidated Group entity. In 2006, the CMC Group acquired 0.527% of Mauritel SA from SOCIPAM, a non-commercial company created by employees of the Mauritanian subsidiaries. On completion of this transaction, CMC held 51.527% of Mauritel SA.

Following the repeal in December 2007 (Law no. 2007-049 of December 3, 2007) of Article 73 of Law no. 99-019 on telecommunications, which required Mauritel SA by name to spin off all its operations subject to competition, in this case its Mobile business. On November 27, 2007, the Extraordinary Shareholders' Meetings of Mauritel SA and Mauritel Mobiles subsequently ratified plans to merge the two companies. Mauritel SA has since become a global operator able to take advantage of synergies between all its Fixed-Line, Mobile, and Internet businesses.

Maroc Telecom's representatives sit on the Board of Mauritel SA. None of Maroc Telecom executives holds any operational functions within these companies.

The consolidation methods for the CMC/Mauritel sub-group are summarized in Notes 1, 2 and 28 to the consolidated financial statements. In addition, Chapter 3.2.3.4 "Related-party transactions" illustrates the type of financial flows between Maroc Telecom and the Mauritel sub-group.

Fixed-Line Telephony, Data and Internet

Mauritel provides Fixed-Line telephony services (voice and data) as well as broadband internet access to private customers, companies and the public sector.

(1) Forecasts at end-December 2019 (source: IMF, October 2019).
(2) Data at end-December 2019 (source: Maroc Telecom).

In addition to Mauritel, Mattel and Chinguitel have had Fixed-Line licenses since 2009 that allow them to operate in this market. Nevertheless, to date, the former has developed neither networks nor Fixed-Line offers, while Chinguitel provides Fixed-Line services through its CDMA network. As a result, Mauritel remains the sole wireline operator in Mauritania.

At end-December 2019, Mauritel had a Fixed-Line customer base of 56 thousand lines, 1.9% more than in 2018. The operator is able to offer its Fixed-Line customers ADSL broadband packages. At end-December 2019, Mauritel had 10 thousand internet subscribers, mostly on the ADSL network (97% of the customer base).

To meet its international bandwidth needs, Mauritel participates in a consortium that has capacity on the Africa Coast to Europe (ACE) submarine cable and includes all Mauritanian telecom operators and the Mauritanian post office.

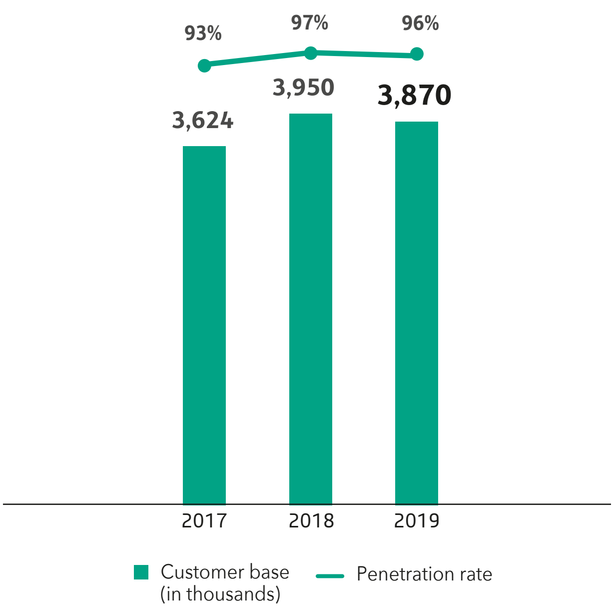
Mobile telephony

Mauritel's Mobile business consists of prepaid and postpaid services. Mobile services are offered for voice, value-added services (SMS, MMS, etc.), 3G Mobile internet, and roaming. In addition, Mauritel launched its m-payment service under the Mobicash brand in 2013.

To offer these services, Mauritel relies on a network of 796 physical sites across the entire Mauritanian territory, offering 2G and 3G technologies. This latter was launched during 2009. In July 2015, Mauritel renewed its 2G license for a period of 10 years in return for a fixed share (MRO 1 billion) and an annual variable share corresponding to 2.5% of 2G revenues for the term of the license.

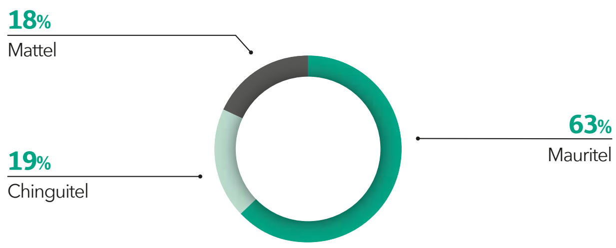
COMPETITION AND MARKET SHARE

MOBILE MARKET TRENDS IN MAURITANIA



Source: IMF (October 2019) and Dataxis (Q3 2019).

MOBILE MARKET SHARE IN MAURITANIA AT SEPTEMBER 30, 2019



Source: Dataxis Q3 2019.

September 30, 2019, the Mauritanian market had 3.9 million Mobile customers, representing a penetration rate of 96%.

Mauritel operates alongside two other operators, Société Mauritano-Tunisienne de Télécommunications Mattel and Chinguitel. Chinguitel launched a GSM service in 2011. In 2006, the ARE awarded 3G licenses to Mauritel and Chinguitel; Mattel did not obtain its 3G license until March 2009.

At December 31, 2019, Mauritel's Mobile customer base was 2.5 million (almost all prepaid), a 3.1% increase year-on-year, despite heightened competition and regulatory customer identification requirements. Mauritel maintained its leadership position with a market share of 63% at end-September 2019.

PERFORMANCE

The following table shows Mauritel's key operating data:

	Unit	2019	2018	2017
Mobile customer base	(000)	2,470	2,397	2,139
Fixed-Lines	(000)	56	55	51
Broadband access	(000)	10	13	13

Source : IMF, October 2019

Seasonality

In Mauritania, the peak period is generally from June to September. Other spikes in usage occur during religious holidays, providing significant sales opportunities. Fixed-Line and Mobile usage tends to be lower during Ramadan.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Mauritania was modified by Law no. 2013-025 of July 15, 2013, on electronic communications (hereinafter the "Law").

This Law supplements in particular the prerogatives of the ARE and gives it powers to curb unfair business practices in the sector. These prerogatives are in addition to the ARE's regulatory, audit, and oversight powers with regard to industry operators, as set forth in Law no. 2001-18 of January 25, 2001, establishing the ARE.

The ARE is an independent public-sector entity with multi-sector authority and full financial and managerial autonomy. The ARE reports directly to the Prime Minister.

MAIN REGULATORY OBLIGATIONS APPLYING TO MAURITEL

Over and above the regulatory 2G/3G coverage obligations for localities and main roads set out in its specifications, Mauritel is liable for a range of dues and industry contributions. These include an annual universal-service contribution of no more than 3% of revenues, net of interconnection charges, regulatory dues of no more than 2% of revenues, net of interconnection expenses, and an annual research and training contribution of no more than 1% of revenues, net of interconnection expenses. Lastly, Mauritel pays annual dues for the use of radio frequencies and numbers as well as a levy of EUR 0.08/min on inbound international traffic.

MAURITEL LICENSES

Licenses and authorization	Award date	Expiration Date	Term
Fixed-Line authorization	04/12/2001	04/12/2021	20 years
2G license	07/18/2015	07/18/2025	10 years
3G license	07/27/2006	07/27/2021	15 years

2019 HIGHLIGHTS

Regulatory highlights for 2019:

- renewal, in February 2019, of the invitation to tender for 4G licenses reserved for operators with a 2G/3G license in Mauritania;
- renewal, in February 2019, of the invitation to tender for a fourth 2G/3G/4G mobile license. Under this invitation to tender, existing operators will be able to opt for a 2G/3G/4G license involving an early renewal of their licenses;
- in February 2019, a decision was taken to make the establishment and operation of Wireless Local Loop (WLL) networks subject to the general authorization system, with a view to providing only fixed and/or roaming services;
- enactment, in April 2019, of a decree exempting calls originating from countries in the G5 Sahel zone from the tax on international incoming traffic and from the minimum threshold for international terminaison rate;
- the MRO 0.3 drop in the mobile termination rate to MRO 0.26 as of July 1 2019;
- the MRO 19.7 million fine imposed by the ARE on Mauritel in August 2019 for failing to meet service quality commitments;
- the MRO 86.3 million fine imposed by the ARE on Mauritel in December 2019 for failing to meet service quality commitments.

4.2.2.3 ONATEL

Macroeconomic indicators

	2019	2018	2017
Population (000)	20,326	19,752	19,193
GDP per capita (in USD)	2,077	1,982	1,864
GDP growth	+6.0%	+6.8%	+6.3%
Inflation	+1.1%	+2.0%	+0.4%

Source : IMF, October 2019

Onatel (*Office National des Télécommunications*) is the incumbent operator of Burkina Faso. It was formed following the break-up of *Office des Postes et Télécommunications* in 1987, and became a state-owned company in 1994. In October 2002, the government created Telmob, Onatel's wholly owned mobile subsidiary, which has been licensed to operate a GSM mobile network since April 2004.

On December 29, 2006, following an international competitive privatization process, Maroc Telecom acquired 51% of Onatel.

On April 29, 2009, Onatel was listed for trading on the regional stock exchange in Abidjan, Côte d'Ivoire. This enabled the Burkina Faso government to sell 23% of the telecommunications operator on the market.

Onatel's Extraordinary Shareholders' Meeting of December 29, 2010, approved plans to merge with Onatel's Mobile subsidiary. Since then, Onatel has become a global operator, benefiting from synergy between its Fixed-Line, Mobile and Internet businesses.

On April 17, 2018, Maroc Telecom finalized the acquisition of an additional 10% in the capital of Onatel on the regional stock exchange of Abidjan in Côte d'Ivoire, bringing its ownership of its Burkina Faso subsidiary to 61%.

Maroc Telecom representatives sit on the Board of Directors of Onatel and no Maroc Telecom manager holds operational positions in this company.

The consolidation methods for Onatel and its subsidiaries are summarized in Notes 1, 2 and 28 to the consolidated financial statements. In addition, Chapter 3.2.3.4 "Related-party transactions" describes the type of financial flows between Maroc Telecom and Onatel.

Fixed-Line Telephony, Data and Internet

Onatel provides Fixed-Line telephony services (voice and data) as well as broadband internet access to private customers, companies and the public sector.

Onatel lost its monopoly on basic services (domestic Fixed-Line telephony, telex and telegraph) on December 31, 2005. However, it currently remains the only Fixed-Line telephony operator in Burkina Faso. By contrast, Onatel competes with other service providers in the Internet market.

At end-December 2019, Onatel had 75 thousand Fixed Lines, a slight decrease of 1.9% compared with 2018, despite competition from Mobile services. The Fixed-Line penetration rate is still low, at only 0.4% of the population at end-December 2019.

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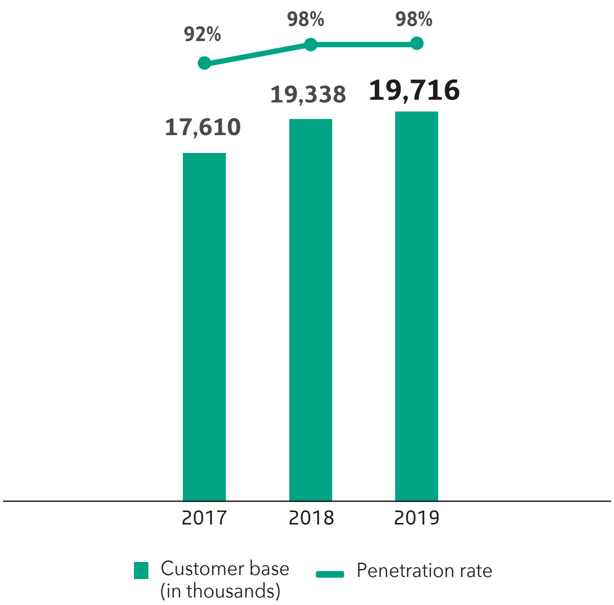
The operator also sells broadband internet packages to its customers via its ADSL network. At end-December 2019, Onatel had 15,000 internet subscribers, a slight drop of 2.6% from 2018, despite the impact of the competition from Mobile internet, which has well and truly replaced Fixed-Line internet. Of these customers, 68% had ADSL broadband.

Mobile telephony

Onatel's Mobile business, operated under the Telmob brand, provides prepaid and postpaid services. Mobile services are offered for voice, value-added services (SMS, MMS, etc.), 3G mobile internet and roaming. In 2013, Onatel launched its m-payment service under the Mobicash brand, as well as 3G services.

COMPETITION AND MARKET SHARE

MOBILE MARKET TRENDS IN BURKINA FASO



Source: IMF (October 2019) and Dataxis (Q3 2019).

MOBILE MARKET SHARE IN BURKINA FASO AT SEPTEMBER 30, 2019

Source: Dataxis (Q3 2019).

At September 30, 2019, the Burkina Faso market had 19.7 million Mobile customers, representing a penetration rate of 98%, up 1.3 points in one year.

At December 31, 2019, Onatel had 8.5 million Mobile customers (mainly prepaid), a year-on-year increase of 11.9%. The new BTS brought into service during 2019 raised the operator's total to 1,014 BTS.

PERFORMANCE

The following table summarizes Onatel's key operating data:

	Unit	2019	2018	2017
Mobile customer base	(000)	8,546	7,634	7,196
Fixed-Lines	(000)	75	77	76
Broadband access	(000)	15	15	13

Seasonality

In Burkina Faso, the annual rainy season (August and September) has a negative impact on sales and on network quality of service. This has repercussions for both Fixed-Line and Mobile revenues.

Regulations

OVERVIEW

Burkina Faso's current regulatory framework for telecommunications was established by Law no. 061-2008/AN of November 27, 2008, as amended, relating to General Regulations for networks and electronic communication services in Burkina Faso and its implementing decrees.

The Electronic Communications and Postal Services Regulatory Authority (*Autorité de Régulation des Communications Électroniques et de la Poste*, hereinafter "ARCEP") is an independent public-sector administration having legal personality and operating under the technical supervision of the Prime Minister's office.

It is responsible for ensuring that operators comply with their contract specifications, managing and controlling radio frequencies, establishing and managing the national numbering plan, and managing conciliation and arbitration proceedings among telecommunications operators and between operators and consumers.

The main implementing texts for the telecommunications law are Decree no. 2010-451 of August 12, 2010, which sets out the general conditions for the interconnection of networks and access to these networks; Decree no. 2010-245 of May 20, 2010, setting out the procedures and conditions attached to the individual licensing system, general authorization system, and declarations system; Decree no. 2010-246 of May 20, 2010, which sets the amounts and procedures for recovery of fees, contributions, and costs; Decree no. 2018-1211 of December 31, 2018, which defines the conditions for allocating technologically-neutral individual licenses for the establishment and operation of electronic communications networks and services to telephony operators established in Burkina Faso; and Decree no. 2018-1270 of December 31, 2018 on the procedures for identifying subscribers to electronic communications services and customers of internet cafés.

MAIN REGULATORY OBLIGATIONS APPLYING TO ONATEL

Onatel is required to pay industry fees and contributions. This includes the regulatory fee of 1% of revenues excluding interconnection charges, the annual contribution to training and research of 0.5% of revenues excluding interconnection charges, and a contribution of 2% of revenues excluding interconnection charges to the Universal Service Fund.

In addition, Onatel pays fees for the use of frequencies and numbers.

Finally, since January 1, 2014, Onatel has paid a special tax on telecom operators equivalent to 5% of their revenues excluding Fixed-Line services, international interconnection expenses, and revenue from handset sales.

ONATEL LICENSES

Licenses and authorization	Award date	Expiration Date	Term
Fixed-Line license	12/29/2006	12/29/2026	20 years
2G/3G/4G license	03/26/2019	06/21/2037	17 years

2019 HIGHLIGHTS

Regulatory highlights for 2019:

- the award, in March 2019, of a global Mobile license including 4G and involving early renewal of 2G/3G licenses for a period of 17 years;
- entry into force, in February 2019, of Decree no. 2018-1270 on the procedures for identifying subscribers to electronic communication services and customers of internet cafés;
- the FCFA 15 drop in the mobile call termination rate to FCFA 12.5 as of July 1, 2019;
- review of the current telecommunications law. It provides for heavier financial penalties in the event of serious shortcomings.

4.2.2.4 GABON TELECOM

Macroeconomic indicators

	2019	2018	2017
Population (000)	2,080	2,053	2,025
GDP per capita (in USD)	19,057	18,434	18,090
GDP growth	+2.9%	+0.8%	+0.5%
Inflation	+3%	+4.8%	+2.7%

Source: IMF, October 2019.

Gabon Telecom SA is the incumbent operator in Gabon. It was formed from the break-up in 2001 of *Office des Postes et Télécommunications* pursuant to Law no. 004/2001 of June 27, 2001, on the reorganization of the postal and telecommunications sector.

In March 1999, Gabon Telecom created Libertis, its wholly-owned mobile subsidiary, which obtained a second license to operate a GSM Mobile telephony network in 2007. Until 2006, Gabon Telecom was wholly owned by the Gabonese government. In February 2007, following an international invitation to tender, the Gabonese government sold a 51% stake in the company to Maroc Telecom. The transaction was finalized on December 23, 2010, following completion of the agreements signed in 2008.

Gabon Telecom's Extraordinary Shareholders' Meeting of December 20, 2011, approved plans to merge with Gabon Telecom's Mobile subsidiary. Since then, Gabon Telecom has become a global operator, capitalizing on the synergy between its Fixed-Line, Mobile, and Internet businesses.

In addition, after the acquisition of Moov Gabon in January 2015, and to comply with the country's regulatory requirements, a merger between Gabon Telecom and Moov Gabon was necessary.

The merger-absorption process for Gabon Telecom and Moov Gabon was finalized in June 2016.

On June 20, 2017 Gabon Telecom's universal license was renewed for a period of 10 years at a cost of MAD 148 million.

Maroc Telecom's representatives sit on the Board of Gabon Telecom. None of Maroc Telecom executives holds any operational functions within these companies.

The consolidation methods for Gabon Telecom and its subsidiaries are summarized in Notes 1, 2 and 28 to the consolidated financial statements. In addition, Chapter 3.2.3.4 "Related-party transactions" illustrates the type of financial flows between Maroc Telecom and the Gabon Telecom sub-group.

Fixed-Line Telephony, Data and Internet

Gabon Telecom provides Fixed-Line telephony services (voice and data) as well as ADSL and FTTH internet access to private customers, companies and the public sector.

Gabon Telecom lost its monopoly on basic services (domestic Fixed-Line telephony, telex, and telegraph) on December 31, 2005. However, it currently remains the sole national fixed-line operator in Gabon. By contrast, Gabon Telecom competes with other service providers in the internet and VSAT markets.

At end-December 2019, the operator had a Fixed-Line customer base of 22 thousand lines, an increase of 2.1%. The Fixed-Line penetration rate still remains low, at only 1.2% at end-December 2019.

Gabon Telecom also offers internet access via its fixed-line network (high-speed ADSL and fiber optic). At end-December 2019, Gabon Telecom had 18 thousand internet subscribers, up 6.5% year-on-year.

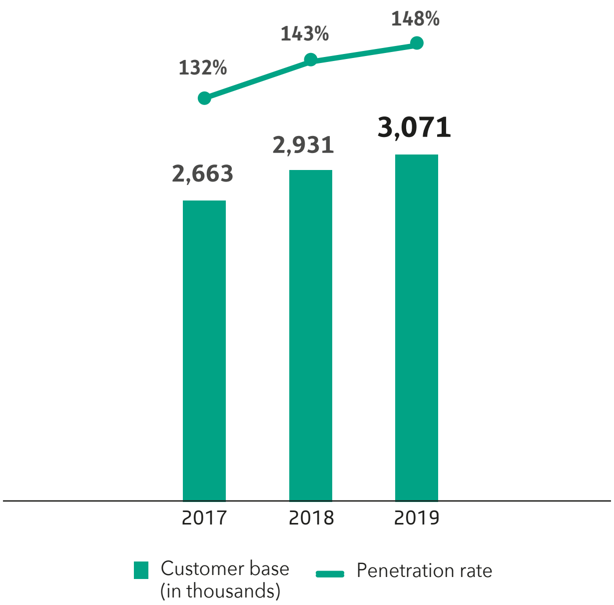
Gabon Telecom has access to the SAT-3 undersea cable with capacity of 30 GB/s coupled with a relief via the ACE system (10 GB/s), enabling it to cover its own international bandwidth needs and sell international services (internet, voice) to other telecom operators and Gabonese companies.

Mobile telephony

Gabon Telecom's Mobile segment, marketed under the Libertis and Moov brands, provides prepaid and postpaid services and offers voice and data plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting Gabon. In 2014 Gabon Telecom launched its m-payment service under the Mobicash brand as well as 3G and 4G services.

COMPETITION AND MARKET SHARE

MOBILE MARKET TRENDS IN GABON



Source: IMF (October 2019) and Dataxis (Q3 2019).

MOBILE MARKET SHARE IN GABON AT SEPTEMBER 30, 2019

Source: Dataxis (Q3 2019).

At September 30, 2019, there were 3.1 million Mobile customers (commercial customers), representing a penetration rate of 148%, up 5 points in one year.

The Gabonese market consists of two operators, Gabon Telecom and Airtel. Despite a highly competitive environment, Gabon Telecom had a 53% market share at the end of September 2019.

At December 31, 2019 Gabon Telecom had 1.6 million Mobile customers (mainly prepaid), a year-on-year increase of 0.1%. Gabon Telecom continued to build its Mobile network in 2019, raising its total number of physical sites to 531.

PERFORMANCE

The following table shows Gabon Telecom's key operating data:

	Unit	2019	2018	2017
Mobile customer base	(000)	1,621	1,620	1,547
Fixed-Lines	(000)	22	22	21
Broadband access	(000)	18	17	16

Seasonality

In Gabon, December and the summer months (July to September) generally see a surge in activity due to year-end festivities (Christmas and New Year), holidays in the country's rural regions, family gatherings, the celebration of national independence, and the back-to-school period.

November, January and February, in contrast, are generally quiet months, the aftereffects of the summer and year-end peaks.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Gabon was established by Law no. 005/2001 of June 27, 2001, regulating the telecommunications sector in the Gabonese Republic, as amended by Order no. 006/PR/2014 of August 20, 2014.

The Electronic Communications and Postal Services Regulatory Authority (*Agence de Régulation des Communications Électroniques et de Postes*, hereinafter, "ARCEP") is responsible for the regulation, control and monitoring of the telecommunications sector. ARCEP is an independent administrative authority under the supervision of the Ministry of the Digital Economy, Communication and Post Office and the Ministry of Economy and Finance.

The main laws governing the telecommunications sector are: Order no. 08/PR/2012 of February 13, 2012, on the creation and organization of ARCEP, as amended by Order no. 005 of August 20, 2014; Decree no. 054 of June 15, 2005, on interconnection procedures and infrastructure sharing; and Decree no. 0844 of October 26, 2006, on duties, dues and contributions payable by telecommunications operators.

MAIN REGULATORY OBLIGATIONS APPLYING TO GABON TELECOM

Gabon Telecom is required to pay industry dues and contributions. These include a contribution to the Universal Service Fund of an amount equivalent to 2% of revenue excluding interconnection charges, as well as a contribution to telecom research, training, and standardization, in an amount equivalent to 2% of revenue excluding interconnection charges.

In addition, Gabon Telecom is required to pay annual dues for the use of radio frequencies and numbers.

The regulatory dues are capped at 5% of total revenues, excluding interconnection charges for the Mobile business, and at 6% of revenues excluding interconnection charges for the Fixed-Line business.

Finally, all operators pay a tax of 5% on telephone calls and a tax on incoming international communications of 47 FCFA/min.

GABON TELECOM LICENSES

Licenses and authorization	Award date	Expiration Date	Term
Fixed-Line authorization	02/09/2007	02/09/2022	15 years
2G/3G/4G license	05/28/2017	05/28/2027	10 years

2019 HIGHLIGHTS

Regulatory highlights for 2019:

- the ARCEP's decision, of April 2, 2019, to impose a FCFA 255 million penalty on Gabon Telecom for failing to declare the creation of new international incoming lines in Gabon;
- adoption of the following deliberations:
  - Deliberation no. 0085/ARCEP/CR/2019 on the extension of maximum interconnection charges until December 31, 2019,
  - Deliberation no. 0086/ARCEP/CR/2019 determining relevant markets and identifying operators with a significant influence on telecommunications markets in the Republic of Gabon,
  - Deliberation no. 0087/ARCEP/CR/2019, which caps the maximum interconnection and access charges applicable by operators exerting a significant influence on telecommunications markets in the Republic of Gabon.

4.2.2.5 SOTELMA

Macroeconomic indicators

	2019	2018	2017
Population (000)	19,095	18,542	17,995
GDP per capita (in USD)	2,470	2,380	2,288
GDP growth	+5.0%	+5.0%	+5.4%
Inflation	+0.2%	+1.7%	+1.8%

Source: IMF, October 2019.

Sotelma SA is the incumbent operator in Mali: it emerged in 1990 from the break-up of the former *Office des Postes et Télécommunications*. The company was created by Order no. 89-32 of October 9, 1989, and ratified by Law no. 90-018 ANRM of February 27, 1990.

On July 31, 2009, following an international competitive privatization process, Maroc Telecom acquired 51% of Sotelma. Maroc Telecom's representatives sit on the Board of Sotelma. None of Maroc Telecom executives holds any operational functions within these companies.

The consolidation methods for the Sotelma sub-group are summarized in Notes 1, 2 and 28 to the consolidated financial statements. In addition, Chapter 3.2.3.4 "Related-party transactions" illustrates the type of financial flows between Maroc Telecom and the Sotelma sub-group.

Fixed-Line Telephony, Data and Internet

Sotelma provides Fixed-Line telephony services (voice and data) as well as ADSL and FTTH internet access to private customers, companies and the public sector.

To date, Sotelma is the most active operator in the Fixed-Line market.

At end-December 2019, the operator had a Fixed-Line customer base of 171 thousand lines, an increase of 4.3%. The Fixed-Line penetration rate is still low, however, at only 0.9% of the population at end-December 2019.

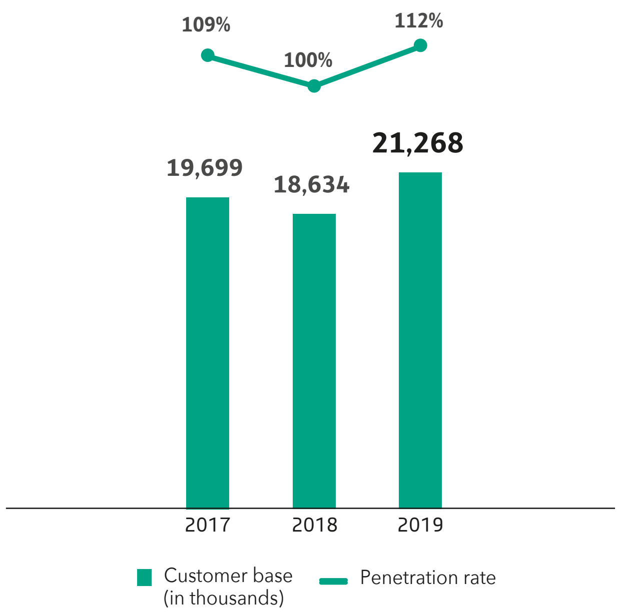
The operator is able to offer its Fixed-Line customers ADSL broadband packages. It also offers internet access via its CDMA network. At end-December 2019, Sotelma had 73 thousand internet subscribers, a 5.6% increase, despite the impact of competition from the Mobile segment.

Mobile telephony

Sotelma's Mobile business consists of prepaid and postpaid services through voice and 3G/4G data plans. It also provides roaming services for Sotelma mobile subscribers abroad and for customers of foreign partner operators visiting Mali. Sotelma launched its m-payment service under the Mobicash brand in 2014.

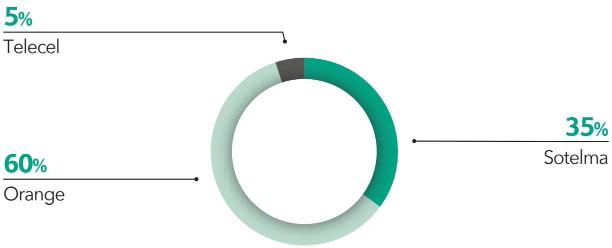
COMPETITION AND MARKET SHARE

MOBILE MARKET TRENDS IN MALI



Source: IMF (October 2019) and Dataxis (Q3 2019).

MOBILE MARKET SHARE IN MALI AT SEPTEMBER 30, 2019



Source: Dataxis (Q3 2019).

At September 30, 2019, the Mali market had 21.3 million Mobile customers, representing a penetration rate of 112%.

Three mobile operators are currently active in Mali: Sotelma, Orange, and Telecel. The latter launched its Mobile services in the first quarter of 2018.

At December 31, 2019, Sotelma had 7.4 million Mobile customers, a 1.7% increase from a year earlier.

Sotelma continued to densify its Mobile network in 2019, raising its total number of physical sites to 1,359 by end-December 2019.

PERFORMANCE

The following table summarizes Sotelma's key operating data:

	Unit	2019	2018	2017
Mobile customer base	(000)	7,446	7,320	7,190
Fixed-lines	(000)	171	164	155
Broadband access	(000)	73	69	64

Seasonality

Telecommunications activity in Mali rises during the rainy season, from June to September, when large numbers of Malian students abroad return home for their summer vacation. Other brief events give rise to major commercial opportunities, including religious holidays such as Tabaski (generally the day of the holiday and the following days) and year-end holidays (December). However, Mobile and Fixed-Line traffic falls substantially in the month of Ramadan, except for the last few days.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Mali is now governed by Order no. 2011-023/P-RM of September 28, 2011, on telecom and information and communication technologies in Mali, and Order no. 2011-024/P-RM of September 28, 2011, on the regulations of the telecommunications sector. The Malian Regulatory Authority for Telecommunications and Postal Services (*Autorité Malienne de Régulation des Télécommunications et des Postes*, AMRTP), created by Order no. 2011-024, is an independent governmental body under the supervision of the Ministry of Postal Services and New Technologies.

The main provisions adopted to date under the Order on Telecommunications are Decree no. 2011-867 of December 20, 2011, laying down the detailed rules for implementation of national roaming, and Decree no. 2011-872 of December 30, 2011, on the sharing of infrastructure.

MAIN REGULATORY OBLIGATIONS APPLYING TO SOTELMA

Sotelma is required to pay a set of sector dues and contributions. Since 2013, Sotelma has been paying a total contribution of 3% of its revenues, net of interconnection charges, plus annual dues for the use of radio frequencies and numbering resources.

Further, Sotelma pays the tax on access to public telecommunications networks (TARTOP) set at 5% of global revenues.

Finally, a new Radio and TV fee was introduced by interministerial order in May 2018. This fee is set at one FCFA per minute of communication.

SOTELMA LICENSES

Licenses and authorization	Award date	Expiration Date	Term
2G, 3G, 4G Fixed-Line license [(a)]	07/31/2009	07/31/2024	15 years

(a) Extension of the current license to 4G in November 2018.

2019 HIGHLIGHTS

Regulatory highlights for 2019:

- capping of terminaison rate levels (fixed-line and mobile) over 2019 and 2020 involving the introduction of asymmetry in favor of Sotelma vis-à-vis Orange Mali and maintenance of ATEL's asymmetry vis-à-vis the other two operators. Rates are determined as follows:
  - 2019: Orange Mali termination rate: 5.7 FCFA / Sotelma termination rate: 7 FCFA / ATEL termination rate: 60% more than the competitor's TA,
  - 2020: Orange Mali termination rate: 2.5 FCFA / Sotelma termination rate: 3 FCFA / ATEL termination rate: 50% more than the competitor's terminaison rate;
- adoption, in August 2019, of Decision no. 19-0069/AMRTP/CR-P determining the relevant Telecommunications/ICT markets, identification of operators exerting significant power, and the obligations imposed as a result. This decision sets thresholds for communications charges, introduces a cap on promotions, and introduces a prohibition of any differentiation between on-net and off-net rates;
- adoption, in October 2019, of Decision no. 19-0100/AMRTP/CR-P amending Decision no. 19-0069/AMRTP/CR-P. This new decision sets the entry into force of Decision no. 19-0069/AMRTP/CR-P for November 1, 2019;
- draft decree issued, supplementing Decree No. 2015-0265/P-RM of April 10, 2015 stipulating proof of identity when subscribing to telecom and ICT services accessible to the public;
- project to implement universal access for certain localities, launched by the universal access fund management agency (AGEFAU) in partnership with the AMRTP and the operators.

4.2.2.6 CÔTE D'IVOIRE

Macroeconomic indicators

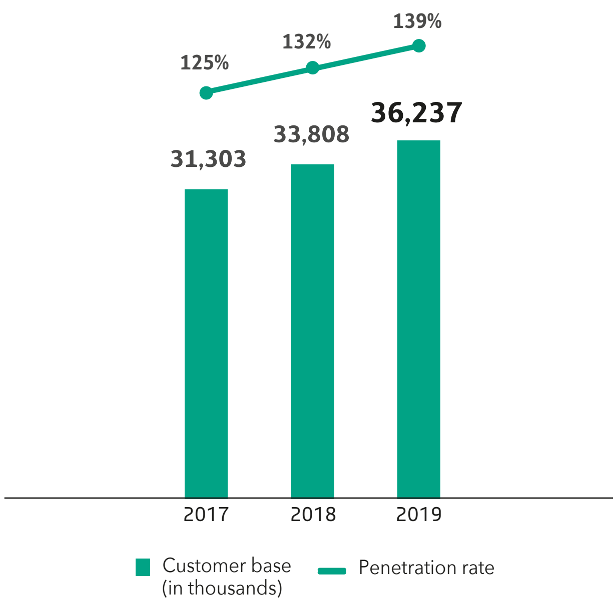
	2019	2018	2017
Population (000)	25,275	25,609	24,960
GDP per capita (in USD)	4,457	4,180	3,896
GDP growth	7.5%	7.4%	7.7%
Inflation	1%	1.1%	1.1%

Source: IMF, October 2019.

Mobile telephony

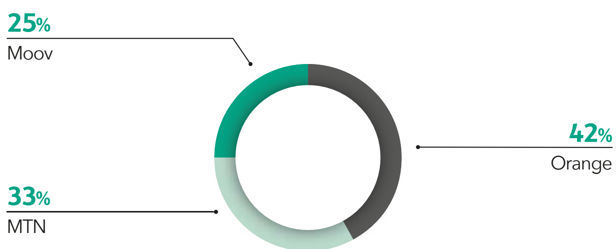
COMPETITION AND MARKET SHARE

MARKET TRENDS IN CÔTE D'IVOIRE



Source: IMF (October 2019) and Dataxis (Q3 2019).

CÔTE D'IVOIRE MARKET SHARE AT SEPTEMBER 30, 2019



Source: Dataxis (Q3 2019).

Moov Côte d'Ivoire's Mobile business consists of prepaid and postpaid services through voice and data (mainly SMS) plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting Côte d'Ivoire. To provide these services, Moov Côte d'Ivoire relies on a network of 1,460 physical sites throughout the country, offering 2G, 3G, and 4G technology (commercial rollout of 4G in June 2016). Moov Côte d'Ivoire also offers an m-payment service under the Moov Money brand.

At September 30, 2019, the Ivorian market had 36.2 million Mobile customers, representing a penetration rate of 139%.

In this market, two major operators are active alongside Moov Côte d'Ivoire: Orange Côte d'Ivoire and MTN Côte d'Ivoire, following the market consolidation in April 2016.

PERFORMANCE

AT Côte d'Ivoire's Mobile customer base changed as follows:

	Unit	2019	2018	2017
Mobile customer base	(000)	8,975	8,646	7,734

At December 31, 2019, Moov Côte d'Ivoire had 9 million Mobile customers (mainly prepaid), a year-on-year increase of 3.8% despite heightened competition and customer identification requirements. The market share of Moov Côte d'Ivoire was 25% at end-September 2019.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Côte d'Ivoire is governed by Order no. 2012-293 of March 21, 2012, on telecommunications and on information and communications technology.

The Côte d'Ivoire Regulatory Authority for Telecommunications (ARTCI) is an independent administrative authority in charge of regulation on behalf of the state.

The main legislative instruments adopted to date pursuant to the Order on telecommunications are: Decree No. 2012-934 of September 19, 2012, on the organization and functioning of ARTCI; Decree No. 2013-300 of May 2, 2013, on interconnection of telecommunications networks and services and local loop unbundling; Decree No. 2014-104 of March 12, 2014, ratifying the specifications applicable to concession and license holders for the establishment of telecommunications networks and provision of telecommunications/ICT services; Decree No. 2015-80 of February 4, 2015, defining the categories of Telecommunications/ICT activities and laying down the rules for access to scarce resources; and Decree No. 2017-193 of March 22, 2017 on the identification of subscribers to Telecommunications/ICT services open to the public and users of internet cafés.

The AT subsidiary in Côte d'Ivoire, Moov Money Côte d'Ivoire, has authorization to conduct its mobile payment business pursuant to Decision No. 210-01-2019 by the Central Bank of West African States (BCEAO), of July 23, 2019, authorizing Moov Money Côte d'Ivoire.

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MAIN REGULATORY OBLIGATIONS APPLYING TO AT CÔTE D'IVOIRE

AT Côte d'Ivoire is subject to various sector fees and contributions. These include the annual regulatory fee equal to 0.5% of its revenue; the Research, Training and Normalization Contribution equal to 0.5% of its revenue; the universal service contribution equal to 2% of its revenue, as well as the dues for the use of radio frequencies and numbering resources.

In addition to these dues and contributions, there is a tax on communications equal to 3% of their price before tax, and a tax on telecommunications companies set at 5% of revenues before tax (including interconnection and mobile payment receipts and income). AT CI is also subject to a tax for the promotion of culture in the amount of 0.2% of revenue.

AT CÔTE D'IVOIRE LICENSES

Licenses and authorization	Award date	Expiration Date	Term
Global license	March 2016 (a)	March 2033	16 years

(a) March 2017 is the license start date.

2019 HIGHLIGHTS

Regulatory highlights for 2019:

- the drop in the Mobile call termination rate as of January 1, 2019, from 13 FCFA to 7 FCFA;
- the decision of the ARTCI Regulatory Board of January 12, 2019, to impose a FCFA 966,408,989 penalty on AT Côte d'Ivoire for service quality failure in respect of 2017;
- the proceeding challenging the substance of the decision to prohibit all operators from differentiating between on-net/off-net following the appeal lodged by AT Côte d'Ivoire is still pending before the Court of Appeals;
- the adoption of Decree no. 2019-461 of May 22, 2019 on the obligatory use of a national identification number in civil life, specifically for subscription requests for telephone services;
- the enactment of Order no. 2019-495 of June 12, 2019 introducing a system to control the electronic communications flows of telecommunications/ICT companies;
- decision no. 210-01-2019 of the BCEAO, dated July 23, 2019, approving the company Moov Money Côte d'Ivoire, subsidiary of AT Côte d'Ivoire, as a digital currency service provider in Côte d'Ivoire;
- the adoption of Decision No. 2019-0501 of the ARTCI of Côte d'Ivoire on December 26, 2019 on notification of powerful operators and service providers for 2020;
- the ongoing new draft decree setting usage and frequency control dues.

4.2.2.7 BENIN

Macroeconomic indicators

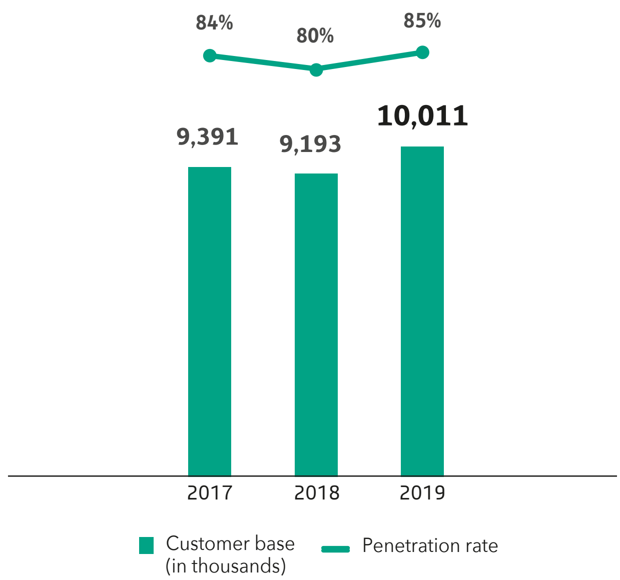
	2019	2018	2017
Population (000)	11,814	11,491	11,176
GDP per capita (in USD)	3,446	3,267	3,073
GDP growth	+7%	+7%	+6%
Inflation	-0.3%	+1%	+2.0%

Source: IMF, October 2019.

Mobile telephony

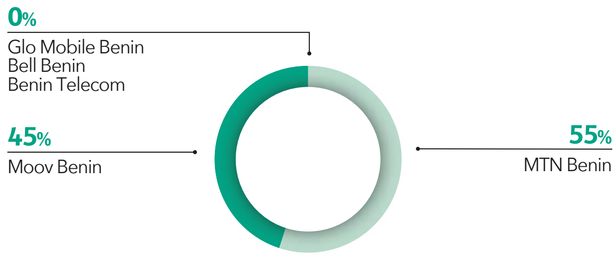
COMPETITION AND MARKET SHARE

MARKET TRENDS IN BENIN



Source: IMF (October 2019) and Dataxis (Q3 2019).

BENIN MARKET SHARE AT SEPTEMBER 30, 2019



Source: Dataxis (Q3 2019).

Moov Benin's Mobile business consists of prepaid and postpaid services through voice and data (mainly SMS) plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting Benin. In addition to 3G and 4G services (the latter launched in April 2017), Moov Bénin offers an m-payment service under the Moov Money brand.

At September 30, 2019, the Benin market had 10 million Mobile customers, representing a penetration rate of 85%.

PERFORMANCE

Moov Bénin's Mobile customer base changed as follows:

	Unit	2019	2018	2017
Mobile customer base	(000)	4,377	4,279	3,960

At December 31, 2019, Moov Benin had 4.3 million Mobile customers (mainly prepaid), a year-on-year increase of 2.3%. Moov Benin had a market share of 45% at the end of September 2019. The operator brought 61 new physical sites into service in 2019, bringing the total to 672 sites.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Benin is principally governed by Law no. 2017-20 of April 20, 2018, on the digital code in the Republic of Benin, and its implementing decrees.

The Regulatory Authority for Electronic Communications and Post Office (hereinafter ARCEP BENIN) is an independent administrative structure having legal personality and financial and management independence. It works independently, impartially, fairly, and transparently. It is responsible, among other duties defined by the above-mentioned law, for regulating, managing, and monitoring the activities of the electronic communications and postal sectors.

The Benin Agency for Universal Electronic and Postal Communications Service (ABSU CEP) is placed under the auspices of the Ministry for Electronic Communications and Post Office. It implements government policy in the field of universal service.

MAIN REGULATORY OBLIGATIONS APPLYING TO ETISALAT BENIN

Etisalat Benin is required to pay various sector dues and contributions. These include:

- contributions to the general engagements of the State and to the development of the industry, paid yearly, and broken down as follows:
  - contribution to universal access engagements and expenses in the amount of 1% of its revenues in the previous year, excluding tax and interconnection expenses;
  - contribution to the functioning of the Regulatory Authority in the amount of 1% of revenues in the previous year, excluding tax and interconnection expenses;
  - contribution to telecommunications research, development, training and standardization in the amount of 0.5% of its revenues in the previous year, excluding tax and interconnection expenses; contribution to land development expenses and to environmental protection in the amount of 0.5% of its revenues in the previous year, excluding tax and interconnection expenses;
- other dues:
  - contribution to development in the amount of 2% of its revenues, excluding tax and interconnection charges;
  - communications dues at 10% of its monthly revenues;
  - a contribution of 5% of the sale price of electronic communications services on public networks.

Lastly, Etisalat Bénin pays dues for the use of radio frequencies and numbering resources. It must also pay handling fees when it files an application.

ETISALAT BENIN LICENSES

Licenses and authorization	Award date	Expiration Date	Term
Mobile (2G, 3G and 4G)	06/07/2013	06/07/2033	20 years

2019 HIGHLIGHTS

Regulatory highlights for 2019:

- adoption, by the Council of Ministers on July 31, 2019, of the implementing decrees for Law No. 2017-20 of April 20, 2018 on the digital code in the Republic of Benin;
- approval, by the Council of Ministers on September 9, 2019, of the standard specifications for Mobile telephony operators and Internet service providers, brought into line with Law No. 2017-20 of April 20, 2018 on the digital code in the Republic of Benin;
- the adoption of Interministerial Order No. 014/MEF/MND/DC/SGM/CTJ/DGENP/SA 248SGG19 setting the expenses and dues for the use of frequency resources by operators of radio networks in respect of 2019;
- adoption of the following ARCEP decisions:
  - decision no. 2019-035 of February 19, 2019 on the procedures for submitting and processing complaints from users of electronic communications and postal services in the Republic of Benin;
  - decision no. 2019-038 of February 21, 2019 setting out the obligations of dominant operators on the relevant electronic communications markets in Benin for the 2019 accounting period;
  - decision no. 2019-037 of February 21, 2019 designating the dominant operators on the relevant electronic communications markets in Benin for the period from January 1, 2019 to December 31, 2021;
  - decision no. 2019-036 of February 21, 2019 setting out the list of relevant wholesale and retail markets for electronic communications in Benin over the period from January 1, 2019 to December 31, 2021;
  - decision no. 2019-039 of February 22, 2019 on the protocol for delivery of performance files by operators of mobile electronic communications open to the public in the Republic of Benin;
- decision no. 2019-040 of February 22, 2019 setting out the service quality indicators for mobile electronic communications open to the public in the Republic of Benin.

4.2.2.8 TOGO

Macroeconomic indicators

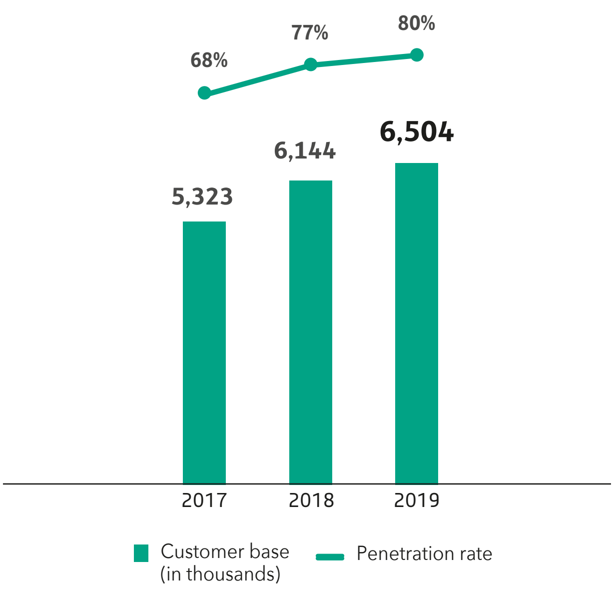
	2019	2018	2017
Population (000)	8,195	7,994	7,798
GDP per capita (in USD)	1,826	1,750	1,670
GDP growth	+5.1%	+4.9%	+4.42%
Inflation	+1.4%	+1%	-0.2%

Source: IMF, October 2019.

Mobile telephony

COMPETITION AND MARKET SHARE

MARKET TRENDS IN TOGO



Source: IMF (October 2019) and Dataxis (Q3 2019).

TOGOLESE MARKET SHARE AT SEPTEMBER 30, 2019

Source: Dataxis (Q3 2019).

Moov Togo's Mobile business consists of prepaid and postpaid services through voice and data (mainly SMS) plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting Togo. To offer these services, Moov Togo relies on a network of 475 sites nationwide. Moov Togo launched 4G on July 1, 2018, only one year after the commercial launch of 3G services. The Flooz brand also offers an m-payment service.

At September 30, 2019, the Togo market had 6.5 million Mobile customers, representing a penetration rate of 80%.

Two Mobile operators are currently active in Togo: Moov Togo and Togo Telecom.

PERFORMANCE

Moov Togo's Mobile customer base changed as follows:

	Unit	2019	2018	2017
Mobile customer base	(000)	3,030	3,405	2,943

At December 31, 2019, Moov Togo had 3 million Mobile customers (almost all prepaid), with a market share of 51% at end-September 2019.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Togo is governed by Law no. 2012-018 of December 17, 2012 on electronic communications, as amended by Law no. 2013-003 of February 19, 2013.

The Telecommunications Regulatory Authority (*Autorité de Régulation des Télécommunications*, ART&P) has legal personality, independent management, and financial autonomy. It is under the technical supervision of the ministry responsible for the telecommunications sector. The responsibilities of ART&P include implementing and monitoring the application of the legislation in force.

The main texts adopted to date, pursuant to the telecommunications law, are Decree no. 2014-088/PR of March 31, 2014, on the legal systems applicable to electronic communications, as amended by Decree no. 2018-145/PR of October 3, 2018; Decree no. 2014-112/PR of April 30, 2014, on interconnection and access to electronic communications networks, as amended by Decree no. 2018-144/PR of October 3, 2018; and Decree no. 2018-174/PR, setting out the rates and procedures for recovering and allocating costs and dues owed by operators of electronic networks and electronic communications services, suppliers of equipment and handsets, and installers of radioelectrical equipment.

MAIN REGULATORY OBLIGATIONS APPLYING TO AT TOGO

AT Togo must pay regulatory dues of 0.5% of revenue, excluding tax and interconnection charges; an annual contribution to the Universal Service Fund in an amount equivalent to 2% of revenue, excluding taxes and interconnection charges; an annual contribution to telecom research, training, and standardization, in an amount equivalent to 0.25% of revenue, excluding taxes and interconnection charges; and an annual contribution to the digital sovereignty fund of 0.25% of revenue, excluding taxes and interconnection charges.

AT TOGO LICENSES

Licenses and authorization	Award date	Expiration Date	Term
2G/3G/4G	June 2018	December 2036	18 years

2019 HIGHLIGHTS

Regulatory highlights for 2019:

- specifications signed for the 2G/3G/4G license in January 2019;
- adoption of Decree no. 2019-022/PR, of February 13, 2019, on the allocation, organization and functioning of the national cybersecurity agency;
- adoption of Decree No. 2019-094/PR, of July 8, 2019, determining the procedures for operating and financing the digital sovereignty fund;
- adoption of Decree No. 2019-095/PR, of July 8, 2019, on operators of essential services, essential infrastructures, and related obligations;
- adoption of the following regulatory decisions:
  - decision no. 2019-003-art&p-cd-19 determining the categories and technical operating conditions for low-capacity or short-range devices and the technical conditions for using frequencies for services subject to the unrestricted establishment system;
  - decision no. 019-art&p-dg-19 on the procedures for opening USSD codes to suppliers of value-added electronic financial services;
  - decision no. 173-art&p-dg-19 determining the rules for managing the national numbering plan;
  - decision no. 174-art&p-dg-19 setting out the dues for receipt of a USSD code

4.2.2.9 NIGER

Macroeconomic indicators

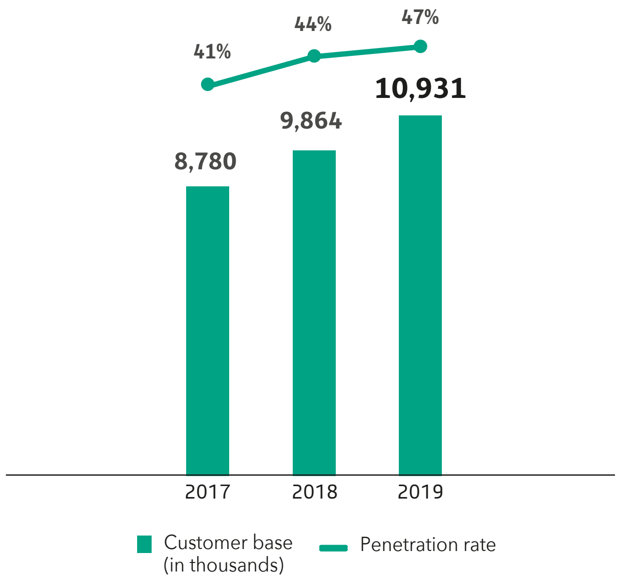
	2019	2018	2017
Population (000)	23,311	22,443	21,602
GDP per capita (in USD)	1,106	1,062	1,011
GDP growth	+6.28%	+6.48%	+4.90%
Inflation	-1.3%	+2.7%	+0.2%

Source: IMF, October 2019.

Mobile telephony

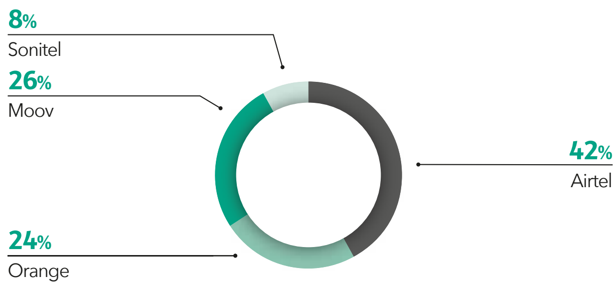
COMPETITION AND MARKET SHARE

MARKET TRENDS IN NIGER



Source: IMF (October 2019) and Dataxis (Q3 2019).

NIGERIAN MARKET SHARE AT SEPTEMBER 30, 2019



Source: Dataxis (Q3 2019).

Moov Niger's Mobile business consists of prepaid and postpaid services through voice and data plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting Niger. To provide these services, Moov Niger relies on a network of 493 physical sites located throughout the country. In addition to its 3G service (launched in July 2017), Moov Niger offers an m-payment service under the Flooz brand.

At September 30, 2019, the Niger market had 10.9 million Mobile customers, representing a penetration rate of 47%.

In this market, three operators are active alongside Moov Niger: Airtel Niger, Orange Niger (currently being taken over by the minority shareholder, Zamani Com SAS), and Niger Telecom (created on December 28, 2016 by the merger of the two Nigerien state telecommunications companies, Sonitel and Sahelcom).

PERFORMANCE

Moov Niger's Mobile customer base changed as follows:

	Unit	2019	2018	2017
Mobile customer base	(000)	2,922	2,485	2,114

At December 31, 2019, Moov Niger had 2.9 million Mobile customers (mainly prepaid), a year-on-year increase of 17.6%. Moov Niger had a market share of 26% at the end of September 2019.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Niger is governed by Law no. 2018-45 of July 12, 2018, regulating electronic communications in Niger.

The Agency for the regulation of electronic and postal communications (hereinafter ARCEP) is responsible for regulating business activities in the electronic communications and postal sectors nationwide, pursuant to Law no. 2018-47 of July 12, 2018.

The main implementing texts on the regulation of electronic communications are Decree no. 2018-736/PRN/MPT/EN of October 19, 2018, on the guidelines, priorities, and financing for access/universal service for electronic communications services; Decree no. 2018-737/PRN/MPT/EN of October 19, 2018, on the procedures for establishing and checking tariffs for electronic communications services; and Decree no. 2018-738/PRN/MPT/EN of October 19, 2018, on general interconnection and access conditions.

MAIN REGULATORY OBLIGATIONS APPLYING TO AT NIGER

AT Niger is required to pay various sector dues and contributions. These include the annual contribution to financing universal access to services, amounting to no more than 2% of revenues, net of taxes and excluding interconnection fees. It is also required to pay regulatory dues of up to 2% of revenues, net of taxes and excluding interconnection charges; an annual training and research contribution of no more than 1% of revenues, net of taxes and interconnection charges; and radio and numbering dues proportional to the resources allocated.

AT Niger must also pay a tax on the use of telecommunications networks (TURTEL) at the rate of 3% of revenues, excluding tax and interconnection expenses. The 2019 finance bill also provides for a tax on incoming international traffic, of 88 FCFA/min for non-4G operators and 50 FCFA/min for 4G operators.

AT NIGER LICENSES

Licenses and authorization	Award date	Expiration Date	Term
2G	December 2015	December 11, 2030	15 years
3G	December 2015	June 29, 2032	15 years

2019 HIGHLIGHTS

Regulatory highlights for 2019:

- the reintroduction of the tax on incoming international traffic, of 88 FCFA/min for non-4G operators and 50 FCFA/min for 4G operators;
- the adoption, by the Council of Ministers of October 18, 2019, of the decree transferring to ZAMANI COM SAS the global license for the establishment and operation of networks open to the public, and the provision of public telecommunications services in Niger, granted to ORANGE NIGER S.A;
- the adoption, by the Council of Ministers of October 18, 2019, of the decree transferring to AMERICAN TOWER CORPORATION a license for the installation and operation of a passive electronic communications structure in Niger, granted to Eaton Towers Niger SA
- the FCFA 391,954,697 penalty imposed by the ARCEP on AT Niger in December 2019 for failing to meet service quality commitments.

4.2.2.10 CENTRAL AFRICAN REPUBLIC

Macroeconomic indicators

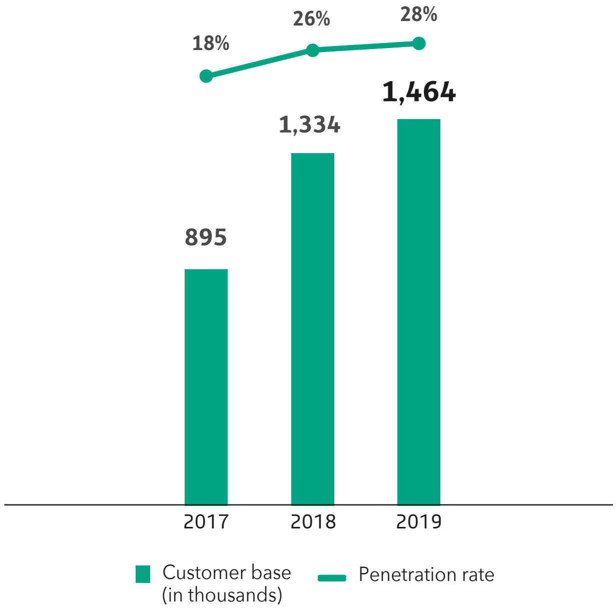
	2019	2018	2017
Population (000)	5,181	5,081	4,983
GDP per capita (in USD)	823	789	756
GDP growth	+4.5%	+3.8%	+4.5%
Inflation	+3%	+1.6%	+4.5%

Source: IMF, October 2019.

Mobile telephony

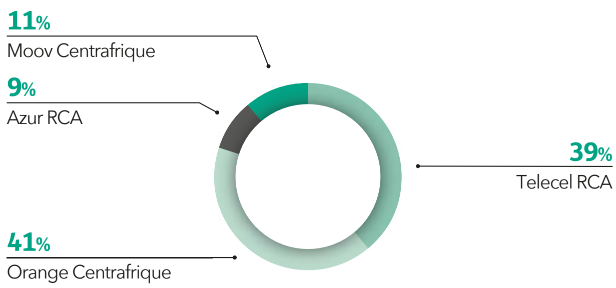
COMPETITION AND MARKET SHARE

MARKET TRENDS IN CENTRAL AFRICAN REPUBLIC



Source: IMF (October 2019) and Dataxis (Q3 2019).

CAR MARKET SHARE AT SEPTEMBER 30, 2019



Source: Dataxis (Q3 2019).

Moov Centrafrique's Mobile business consists of prepaid and postpaid services through voice and data plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting the Central African Republic.

At September 30, 2019, the Central African Republic had 1.5 million Mobile customers, representing a penetration rate of 28%.

In this market, three operators are active alongside Moov Centrafrique: Telecel RCA, Orange Centrafrique and Azur RCA.

To offer these services, Moov Centrafrique relies on a network of 55 physical sites that are 100% 3G. Moov Centrafrique launched 3G in August 2018.

PERFORMANCE

Moov Centrafrique's Mobile customer base changed as follows:

	Unit	2019	2018	2017
Mobile customer base	(000)	168	140	144

At December 31, 2019, Moov Centrafrique had 168 thousand Mobile customers (almost all prepaid), a 19.9% drop compared with 2018. Moov Centrafrique had a market share of 11% at end-September 2019.

Regulations

OVERVIEW

The legal framework applicable to the electronic communications sector in the Central African Republic is primarily Law no. 18.002 of January 17, 2018, governing electronic communications in the Central African Republic, as brought into compliance by Law no. 19.001 of January 4, 2019.

The Telecommunications Regulatory Agency (Agence de Régulation des Télécommunications – ART), is an independent public agency under the supervision of the Telecommunications Minister.

The main implementing texts for Law no. 18.002 governing electronic communications in the Central African Republic, as brought into compliance by Law no. 19.001 of January 4, 2019, are Decree no. 19.0541 of February 20, 2019 determining the arrangements for interconnection and access to electronic communications networks open to the public; Decree no. 19.042 of February 20, 2019 defining the obligations for sharing electronic communications infrastructure; Decree no. 19.043 of February 20, 2019 defining the arrangements for providing and financing the universal service fund for electronic communications; and Decree no. 19.045 of February 20, 2019 determining the legal system for electronic communications activities.

On December 14, 2015, AT Centrafrique signed the specifications for its technologically neutral license.

MAIN REGULATORY OBLIGATIONS APPLYING TO AT CENTRAFRIQUE

AT Centrafrique must pay a range of industry dues and contributions of 3.5% of its annual revenue, in addition to a contribution for universal service of 2% of revenue. AT RCA also pays a tax on incoming international traffic of FCFA 40/min, a tax amounting to 1% of the revenues generated by the sale of handsets, and a tax of 2% of revenues, excluding internet revenues, as excise duty.

AT CENTRAFRIQUE LICENSES

Licenses and authorization	Award date	Expiration Date	Term
Global Mobile	June 2008	June 2038	30 years

4

2019 HIGHLIGHTS

Regulatory highlights for 2019:

- enactment of Law no. 19.001 of January 4, 2019, bringing into compliance Law no. 18.002 governing electronic communications in the Central African Republic;
- adoption of Decree no. 19.041 of February 20, 2019 setting out the arrangements for interconnection and access to electronic communications networks open to the public;
- adoption of Decree no. 19.042 of February 20, 2019 defining the obligations for electronic communications network-sharing;
- adoption of Decree no. 19.043 of February 20, 2019 defining the arrangements for the supply and financing of the electronic communications Universal Service Fund;
- adoption of Decree no. 19.045 of February 20, 2019 setting out the legal system for electronic communications operations.

4.2.2.11 CHAD

Macroeconomic indicators

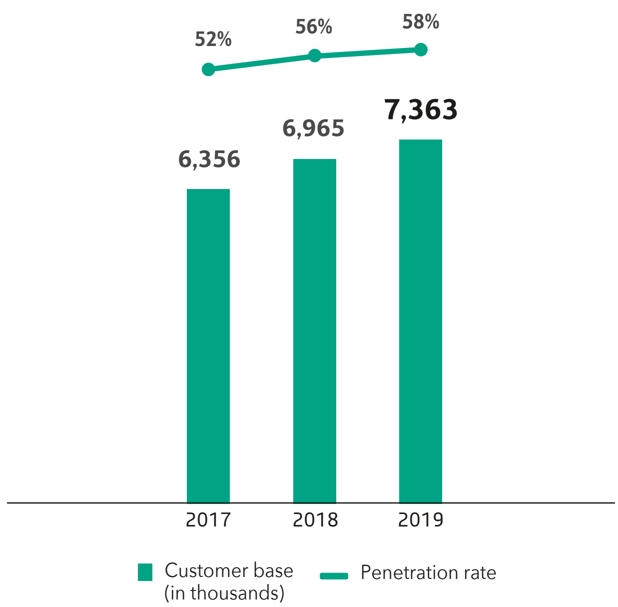
	2019	2018	2017
Population (000)	12,802	12,490	12,185
GDP per capita (in USD)	2,481	2,442	2,386
GDP growth	+2.28%	+2.44%	-2.38%
Inflation	+3%	+4%	-0.9%

Source: IMF, October 2019.

Mobile telephony

COMPETITION AND MARKET SHARE

MARKET TRENDS IN CHAD



Source: IMF (October 2019) and Dataxis (Q3 2019).

CHAD MARKET SHARE AT SEPTEMBER 30, 2019

Source: Dataxis (Q3 2019).

Tigo Chad's Mobile operations consist of prepaid and postpaid services through calling and 3G/4G data plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting Chad.

At September 30, 2019, the Chadian market had 7.4 million Mobile customers, representing a penetration rate of 58%.

In this market, a single operator is active alongside Tigo Chad: Airtel Tchad. To offer these services, Tigo Chad relies on a network of 643 physical sites.

PERFORMANCE

Tigo Chad's Mobile customer base changed as follows:

	Unit	2019	2018	2017
Mobile customer base	(000)	3,975		

At December 31, 2019, Tigo Chad had 4 million Mobile customers (almost all prepaid). Tigo Chad had a market share of 49% at end-September 2019.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Chad is mainly governed by Law no. 013/PR/2014 of March 14, 2014 regulating electronic and postal communications and Law no. 014/PR/2014 of March 21, 2014 on electronic communications and postal activities.

The Electronic Communications, Postal and Print Media Distribution Regulatory Authority (hereinafter ARCEP) is responsible for regulating business activities in the electronic communications and postal sectors nationwide, pursuant to Law no. 013/PR/2014 of March 14, 2014. It is under the supervision of the Ministry of Postal Services, New Technology, and Communications.

The main implementing texts for the above-mentioned laws are Decree no. 2372/PR/MPNTIC/2015 of December 8, 2015 determining and setting out the costs and amounts of dues on electronic communications; Decree no. 1606/PR/PM/MPNTIC/2014 of December 16, 2014 on the organization and operation of the Electronic Communications, Postal and Print Media Distribution Regulatory Authority ("ARCEP"); Decree no. 0098/PR/PM/MPNTIC/2016 of January 21, 2016 determining the use of the Electronic Communications Universal Service Fund ("FSUCE"); and Decree no. 593/PR/PM/MPNTIC/2017 of June 2, 2017 defining operators' service quality obligations and setting penalties for failure to meet them.

MAIN REGULATORY OBLIGATIONS FOR MILLICOM CHAD

Millicom Chad is required to pay a set of industry dues and contributions. The 2019 Finance Law stipulates a fee of 9% deducted from the revenues to be distributed among ARCEP (3.5%), the Treasury (1%), the Agency for the Development of Information and Communications Technology ("ADETIC") (2.5%), the National Agency for IT Security and Electronic Certification ("ANSICE") (1%), and the specialist higher education institution for ICT (*École Nationale Supérieure des TIC,* ENASTIC) (1%).

There is also a tax on incoming international traffic of FCFA 50/call, a fee on international incoming traffic of FCFA 66/min, as well as frequency and numbering dues.

Millicom Chad must also pay an excise duty of 18% of monthly declared revenues.

AT NIGER LICENSES

Licenses and authorization	Award date	Expiration Date	Term
2G/3G/4G	June 23, 2014	November 24, 2024	10 years
ISP license	November 30, 2018	November 30, 2024	6 years

2019 HIGHLIGHTS

Regulatory highlights for 2019:

- the adoption, in April 2019, of Decision no. 078/ARCEP/DG/DCI/2019 setting caps on Mobile call termination rates for the years 2019-2020-2021;
- signature by ARCEP and operators of a memorandum of agreement requiring operators to invest more to improve service quality;
- lifting of restrictions on social networks in July 2019.

4.2.2.12 CASANET

A wholly owned Maroc Telecom subsidiary, Casanet is a major player in New Information and Communication Technologies (NICT) in Morocco. Its services are organized into networks and systems, IT solutions, Cloud Computing and online content and services.

- networks and Systems:
  - networks,
  - security,
  - systems,
  - seamless communications;
- IT solutions:
  - specific development,
  - business solutions (CRM tool);
- Cloud services:
  - hosting,
  - integration of SMS campaign solutions,
  - GPS technology,
  - collaboration,
  - My Cloud;
- online Content and services:
  - production of digital content and online services for Menara.ma (editorial team of the online newspaper Menara.ma, various services for Retail customers, such as Menara Jobs, Menara Real Estate and classified ads),
  - online directory service www.pj.ma,
  - mobile sites.

4.3 • Legal and arbitration proceedings

To the Company's knowledge, there are no pending or potential government, legal, or arbitration proceedings that may have, or have had in the past 12 months (i.e. from 1 January to 31 December 2019), a significant effect on the financial position or profits of the Company and/or Group, with the exception of the following disputes:

Wana legal proceedings

The dispute between Wana Corporation and Itissalat Al-Maghrib is pending in the Rabat Commercial Court. Wana Corporation claims payment of MAD 5,597,000,000 for alleged unfair competition on unbundling.

Wana dispute

On June 9, 2017, ANRT sent Maroc Telecom a referral from Wana for anticompetitive practices regarding the implementation of unbundling. On March 23, 2018, Maroc Telecom received the reply to its initial response sent on August 7, 2017. Maroc Telecom then sent a second reply on May 23, 2018. The case is being investigated by the ANRT.

Dispute between the Togolese revenue authority (*Office Togolais des Recettes*) and Atlantique Telecom Togo SA

Atlantique Telecom Togo is in litigation against the Togolese Revenue Authority, which is claiming payment in the amount of FCAF 176,387,124,710 for an alleged breach of the reporting obligation of Atlantique Telecom Togo SA in its capacity as a third-party debtor.

By an order of 12 March 2020, the Common Court of Justice and Arbitration of Abidjan rejected the Togolese Revenue Office's request and ordered it to pay the costs.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FINANCIAL REPORT

5.1 • Consolidated results of the past three years

Maroc Telecom Group's consolidated financial data is summarized in the following table. Selected financial data from the three fiscal years ended December 31, 2017, 2018, and 2019, were drawn from Group consolidated financial statements prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and audited by the Statutory auditors.

5.1.1 Consolidated results in moroccan dirhams

STATEMENT OF COMPREHENSIVE INCOME

(in MAD millions)	12/31/2019	12/31/2018	12/31/2017
Revenues	**36,517**	**36,032**	**34,963**
Operating expenses	28,286	24,980	24,653
Earnings from operations	**8,231**	**11,052**	**10,310**
Earnings from continuing operations	8,220	11,040	10,278
Net earnings	**3,598**	**6,938**	**6,579**
Attributable to equity holders of the parent	2,726	6,010	5,706
Earnings per share *(in MAD)*	**3.10**	**6.84**	**6.49**
Diluted earnings per share *(in MAD)*	**3.10**	**6.84**	**6.49**

STATEMENT OF FINANCIAL POSITION

Assets

(in MAD millions)	12/31/2019	12/31/2018	12/31/2017
Noncurrent assets	51,485	48,053	48,879
Current assets	13,365	14,078	13,803
TOTAL ASSETS	**64,851**	**62,131**	**62,682**

Shareholders' Equity And Liabilities

(in MAD millions)	12/31/2019	12/31/2018	12/31/2017
Share capital	5,275	5,275	5,275
Shareholders' equity, attributable to equity holders of the parent	12,069	15,668	15,835
Noncontrolling interests	3,934	3,822	3,916
Shareholders' equity	16,003	19,490	19,750
Noncurrent liabilities	4,939	4,185	5,014
Current liabilities	43,908	38,456	37,918
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**64,851**	**62,131**	**62,682**

5.1.2 Consolidated results in euros

The Group reports its financial data in Moroccan dirhams. This section is intended to provide investors with comparable data in Euros.

For 1 euro	12/31/2019	12/31/2018	12/31/2017
The closing rate at the balance sheet	10.7495	10.9503	11.2012
Average rate used for the income statement	10.7928	11.0936	10.9257

The above table shows the average dirham/euro conversion rates used in preparing the financial statements for fiscal years 2017, 2018 and 2019.

The exchange rates are shown for indicative purposes only, to help the reader. The Group does not guarantee that the amounts expressed in dirhams were, could have been or could be converted to euros at those exchange rates or at any other rate.

The following table shows selected financial data for Maroc Telecom Group, presented in euros at the exchange rate used in preparing the Group's consolidated statement of financial position and income statement for fiscal years 2017, 2018 and 2019.

STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	12/31/2019	12/31/2018	12/31/2017
Revenues	**3,383**	**3,248**	**3,200**
Cost of purchases	2,621	2,252	2,256
Earnings from operations	**763**	**996**	**944**
Earnings from continuing operations	762	995	941
Net earnings	**333**	**625**	**602**
Attributable to equity holders of parent	253	542	522
Earnings per share *(in Euro)*	**0.29**	**0.62**	**0.59**
Diluted earnings per share *(in Euro)*	**0.29**	**0.62**	**0.59**

STATEMENT OF FINANCIAL POSITION

Assets

(in € millions)	12/31/2019	12/31/2018	12/31/2017
Noncurrent assets	4,790	4,388	4,364
Current assets	1,243	1,286	1,232
TOTAL ASSETS	**6,033**	**5,674**	**5,596**

Shareholders' Equity And Liabilities

(in € millions)	12/31/2019	12/31/2018	12/31/2017
Share capital	491	482	471
Shareholders' equity, attributable to equity holders of the parent	1,123	1,431	1,414
Noncontrolling interests	366	349	350
Shareholders' equity	1,489	1,780	1,763
Noncurrent liabilities	460	382	448
Current liabilities	4,085	3,512	3,385
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**6,033**	**5,674**	**5,596**

5.2 • Overview

The discussion and analysis that follow should be read in conjunction with the entire document, particularly with the audited consolidated financial statements that comprise the statement of financial position, the statement of comprehensive income, the schedule of cash flows, the schedule of changes in shareholders' equity, and the notes to the financial statements for the accounting periods ended December 31, 2017, 2018 and 2019.

In this document, in addition to the financial indicators published in accordance with IFRS (*International Financial Reporting Standards*), Maroc Telecom published financial indicators not defined by IFRS. These data are presented as additional information and must not be replaced by or confused with the financial indicators as defined by the IFRS standards.

The other performance indicators used are described below:

EBITA: the difference between EBITA and EBIT is made up of the amortization of intangible assets linked to corporate groupings, amortization of acquisition goodwill and other intangible assets linked to corporate groupings, the proportionate share in the net profit of equity-accounted companies, and certain current and non-current liability provisions.

EBITDA: this item of financial data is used by Maroc Telecom as a financial indicator in internal presentations (business plans, reporting, etc.) and external presentations (presentations to analysts and investors, etc.). It is a measurement unit useful for assessing the Group's operational performance over and above its EBIT.

CFFO: Maroc Telecom considers cash flows from operations (CFFO), which is not strictly an accounting measurement, as a relevant indicator to measure the Group's operational and financial performance. CFFO includes net cash flow from operating activities before tax, as set out in the cash flow statement, as well as the dividends received from companies booked at equity and non-consolidated equity investments. CFFO also includes net capital expenditure, which corresponds to net uses of cash for acquisitions and disposals of tangible and intangible assets. The difference between CFFO and net cash flow from operating activities is made up of the dividends received from companies booked at equity and non-consolidated equity investments, net industrial investments, which are included in cash flow allocated to investment activities, and net taxes paid.

EBIT -
+/- Impairments (reversals) on non-current assets
+/- Capital losses (gains) on disposals of non-current assets
+ Depreciation and impairment
EBITA -
+ other income and expenses from ordinary activities
+/- share in the net earnings of equity affiliates
EBITDA – Operating income before depreciation, capital gains (losses) and reversals (losses) of depreciations on non-current assets

5.2.1 Scope of consolidation

As at December 31, 2019, Maroc Telecom consolidated the following companies in its financial statements:

Mauritel

Maroc Telecom acquired on April 12, 2001, 51.5% of the voting rights of Mauritel, the incumbent operator in Mauritania and operator of a Fixed-line and Mobile telecommunications network, subsequent to the merger of Mauritel SA (Fixed-line) and Mauritel Mobile. Mauritel SA is owned by the holding company Compagnie Mauritanienne de Communications (CMC), in which Maroc Telecom holds an 80% equity stake and consequently a 41.2% interest in Mauritel. Mauritel has been fully consolidated by Maroc Telecom since July 1, 2004.

Onatel

On December 29, 2006, Maroc Telecom acquired a 51% stake in the Burkinabe operator Onatel. The Group increases its stake in Onatel, its stake is 61% as of April 17, 2018. The subsidiary has been fully consolidated in Maroc Telecom's financial statements since January 1, 2007.

Gabon Telecom

On February 9, 2007, Maroc Telecom acquired 51% of the capital of Gabon Telecom. Gabon Telecom has been fully consolidated by Maroc Telecom since March 1, 2007.

Gabon Telecom bought out Maroc Telecom to acquire 100% of the subsidiary Atlantique Telecom Gabon, which was absorbed by Gabon Telecom on June 29, 2016.

Sotelma

On July 31, 2009, Maroc Telecom acquired a 51% stake in Mali's incumbent operator, Sotelma. Sotelma has been fully consolidated by Maroc Telecom since August 1, 2009.

Casanet

Casanet is a Moroccan provider of internet access created in 1995. In 2008, the Company became a 100% subsidiary of Maroc Telecom and expands its activities by specializing in information engineering. Casanet has been fully consolidated by Maroc Telecom since January 1, 2011.

Atlantique Telecom Côte d'Ivoire

On January 26, 2015, Maroc Telecom acquired an 85% stake in the capital of the Côte d'Ivoire Mobile operator. Atlantique Telecom Côte d'Ivoire has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

Etisalat Benin

On January 26, 2015, Maroc Telecom acquired 100% of the capital of the Benin Mobile operator. Etisalat Benin has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

Atlantique Telecom Togo

On January 26, 2015, Maroc Telecom acquired a 95% stake in the capital of the Togo Mobile operator. Atlantique Telecom Togo has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

Atlantique Telecom Niger

On January 26, 2015, Maroc Telecom acquired 100% of the capital of the Niger Mobile operator. Atlantique Telecom Niger has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

Atlantique Telecom Centrafrique

On January 26, 2015, Maroc Telecom acquired 100% of the capital of the Central African Republic Mobile operator. Atlantique Telecom RCA has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

Millicom Chad

On June 26, 2019, Maroc Telecom acquired 100% of the capital of the Chadian operator Millicom Chad. Millicom Chad has been fully consolidated by Maroc Telecom since July 1, 2019.

Other non-consolidated investments

Investments whose impact is not material on Morocco Telecom financial statements or in which Maroc Telecom has no direct nor indirect exclusive control, joint control or significant influence are not consolidated and are accounted for in "Noncurrent financial assets".

This is the case for MT Fly as well as minority interests held in Médi1 TV, RASCOM, Autoroute Maroc, Arabsat and other participations.

5.2.2 Comparison of results by geographical area

GROUP CONSOLIDATED ADJUSTED RESULTS*

IFRS in MAD million	Q4-2019	Q4-2018	Change	Change on a like-for-like basis[1]	2019	2018	Change	Change on a like-for-like basis[1]
Revenues	**9,209**	**8,895**	**+3.5%**	**+1.0%**	**36,517**	**36,032**	**+1.3%**	**+0.9%**
EBITDA	**4,525**	**4,381**	**+3.3%**	**-1.2%**	**18,922**	**17,856**	**+6.0%**	**+3.4%**
Margin (%)	49.1%	49.3%	-0.1 pt	-1.1 pt	51.8%	49.6%	+2.3 pt	+1.2 pt
Adjusted EBITA	**2,552**	**2,589**	**-1.4%**	**-2.2%**	**11,540**	**11,052**	**+4.4%**	**+4.3%**
Margin (%)	27.7%	29.1%	-1.4 pt	-0.9 pt	31.6%	30.7%	+0.9 pt	+1.0 pt
Group share of adjusted Net Income	**1,382**	**1,393**	**-0.8%**	**+0.1%**	**6,029**	**6,005**	**+0.4%**	**+1.0%**
Margin (%)	15.0%	15.7%	-0.7 pt	-0.1 pt	16.5%	16.7%	-0.2 pt	+0.0 pt
CAPEX[2]	**2,184**	**1,991**	**+9.7%**	**+10.3%**	**6,788**	**6,643**	**+2.2%**	**+3.5%**
Of which frequencies and licenses	102	245			1,418	719		
CAPEX/Rev (excluding frequencies and licenses)	22.7%	19.7%	+3.0 pt	+3.0 pt	14.7%	16.4%	-1.7 pt	-1.7 pt
Adjusted CFFO	**4,185**	**2,537**	**64.9%**	**+62.9%**	**13,352**	**9,982**	**+33.8%**	**+29.0%**
Net debt	**17,350**	**13,872**	**+25.1%**	**+11.2%**	**17,350**	**13,872**	**+25.1%**	**+11.2%**
Net debt/EBITDA[3]	0.9x	0.8x			0.9x	0.8x		

* *Details of the financial indicator adjustments are provided in Appendix 1.*

5.2.2.1 COMPARISON OF FINANCIAL DATA FOR FISCAL YEARS 2019 AND 2018

5.2.2.1.1 Group Consolidated results

REVENUES

In 2019, Maroc Telecom Group generated total revenues[4] of MAD 36,517 million, up 1.3% (+0.9% on a like-for-like basis[1]). This performance reflects both the continued growth in activities in Morocco and the resilience of international activities despite the increased competition and regulatory pressure.

In the fourth quarter alone, the Group's revenues were up 3.5% (+1.0% on a like-for-like basis[1]), thanks to the sustained growth of mobile data in Morocco and in the subsidiaries.

EARNING FROM OPERATIONS BEFORE DEPRECIATION AND AMORTIZATION

Thanks to a robust management of costs, Maroc Telecom Group earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 18,922 million, up 3.4% on a like-for-like basis[1].The EBITDA margin reached 51.8%, up 1.2 pt on a like-for-like basis[1].

EARNINGS FROM OPERATIONS

At the end of 2019, Maroc Telecom Group's adjusted earnings from operations (EBITA)[5] amounted to MAD 11,540 million, up 4.3% on a like-for-like basis[1]. This increase was mainly due to an increased EBITDA. The adjusted EBITA margin increased by 0.9 pt (+1.0 pt on a like-for-like basis[1]) to 31.6%.

GROUP SHARE OF NET INCOME

The Group share of adjusted Net Income was up 1.0% on a like-for-like basis[1].

INVESTMENTS

The capital expenditures[2] reached MAD 6,788 millions up 2.2% year-on-year and representing 14.7% of revenues (excluding frequencies and licences). This level of capital expenditures remains in line with the stated objective for the year.

CASH-FLOW

Adjusted Cash Flow From Operations (CFFO)[6] was up 33.8% (+29.0% on a like-for-like basis[1]), to MAD 13,352 millions due to the increased EBITDA and effective management of working capital requirements (WCR).

At December 31, 2019, Maroc Telecom Group's consolidated net debt[7] represented 0.9 time the Group's annual EBITDA excluding the impact of IFRS 16.

APPOINTMENTS TO THE SUPERVISORY BOARD

At its meeting on Friday December 6, 2019, Maroc Telecom's Supervisory Board co-opted Mr Obaid Bin Humaid Al Tayer as Vice-Chairman of the Board, replacing Mr Eissa Mohamed Ghanem Al Suwaidi.

DIVIDEND

At the Shareholders' Meeting of April 21, 2020, Maroc Telecom's Supervisory Board will propose to shareholders the distribution of a dividend of MAD 5.54 per share, representing a total of MAD 4.9 billion. This dividend would be paid from June 2, 2020.

OUTLOOK FOR MAROC TELECOM GROUP FOR 2020

On the basis of recent changes in the market and assuming that no new major exceptional events impact the Group's business, Maroc Telecom is projecting the following for 2020, at constant scope and exchange rates:

- stable revenues;
- stable EBITDA;
- CAPEX of approximately 15% of revenues, excluding frequencies and licenses.

5.2.2.1.2 Activities in Morocco

IFRS *(in MAD millions)*	Q4-2019	Q4-2018	Change	Change on a like-for-like basis[1]	2019	2018	Change	Change on a like-for-like basis[1]
Revenues	**5,378**	**5,319**	**+1.1%**		**21,690**	**21,414**	**+1.3%**	
Mobile	**3,557**	**3,465**	**+2.7%**		**14,276**	**13,966**	**+2.2%**	
Services	*3,523*	3,401	*+3.6%*		*14,046*	13,731	*+2.3%*	
Equipment	*35*	**64**	*-45.5%*		*230*	**235**	*-2.0%*	
Fixed-line	**2,306**	**2,300**	**+0.2%**		**9,261**	**9,239**	**+0.2%**	
*O/w data Fixed-line**	886	**755**	+17.3%		3,186	**2,935**	+8.5%	
Eliminations and other income	**-485**	**-446**			**-1,846**	**-1,790**		
EBITDA	**2,948**	**2,901**	**+1.6%**	**-0.6%**	**12,294**	**11,460**	**+7.3%**	**+5.3%**
Margin (%)	*54.8%*	*54.5%*	*+0.3 pt*	*-0.9 pt*	*56.7%*	*53.5%*	*+3.2 pt*	*+2.1 pt*
Adjusted EBITA	**1,917**	**1,876**	**+2.2%**	**+2.2%**	**8,294**	**7,620**	**+8.8%**	**+8.5%**
Margin (%)	*35.6%*	*35.3%*	*+0.4 pt*	*+0.4 pt*	*38.2%*	*35.6%*	*+2.7 pt*	*+2.5 pt*
CAPEX[2]	**1,289**	**959**	**+34.5%**		**3,022**	**2,749**	**+9.9%**	
Of which frequencies and licenses	*102*				*102*			
CAPEX/Rev (excluding frequencies and licenses)	*22.1%*	18.0%	*+4.1 pt*		*13.5%*	12.8%	*+0.6 pt*	
Adjusted CFFO	**3,000**	**2,001**	**+49.9%**	**+46.8%**	**9,425**	**7,498**	**+25.7%**	**+22.7%**
Net debt	**11,101**	**10,422**	**+6.5%**	**-2.1%**	**11,101**	**10,422**	**+6.5%**	**-2.1%**
Net debt/EBITDA[3]	*0.9x*	0.9x			*0.8x*	0.9x		

* *Fixed-line data includes internet, ADSL TV and corporate data services.*

At end-December 2019, activities in Morocco had generated revenues of MAD 21,690 million, up 1.3%, thanks to a 2.2% increase in revenues from Mobile, still sustained by data.

At the end of 2019, earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 12,294 million, up 7.3% (+5.3% on a like-for-like basis[1]), thanks to the improvement of gross margin and the reduction in operational costs. The EBITDA margin was thus unchanged at the high rate of 56.7%, up 2.1 pt on a like-for-like basis[1].

The adjusted earnings from operations (EBITA)[5] reached MAD 8,294 million, up 8.8% (+8.5% on a like-for-like basis[1]) thanks to the increase in EBITDA. The adjusted EBITA margin was 38.2%, up 2.5 pt on a like-for-like basis[1].

Adjusted Cash Flows From Operations (CFFO)[6] in Morocco were up 22.7% (on a like-for-like basis[1]), to MAD 9,425 million, in connection with the increase in EBITDA and optimal management of working capital requirements.

Mobile

	Unit	12/31/2019	12/31/2018	Change
Customer base[8]	**(000)**	**20,054**	**19,062**	**+5.2%**
Prepaid	(000)	17,752	17,068	+4.0%
Postpaid	(000)	2,302	1,993	+15.5%
Of which 3G/4G+ internet[9]	(000)	11,789	10,828	+8.9%
ARPU[10]	**(MAD/MONTH)**	**58.3**	**58.6**	**-0.5%**

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By the end of 2019, the Mobile customer base[8] totaled 20.1 millions customers, up 5.2% year-on-year, thanks to combined increases of postpaid and prepaid by 15.5% and 4.0% respectively.

Revenues from Mobile amounted to MAD 14,276 millions up 2.2%, driven by the growth in mobile data, the traffic of which continues to increase significantly (+36% in 2019).

In 2019, blended ARPU[10] amounted to MAD 58.3, down slightly by 0.5% year-on-year.

Fixed-line and internet

	Unit	2019	2018	Change
Fixed-lines	(000)	1,882	1,818	+3.5%
Broadband access[11]	(000)	1,573	1,484	+6.1%

At the end of December 2019, growth in the Fixed-line customer base continued (+3.5% year-on-year), bringing the number of lines to 1,882 thousand. The Broadband customer base increased by 6.1% to 1.6 million subscribers.

The Fixed-line and Internet activities in Morocco generated revenues of MAD 9,261 million, up 0.2%.

5.2.2.1.3 International activities

Financial indicators

IFRS *(in MAD millions)*	Q4-2019	Q4-2018	Change	Change on a like-for-like basis[1]	2019	2018	Change	Change on a like-for-like basis[1]
Revenues	**4,102**	**3,891**	**+5.4%**	**-0.2%**	**16,095**	**16,041**	**+0.3%**	**-0.6%**
Of which Mobile services	*3,752*	*3,547*	*+5.8%*	*-0.5%*	*14,693*	*14,647*	*+0.3%*	*-0.8%*
EBITDA	**1,576**	**1,481**	**+6.5%**	**-2.3%**	**6,629**	**6,397**	**+3.6%**	**+0.0%**
Margin (%)	*38.4%*	*38.0%*	*+0.4 pt*	*-0.8 pt*	*41.2%*	*39.9%*	*+1.3 pt*	*+0.2 pt*
Adjusted EBITA	**635**	**713**	**-10.9%**	**-13.5%**	**3,246**	**3,431**	**-5.4%**	**-5.0%**
Margin (%)	*15.5%*	*18.3%*	*-2.8 pt*	*-2.3 pt*	*20.2%*	*21.4%*	*-1.2 pt*	*-0.9 pt*
CAPEX[2]	**895**	**1,032**	**-13.3%**	**-12.1%**	**3,766**	**3,894**	**-3.3%**	**-1.0%**
Of which frequencies and licenses		245			*1,316*	719		
CAPEX/Rev (excluding frequencies and licenses)	*21.9%*	*20.3%*	*+1.6 pt*	*+3.1 pt*	*15.2%*	*19.8%*	*-4.6 pt*	*-3.9 pt*
Adjusted CFFO	**1,185**	**536**	**ns**	**ns**	**3,927**	**2,484**	**+58.1%**	**+47.3%**
Net debt	**8,748**	**6,514**	**+34.3%**	**+18.1%**	**8,748**	**6,514**	**+34.3%**	**+18.1%**
Net debt/EBITDA[3]	*1.3x*	1.1x			*1.3x*	1.0x		

In a difficult competitive and regulatory environment, the Group's international activities generated revenues of MAD 16,095 million, practically unchanged compared with the same period in 2018 (+0.3% on a reported basis and -0.6% on a like-for-like basis[1]). This change is mainly attributable to the reduction in Mobile termination rates and in international incoming revenues, partially offset by the increase in mobile data and Mobile Money services. Excluding the impact of the reduction in call termination rates, revenues were up 1.2% on a like-for-like basis[1].

In 2019, earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 6,629 million, unchanged on a like-for-like basis[1]. The EBITDA margin rose 0.2 points on a like-for-like basis[1] to 41.2%. This performance was due to an improved gross margin related to the reduction in call termination, despite the fiscal and sectoral growing pressure in certain countries. Excluding the impact of fiscal and sectoral taxes, the EBITDA margin would have been improved by 1.7 pt.

Over the same period, adjusted earnings from operations (EBITA)[5] were down 5.4% (-5.0% on a like-for-like basis[1]) to MAD 3,246 million, owing to increased amortization and depreciation expenses.

Adjusted cash flows from operations (CFFO)[6] from International activities were up by 58.1% (+47.3% on a like-for-like basis[1]) to MAD 3,927 million. This performance is explained by optimal management of working capital requirements.

Operating indicators

	Unit	2019	2018	Change
Mobile				
Customer base[8]	**(000)**	**43,531**	**37,926**	
Mauritania		2,470	2,397	+3.1%
Burkina Faso		8,546	7,634	+11.9%
Gabon		1,621	1,620	+0.1%
Mali		7,447	7,320	+1.7%
Côte d'Ivoire		8,975	8,646	+3.8%
Benin		4,377	4,279	+2.3%
Togo		3,030	3,405	-11.0%
Niger		2,922	2,485	+17.6%
Central African Republic		168	140	+19.9%
Chad		3,975	-	-
Fixed-line				
Customer Base	**(000)**	**324**	**318**	
Mauritania		56	55	+1.9%
Burkina Faso		75	77	-1.9%
Gabon		22	22	+2.1%
Mali		171	164	+4.3%
Fixed-line Broadband				
Customer base[11]	**(000)**	**116**	**114**	
Mauritania		10	13	-21.1%
Burkina Faso		15	15	-2.6%
Gabon		18	17	+6.5%
Mali		73	69	+5.6%

Notes:

(1) "Like-for-like" refers to the effects of consolidating Tigo Chad as if it had taken place on July 1, 2018, an unchanged MAD/Ouguiya/CFA franc exchange rate and the neutralization of the impact of the application of IFRS 16 on EBITDA, adjusted EBITA, Group share of adjusted Net Income, adjusted CFFO and Net debt.

(2) CAPEX corresponds to purchases of tangible and intangible assets recognized for the period.

(3) The ratio Net Debt/EBITDA excludes the impact of IFRS 16.

(4) Maroc Telecom consolidates the following companies in its financial statements: Mauritel, Onatel, Gabon Telecom, Sotelma, Casanet, AT Côte d'Ivoire, Etisalat Bénin, AT Togo, AT Niger, AT Centrafrique, and Tigo Chad since July 1, 2019.

(5) EBITA corresponds to EBIT before the amortization of intangible assets acquired through business combinations, write-downs of goodwill and other intangible assets acquired through business combinations, and other income and expenses relating to financial investment transactions and transactions with shareholders (except when recognized directly in equity).

(6) CFFO includes net cash flow from operations before tax, as set out in the cash flow statement, as well as the dividends received from companies accounted for by the equity method and non-consolidated equity investments. CFFO also includes net capital expenditure, which corresponds to net uses of cash for acquisitions and disposals of tangible and intangible assets.

(7) Loans and other current and noncurrent liabilities less cash and cash equivalents, including cash held in escrow for bank loans.

(8) The active customer base consists of prepaid customers who have made or received a voice call (excluding ERPT or call center calls) or received an SMS/MMS or used data services (excluding ERPT services) during the past three months, and postpaid customers who have not terminated their agreements.

(9) The active customer base for 3G and 4G+ Mobile Internet includes holders of a postpaid subscription agreement (with or without a voice offer) and holders of a prepaid Internet subscription agreement who have made at least one top-up during the past three months or whose top-up is still valid and who have used the service during that period.

(10) ARPU is defined as revenues (generated by inbound and outbound calls and by data services) net of promotional offers, excluding roaming and equipment sales, divided by the average customer base for the period. In this instance, blended ARPU covers both the prepaid and postpaid segments.

(11) The broadband customer base includes ADSL access, FTTH and leased lines as well as the CDMA customer base in Mauritania, Burkina Faso and Mali.

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

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 nonrecurring items.

			2019			2018
(in MAD millions)	Morocco	International	Group	Morocco	International	Group
Adjusted EBITA	**8,294**	**3,246**	**11,540**	**7,620**	**3,431**	**11,052**
Nonrecurring items:						
Restructuring costs		-9	-9	-2	2	
ANRT decision	-3,300		-3,300			
Published EBITA	**4,994**	**3,237**	**8,231**	**7,618**	**3,434**	**11,052**
Adjusted Net Income – Group share			**6,029**			**6,005**
Nonrecurring items:						
Restructuring costs			-4			5
ANRT decision			-3,300			
Published Net Income – Group share			**2,726**			**6,010**
Adjusted CFFO	**9,425**	**3,927**	**13,352**	**7,498**	**2,484**	**9,982**
Nonrecurring items:						
Restructuring costs				-2	-9	-11
License payments	-102	-1,835	-1,937		-524	-524
Published CFFO	**9,324**	**2,091**	**11,415**	**7,496**	**1,951**	**9,447**

2019 was marked by the cash disbursement of MAD 1,937 millions for the payment of the licenses obtained in Burkina Faso, Mali, Côte d'Ivoire and Togo, and by the widening of the bandwidth in Morocco.

2018 included the payment of MAD 524 millions related to the licenses obtained in Côte d'Ivoire, Gabon and Togo.

Appendix 2: Impact of the adoption of IFRS 16

IFRS 16 is applied with effect from January 1, 2019, and 2018 data represent the application of IAS 17. Change on a like-for-like basis excludes the impact of IFRS 16.

As at end-December 2019, the impacts of this standard on Maroc Telecom's key indicators were as follows:

			2019
(in MAD millions)	Morocco	International	Group
EBITDA	+228	+234	+462
Adjusted EBITA	+24	+27	+51
Group share of adjusted Net Income			-16
Adjusted CFFO	+228	+234	+462
Net debt	+902	+750	+1,652

5.2.2.2 COMPARISON OF FINANCIAL DATA FOR FISCAL YEARS 2018 AND 2017

5.2.2.2.1 Group Consolidated results

REVENUES

Maroc Telecom Group's consolidated revenues at the end of December 2018 amounted to MAD 36,032 million, up 3.1% (+2.6% at constant exchange rates) compared to the end of December 2017. This performance was mainly due to sustained revenue growth in Morocco (+4.6%) driven by the increase in usage and data customer base, combined with the increase of the new subsidiaries (+3.5% at constant exchange rates).

EARNINGS FROM OPERATIONS BEFORE DEPRECIATION AND AMORTIZATION

At end 2018, Maroc Telecom Group earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 17,856 million, up 4.1% from the previous year (+3.7% at constant exchange rates), thanks to the strong EBITDA growth in Morocco (+6.1%). EBITDA margin increased by 0.5 pt at constant exchange rates to reach the high level of 49.6% thanks to the Group's ongoing efforts to control the operating costs and the favourable impact of lower Mobile call termination in its subsidiaries.

EARNINGS FROM OPERATIONS

The Group's adjusted consolidated earnings from operations (EBITA) at the end of 2018 amounted to MAD 11,052 million, up 4.7% (+4.5% at constant exchange rates) compared to the same period in 2017, thanks to the 4.1% increase in EBITDA and the contained increase in depreciation and amortization expenses (+2.3%). The adjusted EBITA margin increased by 0.5 pt to 30.7%.

GROUP SHARE OF NET INCOME

The Group share of adjusted net income amounted to MAD 6,005 million, up 2.3% (+2.1% at constant exchange rates) compared to 2017 due to the strong increase in net income in Morocco.

The reported Group share of net income rose sharply by 5.3% (+5.2% at constant exchange rates), due to business growth in Morocco and a favourable base effect due to restructuring charges recorded in 2017.

CAPITAL EXPENDITURE

The capital expenditure excluding licenses and frequencies amounted to MAD 5,924 millions for the Group, a significant decrease of 26.1% compared to 2017 (-26.6% at constant exchange rates). They account for 16.4% of revenues, versus 22.9% for 2017. The optimization of development projects and the synergies found within the Group enabled this reduction while improving network coverage and quality of service, both in Morocco and in the subsidiaries.

The new licenses acquired in Mali and Togo amounted to MAD 719 millions in 2018.

CASH FLOW

Adjusted cash flow from operations (CFFO) amounted to MAD 9,982 million, down 9.4% year-on-year.

As of December 31, 2018, consolidated Maroc Telecom Group net debt was up 6.4% at MAD 13.9 billion following the payment of licenses in the subsidiaries. Nevertheless it only represents 0.8 times the Group's annual EBITDA.

5.2.2.2.2 Activities in Morocco

IFRS *(in MAD millions)*	**2018**	**2017**
Revenues	**21,414**	**20,481**
Mobile	**13,966**	**13,335**
Services	*13,731*	*13,214*
Equipment	*235*	*121*
Fixed-line	**9,239**	**8,962**
*Of which Fixed-line data**	*2,935*	*2,664*
Eliminations and other income	**-1,790**	**-1,816**
EBITDA	**11,460**	**10,804**
Margin (%)	*53.5%*	*52.8%*
Adjusted EBITA	**7,620**	**6,954**
Margin (%)	*35.6%*	*34.0%*
CAPEX	**2,749**	**4,589**
Of which frequencies & licenses		*61*
CAPEX/revenues (excl. frequencies & licenses)	*12.8%*	*22.1%*
Adjusted CFFO	**7,498**	**7,319**
Net debt	**10,422**	**11,009**
Net debt/EBITDA	*0.9 x*	*1.0x*

* *Fixed-line data includes internet, ADSL TV and data services to businesses.*

In 2018, the Moroccan operations generated revenues of MAD 21,414 million, up 4.6%, thanks to the growth of data Mobile customer base whose revenue increased by 39.2% compared to the same period in 2017.

Earnings from operations before depreciation and amortization (EBITDA) reached MAD 11,460 million, up 6.1% thanks to the increase in revenues. The EBITDA margin increased by 0.8 pt to 53.5% thanks to the 0.5 pt improvement in the gross margin and the control of operating costs.

Adjusted earnings from operations amounted to MAD 7,620 million, up 9.6%, due to the increase in EBITDA and the 1.0% decrease in the depreciation and amortization expense. The adjusted EBITDA margin improved by 1.6 pt to reach 35.6%.

Adjusted cash flow from operations in Morocco amounted to MAD 7.5 billion at the end of 2018, up 2.4% thanks to the increase in EBITDA and an optimization in CAPEX, which represents 12.8% of revenues.

Mobile

	Unit	2018	2017
Customer base	**(000)**	**19,062**	**18,533**
Prepaid	(000)	17,068	16,766
Postpaid	(000)	1,993	1,767
Of which 3G/4G+ internet	(000)	10,828	9,481
ARPU	**(MAD/MONTH)**	**58.6**	**58.0**

As of December 31, 2018, the Mobile customer base numbered 19.1 millions customers, up 2.9% year-on-year, thanks to the 12.8% rise of postpaid customers and the +1.8% rise of prepaid customers.

Mobile revenue recorded their fourth consecutive quarter of growth. They grew 4.7% over the year to MAD 13,966 million.

Outgoing revenue increased by 6.9% driven by the sharp growth in mobile data, which more than offset the decrease in Voice.

Blended 2018 ARPU amounted to MAD 58.6, up 1.0% compared to the same period in 2017 thanks to data.

Fixed-line and internet

	Unit	2018	2017
Fixed-lines	(000)	1,818	1,725
Broadband access	(000)	1,484	1,363

The Fixed-line customer base grew 5.4%, with 1.8 million lines by the end of December 2018. The Broadband customer base grew by 8.9%, to nearly 1.5 million subscribers.

Fixed-line and Internet activities generated revenues of MAD 9,239 million, up 3.1% compared to 2017 thanks to the growth of customer bases.

5.2.2.2.3 International activities

Financial indicators

IFRS *(in MAD millions)*	2018	2017
Revenues	**16,041**	**15,733**
Of which Mobile services	*14,647*	*14,274*
EBITDA	**6,397**	**6,357**
Margin (%)	*39.9%*	*40.4%*
Adjusted EBITA	**3,431**	**3,599**
Margin (%)	*21.4%*	*22.9%*
CAPEX	**3,894**	**3,643**
Of which frequencies & licenses	*719*	*156*
CAPEX/revenues (excluding frequencies & licenses)	*19.8%*	*22.2%*
Adjusted CFFO	**2,484**	**3,700**
Net debt	**6,514**	**5,767**
Net debt/EBITDA	*1.0 x*	*0.9 x*

The Group's international operations generated revenues of MAD 16,041 million, up 2.0% year-on-year (+0.9% at constant exchange rates), driven by the 5.1% growth in revenues of new subsidiaries (+3.5% at constant exchange rates), which offset the impacts of the erosion of incoming international traffic and of Mobile call termination decrease.

At 2018-end, earnings from operations before amortization (EBITDA) amounted to MAD 6,397 million, up 0.6% (-0.2% at constant exchange rates). The EBITDA margin was 39.9%, down 0.5 pt, penalized by the weight of regulatory taxes and fees. Excluding this impact, the EBITDA margin grew by 0.6 pt to 41.0%.

Adjusted earnings from operations (EBITA) amounted to MAD 3,431 million, down 4.7% (-5.3% at constant exchange rates) due to the 6.8% increase in amortization expense as a result of the significant investments, which represented 19.8% of revenues excluding frequencies and licenses. The EBITA margin declined 1.4 pt at constant exchange rates to 21.4%.

Adjusted cash flow from operations (CFFO) from international activities amounted to MAD 2,484 million, down by 32.9%.

Operating indicators

	Unit	2018	2017
Mobile			
Customer base	**(000)**	**37,926**	**34,967**
Mauritania		2,397	2,139
Burkina Faso		7,634	7,196
Gabon		1,620	1,547
Mali		7,320	7,190
Côte d'Ivoire		8,646	7,734
Bénin		4,279	3,960
Togo		3,405	2,943
Niger		2,485	2,114
Central African Republic		140	144
Fixed-line			
Customer base	**(000)**	**318**	**302**
Mauritanie		55	51
Burkina Faso		77	76
Gabon		22	21
Mali		164	155
Fixed-line Broadband			
Customer base	**(000)**	**114**	**107**
Mauritanie		13	13
Burkina Faso		15	13
Gabon		17	16
Mali		69	64

5.2.3. Transition from separate financial statements to consolidated financial statements

The consolidated financial statements are derived from the separate financial statements of Maroc Telecom and its subsidiaries, as prepared under the generally accepted accounting principles of each country. Various adjustments have been made to these separate financial statements, in compliance with IFRS consolidation and presentation requirements.

The main adjustments to the presentation of the statement of comprehensive income are the:

- recognition of revenue related to the point loyalty program (Fidelio) at the time of exchange or expiration of points;
- recognition of sales commissions as consolidated operating expenses. These costs were initially netted against revenues in the separate financial statements;
- activation of payroll costs relating to the deployment of fixed assets;
- recognition of SIM cards in intangible assets;
- inventory values of handsets sold but not activated are adjusted to account for the recognition of revenues upon activation;
- elimination of capitalized costs from the balance sheet and recognition in the income statement of the change in the period;
- the recognition in the income statement of the exchange adjustments;
- recognition of the impact of unwinding the retirement benefits provision discounting in financial income;
- capitalization of deferred taxes on temporary differences arising from the separate financial statements, IFRS adjustments and tax loss carry forwards;
- reclassification under net operating income of noncurrent operating items, and under net financial income of noncurrent financial items;
- the identification of leases for the right of use and the capitalization of rental expenses that meet the duration and value criteria required by IFRS 16 in fixed assets. This restatement gives rise to the creation of a new financial liability and the corresponding interest charges and the recognition of depreciation of rental expenses converted into fixed assets;
- reclassification under current assets of assets held for sale;
- reclassification of the corporate income tax liability component of tax debts;
- reclassification under current items, of loan, financial debt and provision components maturing in less than a year;
- the other consolidation adjustments basically concern all consolidation transactions (elimination of consolidated securities, intragroup transactions and internal capital gains or losses, etc.).

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5.3 • Consolidated financial statements at December 31 2017, 2018 and 2019

Pursuant to regulation (EC) no. 1606/2002 of the European Parliament of July 19, 2002, Maroc Telecom Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IAS/IFRS), as endorsed by the European Union.

Statutory Auditors' report on the consolidated financial statements year

Ended December 31, 2019

We have audited the accompanying consolidated financial statements of Itissalat Al-Maghrib (IAM) SA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information. These consolidated financial statements show an amount of consolidated equity of MMAD 16,003 including earnings attributable to equity holders of the parent of MMAD 2,726.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU). This responsibility includes planning, implementing, and monitoring internal controls relating to the preparation and presentation of financial statements that are free of material misstatement, whether due to fraud or error, and selecting accounting estimates that are appropriate for the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Moroccan Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements referred to in the first paragraph above provide in all material aspects a true and fair view of the financial position of the group comprising the persons and entities of Itissalat Al-Maghrib (IAM) SA at December 31, 2019, and the financial performance and cash flows for the fiscal year then ended, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

Without qualifying our audit opinion, expressed above, we draw your attention to the Note 33, which sets out the treatment of ANRT decision in the accompanying financial statements as at 31 December 2019.

5

Casablanca, February 14th, 2020

The Statutory auditors

Deloitte Audit	**Abdelaziz Almechatt**
French original signed by	French original signed by
Sakina Bensouda-Korachi	Abdelaziz Almechatt
Partner	Partner

Consolidated statement of financial position

ASSETS

(in MAD millions)	Note	12/31/2019	12/31/2018	12/31/2017
Goodwill	3	9,201	8,548	8,695
Other intangible assets	4	8,808	7,681	7,485
Property, plant, and equipment	5	31,037	31,301	32,090
Droit d'usage de l'actif	34	1,630	0	0
Titres mis en équivalence	6	0	0	0
Noncurrent financial assets	7	470	299	335
Deferred tax assets	8	339	224	273
Noncurrent assets		**51,485**	**48,053**	**48,879**
Inventories	9	321	348	296
Trade accounts receivable and other	10	11,380	11,839	11,325
Short term financial assets	11	128	138	119
Cash and cash equivalents	12	1,483	1,700	2,010
Assets available for sale		54	54	54
Current assets		**13,365**	**14,078**	**13,803**
TOTAL ASSETS		64,851	62,131	62,682

SHAREHOLDERS' EQUITY AND LIABILITIES

(in MAD millions)	Note	12/31/2019	12/31/2018	12/31/2017
Share capital		5,275	5,275	5,275
Retained earnings		4,069	4,383	4,854
Net earnings		2,726	6,010	5,706
Shareholders' equity attributable to equity holders of the parent	13	12,069	15,668	15,835
Noncontrolling interests		3,934	3,822	3,916
Shareholders' equity		**16,003**	**19,490**	**19,750**
Noncurrent provisions	14	504	464	570
Borrowings and other long-term financial liabilities	15	4,178	3,475	4,200
Deferred tax liabilities	8	258	246	244
Other noncurrent liabilities		0	0	0
Noncurrent liabilities		**4,939**	**4,185**	**5,014**
Trade accounts payable	16	23,794	24,095	25,627
Current tax liabilities		733	906	563
Current provisions	14	4,634	1,325	838
Borrowings and other short term financial liabilities	15	14,748	12,129	10,890
Current liabilities		**43,908**	**38,456**	**37,918**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		64,851	62,131	62,682

Consolidated statement of comprehensive income

(in MAD millions)	Note	12/31/2019	12/31/2018	12/31/2017
Revenues	17	**36,517**	**36,032**	**34,963**
Cost of purchases	18	-5,670	-6,011	-5,937
Payroll costs	19	-3,098	-2,891	-3,138
Taxes and duties	20	-3,183	-2,818	-2,838
Other operating income (expenses)	21	-5,610	-5,923	-6,183
Net depreciation, amortization, and provisions	22	-10,724	-7,337	-6,557
Earnings from operations		**8,231**	**11,052**	**10,310**
Other income and charges from ordinary activities		-11	-11	-32
Income from equity affiliates	23	0	0	0
Earnings from continuing operations		**8,220**	**11,040**	**10,278**
Income from cash and cash equivalents		2	3	6
Gross borrowing costs		-756	-527	-497
Net borrowing costs		**-754**	**-524**	**-491**
Other financial income and expenses		-38	99	-1
Net financial income (expense)	24	**-792**	**-425**	**-491**
Income tax	25	-3,830	-3,677	-3,208
Net income		**3,598**	**6,938**	**6,579**
Exchange gain or loss from foreign activities		-226	-239	463
Other income and expenses		43	-5	-45
Total comprehensive income for the period		**3,415**	**6,693**	**6,997**
Net income		**3,598**	**6,938**	**6,579**
Attributable to equity holders of the parent		2,726	6,010	5,706
Noncontrolling interests	26	873	928	873
Total comprehensive income for the period		**3,415**	**6,693**	**6,997**
Attributable to equity holders of the parent		2,604	5,855	5,940
Noncontrolling interests	26	811	839	1,014
Earnings per share		**12/31/2019**	**12/31/2018**	**12/31/2017**
Net earnings attributable to equity holders of the parent *(in MAD millions)*		2,726	6,010	5,706
Number of shares at December 31		*879,095,340*	*879,095,340*	*879,095,340*
Net earnings per share (in MAD)	27	**3.10**	**6.84**	**6.49**
Diluted net earnings per share (in MAD)	27	**3.10**	**6.84**	**6.49**

Consolidated statement of cash flow

(in MAD millions)	Note	12/31/2019	12/31/2018	12/31/2017
Earnings from operations		8,231	11,052	10,310
Depreciation, amortization and other non-cash movements		10,721	7,318	6,582
Gross cash from operating activities		**18,952**	**18,370**	**16,892**
Other changes in net working capital		419	-883	1,189
Net cash from operating activities before tax		**19,372**	**17,487**	**18,081**
Income tax paid		-4,091	-2,967	-3,170
Net cash from operating activities (a)	12	**15,281**	**14,520**	**14,911**
Purchase of PP&E and intangible assets		-7,949	-8,075	-8,370
Purchases of consolidated investments after acquired cash		-1,096	-469	0
Investments in equity affiliates			0	0
Increase in financial assets		-73	-194	-319
Disposals of PP&E and intangible assets		6	31	0
Decrease in financial assets		287	335	622
Dividends received from non-consolidated investments		6	2	6
Net cash used in investing activities (b)		**-8,819**	**-8,369**	**-8,061**
Capital increase			0	
Dividends paid by Maroc Telecom	13	-6,003	-5,732	-5,598
Dividends paid by subsidiaries to their noncontrolling interests		-838	-798	-921
Changes in equity		**-6,841**	**-6,529**	**-6,519**
Proceeds from borrowings and increase in other long-term financial liabilities		2,270	1,347	1,681
Payments on borrowings and decrease in other noncurrent financial liabilities			0	0
Proceeds from borrowings and increase in other short-term financial liabilities		2,860	1,933	910
Payments on borrowings and decrease in other current financial liabilities		-4,548	-2,682	-2,545
Change in net current accounts			0	0
Net interest paid (cash only)		-473	-575	-784
Other cash expenses (income) used in financing activities		-13	6	-9
Change in borrowings and other financial liabilities		**96**	**29**	**-747**
Net cash used in financing activities (d)	12	**-6,744**	**-6,501**	**-7,266**
Translation adjustment and other non-cash items (g)		**65**	**40**	**-13**
Total cash flows (a)+(b)+(d)+(g)	12	**-217**	**-310**	**-428**
Cash and cash equivalents at beginning of period		**1,700**	**2,010**	**2,438**
Cash and cash equivalents at end of period	12	**1,483**	**1,700**	**2,010**

Consolidated statement of changes in equity

(in MAD millions)	Note	Share capital	Earnings and retained earnings	Other comprehensive income	Total Group share	Noncontrolling interest	Total
Restated position at January 1, 2017		**5,275**	**10,628**	**-427**	**15,476**	**3,822**	**19,298**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			**5,706**	**319**	**6,025**	**1,014**	**7,039**
Change in gains and losses recognized directly in equity and recyclable in profit or loss			0	319	319	144	463
Gains and losses on translation				319	319	144	463
Change in gains and losses recognized directly in equity and recyclable in profit or loss				-42	-42	-2	-45
Actuarial difference				-5	-5	-2	-8
Actuarial gains and loses				-37	-37		-37
Capital increase					0		0
Capital decrease					0		0
Change in percentage without assumption/loss of control					0		0
Change in percentage with assumption/loss of control					0		0
Dividends			-5,591		-5,591	-918	-6,509
Treasury stock			-31		-31		-31
Other adjustments			-2		-2	-2	-4
Restated position at December 31, 2017		**5,275**	**10,710**	**-150**	**15,835**	**3,916**	**19,750**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			6,010	-156	5,855	839	6,694
Change in gains and losses recognized directly in equity and recyclable in profit or loss			0	-155	-155	-84	-239
Gains and losses on translation				-155	-155	-84	-239
Change in gains and losses recognized directly in equity and recyclable in profit or loss				-1	-1	-5	-5
Actuarial difference				13	13	-5	9
Actuarial gains and loses				-14	-14		-14
Capital increase					0		0
Capital decrease					0		0
Share-based compensation					0		0
Change in percentage without assumption/loss of control			-346		-346	-126	-471
Change in percentage with assumption/loss of control					0		0
Dividends			-5,696		-5,696	-807	-6,503
Treasury stock			20		20		20
Other adjustments					0		0
Position at December 31, 2018		**5,275**	**10,699**	**-306**	**15,668**	**3,822**	**19,490**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			**2,726**	**-122**	**2,604**	**811**	**6,715**
Change in gains and losses recognized directly in equity and recyclable in profit or loss			0	-147	-147	-79	-226
Gains and losses on translation				-147	-147	-79	-226
Revaluation differences					0		0
Revaluation differences on hedging instruments					0		0
Revaluation differences on equity instruments					0		0
Change in gains and losses recognized directly in equity and recyclable in profit or loss				25	25	18	43
Actuarial difference				25	25	18	43
Revaluation differences on equity instruments					0		0
Capital increase					0		0
Capital decrease					0		0
Share-based compensation					0		0
Change in percentage without assumption/loss of control					0		0
Change in percentage with assumption/loss of control			14		14		14
Dividends			-6,003		-6,003	-857	-6,860
Treasury stock			-1		-1		-1
Other adjustments			-213		-213	157	-56
Position at December 31, 2019		**5,275**	**7,222**	**-403**	**12,069**	**3,934**	**16,003**

At December 31, 2019, Maroc Telecom's share capital comprised 879,095,340 ordinary shares. Ownership of the shares was divided as follows:

- Etisalat: 53% through a holding company 91.3%-owned by Etisalat and 8.7%-owned by the Abu Dhabi Development Fund;
- Kingdom of Morocco: 22%;
- other: 25%.

The reserves consist mainly of accumulated prior year retained earnings of which MAD 3,424 millions of undistributable reserves at December 31, 2019 and Group part net income for the current year.

Note 1 Accounting principles and valuation methods

Group companies are consolidated on the basis of their fiscal year ending December 31, except for CMC, whose fiscal year ends March 31, 2019.

The financial statements and notes were approved by the Management Board on January 14, 2020.

New acquisition

Maroc Telecom finalized the acquisition of Tigo Chad in 2019. Maroc Telecom has a 100% interest in the capital of the new subsidiary.

Tigo Chad has been fully consolidated since July 1, 2019.

The Goodwill calculation will be finalized and published in the consolidated financial statements for the first half of 2020. The provisional version is as follows.

(in MAD millions)	06/30/2019
Aggregate net equity at 06/30/2019	395
Overall acquisition price	1,175
Goodwill	780

Liquidation

Maroc Telecom proceeded with the liquidation of the subsidiary Prestige which provided IT services on behalf of Group subsidiaries. As such it has been removed from the consolidation scope.

1.1 BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2019, 2018, AND 2017

Pursuant to regulation (EC) no.1606/2002 of July 19, 2002, concerning the adoption of international accounting standards, the consolidated financial statements of Maroc Telecom Group for the year ended December 31, 2019, were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), applicable as endorsed by the European Union (EU). For purposes of comparison, the 2019 financial statements also include financial information on 2018 and 2017.

1.2 COMPLIANCE WITH ACCOUNTING STANDARDS

The consolidated financial statements of Maroc Telecom SA have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations endorsed by the European Union and mandatory at December 31, 2019. The accounting standards applied to the consolidated financial statements do not differ from those issued by the International Accounting Standards Board (IASB).

1.2.1 Standards and interpretations applied by Maroc Telecom for fiscal year 2019

All the new standards, interpretations and amendments published by the IASB and mandatory in the European Union from January 1, 2019 have been applied.

1.2.1.1 IMPACT OF APPLICATION OF THE STANDARDS AND INTERPRETATIONS ADOPTED IN 2019

IFRS 16 application

On January 13, 2016, the IASB published IFRS 16 "Leases". Effective January 1, 2019, IFRS 16 replaces IAS 17 and therefor, for tenants, removes the previous distinction between operating and finance leases.

Under IFRS 16, a lease is any contract that gives the tenant control of the use of an identified asset for a given period in exchange for consideration. All contracts that meet this definition have been included by the Group in the scope of the standard, with the exception of:

- leases of intangible assets (licenses and software);
- contracts meeting one of the practical exemptions provided for in the standard and adopted by the Group. These include leases with a term of less than twelve months and/or those where the replacement value of the underlying asset is low. These contracts will nevertheless be disclosed in the notes to the financial statements and the related rents will be presented as rental expenses in the income statement;
- leases whose residual term on transition date is less than 12 months in accordance with the transitional provisions in section "C10C1" are also exempt;
- leases where the lessor has a substantial substitution right;
- leases where the payment is variable.

IFRS 16 provides that an entity must determine the duration of the lease contract as being the time for which said contract cannot be terminated, to which are added the time intervals covered by any option to extend the lease term that the lessee is reasonably certain of exercising or, as applicable, not exercising without, however, exceeding the enforceable duration of each contract. The Group used the historical data of the leases for purposes of assessing the various options available to it.

The Group has adopted the simplified retrospective approach by recognising the cumulative effect of the initial application of the standard on the date of first application in equity without restatement of comparative periods.

The Group also implemented a dedicated computerized solution for monitoring leases and calculating the effects of IFRS 16.

In compliance with IFRS 16, the Group amortized the assets for right of use according to the rules of IAS 16 on amortization rates and method.

The Group opted for the incremental borrowing rate to discount the various flows of long-term debt. That rate is determined using market-based measures and according to maturity.

Recognition of leases in the balance sheet depends on the following elements:

- the reasonably certain duration adopted for each contract;
- the fixed and variable components of the contractual payment. It should be mentioned that the Group has opted not to separate the contractual service expenses from the rent;
- the incremental borrowing rate defined by the Group according to the duration and region concerned by each lease contract;
- the amortization period applicable for each category of asset.

Following analysis of the leases in the various subsidiaries and regions, the Group defined four major categories of right of use (land, buildings, technical plant and transport equipment).

It should be mentioned that the acquisition costs are not capitalized in compliance with the transitional provisions provided in paragraph C10d.

Reconciliation of Off-Balance Sheet Commitments and the amount of the rental obligation at 01/01/2019:

EHB Published at 12/31/2018	214
Updating impact	-1
Exemptions	
Contracts with a duration of <= 12 months	-72
Contracts where the value of the underlying property is low	-9
Contracts where the underlying property is interchangeable	-34
Duration impact	1,208
LEASE OBLIGATION AS AT 01/01/2019	**1,305**

Application of IFRIC 23

IFRIC 23 – “Uncertainty about Tax Treatment” came into force on January 1, 2019, to clarify certain aspects of IAS 12 “Income Taxes,” which deals with the recognition and measurement of tax liabilities and assets.

For the application of IFRIC 23 within the Maroc Telecom Group, studies was carried out in order to identify and measure its impacts on the consolidated financial statements. The results of the analyses carried out confirm that the Group’s current model for assessing and recognizing uncertain tax risks does not differ significantly from the new provisions of IFRIC 23. Consequently, the impact of the first-time application of this standard is not material on the consolidated financial statements.

1.2.2 Standards and interpretations applied by Maroc Telecom for fiscal year 2020

The Group considers that improvements texts planned for 2020 will have no material impact on its consolidated statements.

1.3 PRESENTATION AND PRINCIPLES GOVERNING THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENT

Pursuant to IFRS principles, the consolidated financial statements have been prepared on an historical-cost basis, with the exception of certain asset and liability categories.

The categories concerned are mentioned in the notes below. The consolidated financial statements are presented in Dirham and all values are rounded to the nearest million unless otherwise noted. They include the accounts of Maroc Telecom and its subsidiaries after elimination of intragroup transactions.

1.3.1 Statement of comprehensive income

Maroc Telecom has chosen to present its statement of comprehensive income in a format that breaks down income and expenses by type.

1.3.1.1 EARNINGS FROM OPERATIONS AND EARNINGS FROM CONTINUING OPERATIONS

Earnings from operations, which in documents previously issued by Maroc Telecom was called operating income, includes revenues, cost of purchases, payroll costs, taxes and duties, other operating income and expenses, as well as net depreciation, amortization and provisions.

Earnings from continuing operations includes earnings from operations, other income from continuing operations, other expenses on continuing operations (including impairment of goodwill and other intangible assets), as well as the share of net earnings of equity associates.

1.3.1.2 FINANCING COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

Net financing costs comprise:

- gross financing costs which includes interest payable on loans calculated using the effective-interest rate method;
- financial income received from cash investments.

Other financial income and expenses mainly include gains and losses on currency translation (other than those relating to operating activities recognized under earnings from operations), dividends received from non-consolidated companies, earnings from consolidated activities or companies not recognized under earnings from discontinued activities or in the process of being discontinued.

1.3.2 Statement of financial position

Assets and liabilities with maturities shorter than the operating cycle, i.e. generally less than 12 months, are recognized under current assets or liabilities. If their maturities are longer than this, they are recognized under noncurrent assets or liabilities, except for operating expenses.

1.3.3 Consolidated statement of cash flows

Maroc Telecom Group has chosen to present its consolidated cash flow statement using the indirect method. Working capital requirements from operations correspond to changes in the balance sheet items of trade receivables, inventories and trade payables.

1.3.4 Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires Maroc Telecom to make certain estimates and assumptions that it deems reasonable and realistic. Despite regular reviews of these estimates and assumptions based on past or anticipated achievements, facts and circumstances may lead to changes in these estimates and assumptions that could have an impact on the carrying value of Group assets, liabilities, equity, or earnings.

The main estimates and assumptions concern changes in the following items:

- provisions: risk estimates, performed on an individual basis; the occurrence of events during risk-measurement procedures may lead at any time to a reassessment of the risk in question (see Note 14);
- impairment of trade receivables and inventories: estimates of non-recovery risk for trade receivables and obsolescence risk for inventories;
- employee benefits: assumptions, updated annually, include the probability of employees remaining with the Group until retirement, expected changes in future compensation, the discount rate, and the inflation rate (see Note 14);
- revenue recognition: estimates of benefits granted as part of customer-loyalty programs, to be deducted from certain revenue items, and of deferred revenue relating to distributors (see Note 17);
- goodwill: valuation methods adopted for the identification of intangible assets acquired through business combinations (see Note 3);
- goodwill, indefinite useful lives of intangible assets, and assets in progress: assumptions are updated annually for impairment tests performed on each of the Group's cash-generating units (CGUs), determined by future cash flows and discount rates;
- deferred taxes: estimates concerning the recognition of deferred tax assets are updated annually; estimates include the Group's future tax results and expected changes in temporary differences between assets and liabilities (see Note 8);
- IFRS 16: The discount rate is estimated by taking into account risk, economic conditions and country specificities.

1.3.5 Consolidation methods

The generic name Maroc Telecom refers to the group of companies composed of the parent company Itissalat Al-Maghrib SA and its subsidiaries.

A list of the Group's principal subsidiaries is presented in Note 2, "Scope of consolidation at December 31, 2017, 2018, and 2019".

Maroc Telecom's scope of consolidation comprises wholly owned companies exclusively; therefore the only consolidation method employed by the Group is that of full consolidation.

The accounting method described below was applied consistently to all the periods presented in the consolidated financial statements. This accounting method was applied consistently by all Group entities.

Full consolidation

All companies in which Maroc Telecom has a controlling interest, namely those in which it has the power to govern financial and operational policies to obtain benefits from their operations, are fully consolidated.

The new standard for consolidation, introduced by IFRS 10 as replacement of IAS 27 (amended) – Consolidated and Separate Financial Statements and by SIC 12 Special Purpose Vehicles, is based on the following three criteria that must be met simultaneously for Maroc Telecom to assume control:

- Maroc Telecom has power over the subsidiary when it has existing rights that give it the ability to direct the relevant activities (i.e., the activities that significantly affect the investee's returns); Power arises from existing and/or potential voting rights and/or contractual arrangements. The voting rights must be substantial (i.e., they may be employed at any time and without limitation, particularly during votes on important activities). Assessment of whether a parent has power over a subsidiary depends on the relevant activities of the subsidiary, it's decision-making procedures, and the breakdown of votes among the other shareholders;
- Maroc Telecom has exposure or rights to variable returns from its involvement with the subsidiary. These returns may vary in accordance with the subsidiary's performance. The notion of return is defined broadly and includes dividends and other forms of distributed economic benefits, the investment's valuation, cost savings, synergies, etc.;
- Maroc Telecom has the ability to exercise its power to affect the returns. Any power that cannot affect returns is considered noncontrolling.

The Group's consolidated financial statements are presented as those of a single economic entity with two types of owners: 1. the owners of Maroc Telecom Group (shareholders of Maroc Telecom SA), and 2. holders of noncontrolling interests (minority shareholders of the subsidiaries). A noncontrolling interest is defined as a stake in a subsidiary that cannot be directly or indirectly attributed to a parent company (hereinafter "noncontrolling interests"). Consequently any changes in percentage of ownership of a parent company in a subsidiary that do not result in the loss of control affects only equity, because control is not changed within the economic entity.

Transaction eliminated in the consolidated financial statements

Revenues, expenses, and balance-sheet positions resulting from intragroup transactions are eliminated during the preparation of the consolidated financial statements.

1.3.6 Business combinations

Business combinations from January 1, 2009

The acquisition method is used to account for business combinations. Under this method, upon the initial consolidation of an entity over which the Group has acquired exclusive control:

- the identifiable assets acquired and the liabilities assumed are measured at their fair value on the acquisition date;
- the noncontrolling interests are measured either at fair value or at their proportionate share of the acquiree's identifiable net assets. This option is available on a transaction-by-transaction basis.

On the acquisition date, goodwill is measured as the difference between:

- the fair value of the consideration transferred plus the amount of noncontrolling interest in the acquiree, and, in a business combination achieved in stages, the acquisition-date fair value of the equity interest held previously by the acquirer in the acquiree; and
- the net amount on the acquisition date for identifiable assets acquired and liabilities assumed.

The fair-value measurement of noncontrolling interests increases goodwill up to the share attributable to the noncontrolling interests, thereby resulting in the recognition of full goodwill. The purchase price and its allocation must be completed within 12 months of the acquisition date. If goodwill is negative, it is recognized as profit directly in profit or loss. After the acquisition date, goodwill is measured at its initial amount, less any recorded impairment losses.

The following principles also apply to business combinations:

- beginning on and after the acquisition date, to the extent possible, goodwill is allocated to each cash-generating unit likely to benefit from the business combination;
- any adjustment to the purchase price is recorded at fair value on the acquisition date, and any subsequent adjustment after the purchase-price allocation period is recognized in profit or loss;
- acquisition-related costs are recognized as expenses when incurred;
- in the event of acquisition of an additional interest in a consolidated subsidiary, Maroc Telecom recognizes the difference between the acquisition cost and the carrying value of noncontrolling interests as a change in equity attributable to shareholders of Maroc Telecom.

Goodwill is not amortized.

Business combinations prior to January 1, 2009

Pursuant to IFRS 1, Maroc Telecom elected not to restate business combinations that occurred before January 1, 2004. IFRS 3, as published by the IASB in March 2004, had already retained the acquisition method. Its provisions, however, differed from those of the revised standard on the following main points:

- noncontrolling interests were measured on the basis of their proportionate share in the acquired net identifiable assets; the option of fair-value measurement did not exist;
- contingent consideration was recognized in the cost of acquisition only if payment was likely to occur and the amounts could be measured reliably;
- costs attributable directly to the acquisition were recognized under the cost of the business combination;
- in the event of acquisition of an additional interest in a consolidated subsidiary, Maroc Telecom recognizes as goodwill the difference between the acquisition cost and the carrying value of acquired noncontrolling interests.

1.3.7 Foreign-currency translation

Foreign-currency transactions are initially recorded in the functional currency at the exchange rate prevailing on the date of the transaction. At the end of the period, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate prevailing on that date. All translation differences are recognized in profit or loss for the period.

1.3.8 Translation of financial statements for foreign activities

Assets and liabilities relating to foreign activities, including goodwill and fair-value adjustments arising from consolidation, are translated into Moroccan dirhams at the exchange rate prevailing at the end of the period.

Income and expenses are translated into dirhams at the average exchange rate over the period.

Foreign exchange differences arising from translation are recorded as foreign currency translation differences, as a separate component of shareholders' equity.

1.3.9 Assets

1.3.9.1 OTHER INTANGIBLE ASSETS

Intangible assets acquired separately are recorded at cost, and intangible assets acquired in connection with a business combination are recorded at their fair value at the acquisition date. Subsequent to initial recognition, the historical cost model is applied to intangible assets that are amortized when they are ready for use. Depreciation is recorded for assets with limited useful life. The useful lives are reviewed at each closing.

The estimated useful lives are between 2 and 5 years.

IAS 38 does not recognize brands, subscriber bases and market segments generated internally as intangible assets.

Licenses for the operation of telecommunications networks are recorded at historical cost and are amortized on a straight-line basis as of the effective date of the service for the period of validity of the license.

The Maroc Telecom Group chose not to use the option offered by IFRS 1 to choose to measure certain intangible assets at fair value on January 1, 2004 at this date.

Expenditures posted to intangible enterprises are capitalized only if they enhance the future economic benefits associated with the asset. Other expenses are recognized as expenses when incurred.

1.3.9.2 RESEARCH AND DEVELOPMENT COSTS

Research costs are expensed when incurred. Development expenses are capitalized when the project can reasonably be considered feasible.

Pursuant to IAS 38 Intangible Assets, development costs are capitalized only after the technical and financial feasibility of the asset for sale or use have been established, where it is likely that the future economic benefits attributable to the asset will flow to the Company, and where the cost of the asset can be measured reliably.

1.3.9.3 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes acquisition or production costs as well as costs directly attributable to transporting the asset to its physical location and to preparing it for use in operations. For the purposes of IAS 23, borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are included in the cost of the asset. Other borrowing costs are recognized as an expense for the period in which they are incurred. When property, plant, and equipment include significant components with various useful lives, the components are recorded and depreciated separately.

Property assets comprising the items "land" and "buildings" are derived in part from the contribution in kind granted in 1998 by the Moroccan government (in connection with the break-up of ONPT) to Maroc Telecom when it was established.

When these assets were transferred, the property titles could not be registered with the property registry.

Fully 97,69% of such assets had been assigned property titles at the end of 2018. Although uncertainty over the property titles remains, the risk is limited, because the Moroccan government has guaranteed Maroc Telecom use of the transferred property as at the end of 2013, and because to date there have been no significant incidents related to this situation.

The assets transferred by the Moroccan government on February 26, 1998, to establish Maroc Telecom as a public operator were recorded as a net amount in the opening statement of financial position, as approved by:

- the Postal Services and Information Technology Act no. 24-96;
- the joint order no. 341-98 of the Ministry of Telecommunications and the Ministry of Finance, Commerce, and Industry, approving the inventory of assets transferred to Maroc Telecom Group.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Useful lives are reviewed at the end of each reporting period and are as follows:

♦ Construction and buildings	20 years
♦ Civil engineering projects	15 years
♦ Network equipment:	
♦ Transmission (Mobile)	10 years
♦ Switching	8 years
♦ Transmission (Fixed-line)	10 years
♦ Fixtures and fittings	
• 10 years for various facilities	
• 20 years for the fitting out of buildings	
♦ Computer equipment	5 years
♦ Office equipment	10 years
♦ Transportation equipment	5 years

Assets not yet in service are recorded as assets in progress. Assets financed through finance leases are recorded at the lower of the fair value of the asset and the present value of the minimum lease payments, and related debt is recorded under "Borrowings and other financial liabilities." These assets are depreciated on a straight-line basis over their estimated useful lives.

Depreciation of assets acquired under finance leases is recorded as a general depreciation expense.

Maroc Telecom has elected not to apply the option provided in IFRS 1 to remeasure property, plant, and equipment at fair value as at January 1, 2004.

The carrying value of an item of property, plant, and equipment includes the replacement cost of a component of such an item if this cost is incurred, if it is probable that the future economic benefits associated with the asset will flow to Maroc Telecom Group, and if the cost can be measured reliably.

All maintenance costs are expensed when incurred.

1.3.9.4 IMPAIRMENT OF FIXED ASSETS

Goodwill and other intangible assets with indefinite useful lives are subject to an impairment test at the close of each annual period, and are also tested whenever there is an indication that they may be impaired. The carrying value of other fixed assets is also subject to an impairment test whenever events or circumstances indicate that the carrying value of such assets may not be recoverable. The impairment test compares the asset's carrying amount with its recoverable amount (i.e., the higher of fair value less disposal costs and value in use).

The recoverable amount is determined for an individual asset as long as the asset generates cash inflows that are largely independent of those from other assets or groups of assets. If such is the case, as it is for goodwill, the recoverable amount is determined for the cash-generating unit. Maroc Telecom has selected as its cash generating units its fixed and Mobile business units (BU).

1.3.9.5 FINANCIAL ASSETS

The Group has applied the provisions of IFRS 9 to financial instruments that were not derecognized on the initial application date of 1 January 2017. All financial assets recognized within the scope of IFRS 9 have been measured at amortized cost or fair value based on the two criteria mentioned above, hereinafter the categories of financial assets identified by Maroc Telecom:

- financial assets classified as held-to-maturity and loans and receivables are measured at amortised cost in accordance with IFRS 9 because they are held in a business model to collect contractual cash flows. These cash flows consist solely of the payment of principal and interest on the outstanding principal;
- equity securities classified as available-for-sale have been irrevocably classified as fair value through other comprehensive income;
- investments in treasury shares held for trading continue to be measured at fair value through net income;
- held-for-trading financial assets continue to be measured at fair value through net income under IFRS 9 because these investments are managed as a trading portfolio and settlement is based on changes in the fair value of the underlying securities and interest.

Thus, no change in the classification of the Group's active financial instruments has been identified in accordance with the new IFRS 9 standard, which has not generated any material impact on the financial statements.

1.3.9.6 INVENTORIES

Inventories are composed of:

- goods which correspond to inventories intended for sale to customers when their line is opened and consist of Fixed-line, Mobile Internet or Multimedia handsets and their accessories, with the exception of SIM cards. These inventories are valued using the CUMP method;
- handsets that are not activated within nine months from the delivery date are recognized as revenue;
- materials and supplies corresponding to items not dedicated to the network. These inventories are valued at their average acquisition cost.

Inventories are valued at the lower of cost or net realizable value. An impairment loss is recognized based on the outlook for the sale and condition of the inventory (whether for Mobile, Fixed-line, Internet or technical assets).

1.3.9.7 TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

This item comprises trade receivables and other receivables, initially recognized at fair value and subsequently at amortized cost less impairment losses.

Trade accounts receivable includes trade receivables and government receivables:

- trade receivables: receivables held against individuals, distributors, businesses, and national and international operators;
- government receivables: held against local authorities and the Moroccan government.

Impairment is recognized when the carrying value of an asset exceeds the present value of its estimated future cash flows.

1.3.9.8 CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" include cash on hand, sight deposits, current accounts, and short-term, highly liquid investments with maturities of three months or less.

1.3.10 Assets held for sale and discontinued operations

A noncurrent asset or a group of assets and liabilities qualifies as held for sale when its carrying value may be recovered principally through its disposal and not by its continued utilization. To qualify as held for sale, the asset must be available for immediate sale and the disposal must be highly probable. Such assets and liabilities are reclassified as assets held for sale and as liabilities associated with assets held for sale, without possibility of offset. The reclassified assets are recorded at the lower of fair value (net of disposal fees) and cost less accumulated depreciation and impairment losses, and are no longer depreciated.

An operation is qualified as discontinued when the criteria for classification as an asset held for sale have been met or when Maroc Telecom has sold the operation. Discontinued operations are reported on a single line of the statement of comprehensive income for the periods reported, comprising the earnings after tax of the discontinued operations until the divestiture date and the gain or loss after tax on the sale or fair-value measurement, less costs to sell the assets and liabilities of the discontinued operations. In addition, operating, investing, and financing cash flows generated by discontinued operations are reported on the statement of cash flows.

Financial liabilities

Financial liabilities comprise borrowings, accounts payable, and bank overdrafts.

Borrowings

All borrowings are initially accounted for at fair value of the amount received, net of borrowing costs.

The allocation of borrowings to current and noncurrent liabilities is performed on the basis of contractual maturity.

The borrowings granted by Etisalat have not been updated due to their insignificant nature.

1.3.11 Provisions

Provisions are recognized when, at the end of the reporting period, the Group has a legal, regulatory, or contractual obligation as a result of past events, when it is probable that an outflow of resources (without any expected related inflow) will be required to settle the obligation, and when the obligation can be estimated reliably. Where the effect of the time value of money is material, provisions are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money. If no reliable estimate can be made of the amount of the obligation, no provision is recorded and a disclosure is made in the notes to the consolidated financial statements.

Restructuring provisions are recorded when the Group has approved a formal and detailed restructuring program and has either begun to implement the program or has announced the program publicly. Future operating expenses are not provisioned.

Pension commitments are estimated for the subsidiaries, taking into account actuarial assumptions.

1.3.12 Deferred taxes

Deferred taxes are accounted for using the liability method, for differences existing at closing between the tax-base value of assets and liabilities and their carrying value on the balance sheet.

Deferred tax liabilities are recognized for all taxable temporary differences:

- except for temporary differences generated by the initial recognition of goodwill, and;
- for taxable temporary differences arising from investments in subsidiaries, affiliates, and joint ventures, unless the date on which the temporary difference will reverse can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, tax-loss carry forwards, and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists to make use of those deductible temporary differences, tax-loss carry forwards, and unused tax credits:

- except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction that is not a business combination and that at the transaction date does not impact accounting earnings, taxable income, or taxable losses;
- for deductible temporary differences arising from investments in subsidiaries, affiliates, and joint ventures, deferred tax assets are recorded to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference can be utilized.

The carrying value of deferred tax assets is reviewed at each closing date and reduced to the extent that it is no longer probable that a taxable profit will be available to allow the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, on the basis of tax rates (and tax regulations) enacted or substantially enacted by the closing date.

Taxes for items credited or charged directly to equity are recognized in equity, not in profit or loss.

1.3.13. Trade accounts payable

Trade accounts payable include trade payables and other accounts payable. These are measured initially at historical cost and subsequently at amortized cost.

1.3.14 Share-based compensation

Pursuant to IFRS 2, share-based compensation is recorded as a payroll cost at the value of the equity instruments granted, which are assessed using a binomial model. However, depending on whether the equity instruments granted are settled through the issuance of Maroc Telecom shares or in cash, the valuation of the expense differs:

- for equity-settled instruments, the value of the instruments granted is initially estimated and fixed at grant date, then allocated over the vesting period on the basis of features of equity-settled instruments. The obligation is recorded in equity;
- for cash-settled instruments, the value of the instruments granted is initially estimated and fixed at grant date and is then re-estimated at each reporting date; the expense is adjusted pro rata for subsequent changes in the value of the vested rights. The obligation is allocated over the vesting period on the basis of features of cash-settled instruments. The corresponding obligation is recorded as a noncurrent provision.

Pursuant to the transitional provisions of IFRS 1 for IFRS 2, Maroc Telecom elected to apply IFRS 2 retroactively, to January 1, 2004.

In 2017, 2018 and 2019 no compensation paid in shares is recognized.

1.3.15 Revenues

Maroc Telecom revenues arise primarily from the sale of Mobile, Fixed-line and Internet telecommunication services and from the sale of equipment:

- Mobile, Fixed-line and Internet revenues consist of:
  - income from standard subscriptions as well as from postpaid plans,
  - outgoing national and international call revenues (excluding plans), as they are used,
  - incoming national and international call revenues,
  - revenues generated by ADSL and Mobile Internet offers Revenues generated by Mobile customers who are non-residents of Morocco, using Maroc Telecom networks (Roamers),
  - income from data-transmission services provided to businesses, Internet service providers, and other telecommunications operators,
  - income from the sale of advertising inserts in printed and electronic directories that are taken into account when they are published,
  - revenues generated by Value-Added Services (VAS).
- equipment sales covers all sales of equipment (Mobile handsets, broadband equipment, connected objects, and accessories).

Income from contracts with customers is recognized under revenue when the provider's obligations are met immediately or gradually. Revenues from incoming and outgoing call traffic are recognized when the service is provided. For prepaid services, revenues are recognized as calls are made. Revenue from equipment is recognized when the line is activated.

Revenue from contracts with customers is recognized if the following conditions are met:

- the parties to the contract have approved it (in writing, orally, or according to other normal business practices) and have undertaken to fulfil their respective obligations;
- the Company can identify each party's rights to the goods or services to be provided;
- the Company can identify the payment terms agreed for the goods or services to be provided;
- the contract has commercial substance (causes an identifiable and measurable change in the economic circumstances of the entity or associated risk);
- it is probable that the entity will receive the consideration to which it is entitled in exchange for the goods or services that it will provide to the customer.

Revenues from telephone subscriptions are recognized on a straight-line basis over the subscription contract period.

Revenues from Value-Added Services (VAS) are recognized as follows:

- sales of services developed by Maroc Telecom are recorded gross;
- sales of services to customers managed by Maroc Telecom on behalf of content providers (mainly premium-rate numbers) are recorded net of related expenses;
- when sales are made via a third-party distributor supplied by the Group and involve a discount on the retail price, revenues are recorded as gross revenues and commissions granted are recognized as operating expenses.

The criteria for determining whether Maroc Telecom is acting as a "principal" or "agent" are analyzed in line with the indicators in paragraph B37 of IFRS 15: "Entity acting as principal or agent".

Benefits granted by Maroc Telecom and its subsidiaries to customers under loyalty programs in the form of free services or reductions are recognized in accordance with IFRS 15 and deferred until such time as the acquired points are used or expire.

1.3.16 Cost of purchases

Purchases consumed mainly include purchases of Mobile and Fixed-line equipment and interconnection costs.

1.3.17 Other operating income and expenses

This item comprises mainly commissions to distributors, network-maintenance expenses, advertising and marketing costs, and restructuring charges.

1.3.18 Net financing costs

Net financing costs include interest payable on loans (calculated using the effective-interest method) and interest on investments.

Investment income is recognized in the statement of earnings when acquired.

1.3.19 Tax expenses

Tax expense includes income tax payable and deferred tax expense (or income). Tax is expensed unless it applies to items recorded directly to equity.

1.4 CONTRACTUAL COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

On an annual basis, Maroc Telecom and its subsidiaries draw up a detailed list of all contractual obligations, financial and commercial commitments and contingent obligations to which they are party or exposed. This list is regularly updated by the relevant departments and reviewed by the Group's management.

Off-balance sheet commitments to suppliers of fixed assets are measured on the basis of actual orders placed. The commitment corresponds to the difference between the orders issued and the completion of these orders.

In addition, commitments relating to real estate lease contracts are estimated on the basis of the notice period provided for in the termination clause of the contract. The Group only includes commitments that do not fall within the scope of the new IFRS 16 standard.

1.5 SEGMENT DATA

A segment is a distinguishable component of the Group that is engaged either in providing products or services within a particular economic environment (geographical segment) or in providing related products or services (Business segment) and is subject to risks and returns that are different from those of other segments.

In order to comply with the internal reporting indicators set out in IFRS 8, Maroc Telecom has chosen to present its main financial and operating indicators by geographical area, through the creation, in parallel with Morocco, of a new international segment grouping its current subsidiaries in Mauritania, Burkina Faso, Gabon, Mali, Cote d'Ivoire, Benin, Togo, Niger, Central African and Chad.

1.6 NET CASH POSITION

It corresponds to cash, cash equivalents and cash blocked for borrowing less borrowings.

1.7 EARNING PER SHARE

Earnings per share, as presented in the statement of comprehensive income, are calculated by dividing net earnings (Group share) for the period by the average number of shares outstanding over the period.

Diluted earnings per share are calculated by dividing:

- net profit of the fiscal year (Group share), and;
- by the average number of shares outstanding over the period plus the average number of ordinary shares that would have been issued upon conversion of all potentially dilutive instruments that are convertible into ordinary shares.

At December 31, 2019, there were no potentially dilutive instruments.

Note 2 Scope of consolidation

The scope of consolidation of Maroc Telecom Group expanded with the acquisition of a new subsidiary in Chad (Tigo Chad), the impact of which on the consolidated financial statements has been taken into account since July 1, 2019, the effective date of entry into the scope of consolidation of MT.

Company	Legal form	% Group interest	% Capital held	Consolidation method
Maroc Telecom	**SA**	**100%**	**100%**	**IG**
Avenue Annakhil Hay Riad Rabat-Maroc				
Compagnie Mauritanienne de Communication (CMC)	**SA**			
Dec 31, 19		**80%**	**80%**	**IG**
Dec 31, 18		80%	80%	IG
Dec 31, 17		80%	80%	IG
563, Avenue Roi Fayçal Nouakchott-Mauritanie				
Mauritel SA	**SA**			
Dec 31, 19		**41%**	**52%**	**IG**
Dec 31, 18		41%	52%	IG
Dec 31, 17		41%	52%	IG
Avenue Roi Fayçal Nouakchott-Mauritanie				
Onatel	**SA**			
Dec 31, 19		**61%**	**61%**	**IG**
Dec 31, 18		61%	61%	IG
Dec 31, 17		51%	51%	IG
705, av. de la nation 01 BP10000 Ouagadougou – Burkina Faso				
Gabon Telecom	**SA**			
Dec 31, 19		**51%**	**51%**	**IG**
Dec 31, 18		51%	51%	IG
Dec 31, 17		51%	51%	IG
Immeuble 9 étages, BP 40 000 Libreville-Gabon				
Sotelma	**SA**			
Dec 31, 19		**51%**	**51%**	**IG**
Dec 31, 18		51%	51%	IG
Dec 31, 17		51%	51%	IG
Hamdallaye ACI 2000, BP 740, Bamako-Mali				
Casanet	**SA**			
Dec 31, 19		**100%**	**100%**	**IG**
Dec 31, 18		100%	100%	IG
Dec 31, 17		100%	100%	IG
Imm Riad 1, RDC, Avenue Annakhil Hay Riad Rabat-Maroc				
Atlantique Telecom Côte d'Ivoire	**SA**			
Dec 31, 19		**85%**	**85%**	**IG**
Dec 31, 18		85%	85%	IG
Dec 31, 17		85%	85%	IG
Abidjan-Plateau, Immeuble Karrat, Avenue Botreau Roussel				
Etisalat Bénin	**SA**			
Dec 31, 19		**100%**	**100%**	**IG**
Dec 31, 18		100%	100%	IG
Dec 31, 17		100%	100%	IG
Cotonou, îlot 553, quartier Zongo Ehuzu, zone résidentielle, avenue Jean Paul 2, immeuble Etisalat				
Atlantique Telecom Togo	**SA**			
Dec 31, 19		**95%**	**95%**	**IG**
Dec 31, 18		95%	95%	IG
Dec 31, 17		95%	95%	IG
Boulevard de la Paix, Route de l'Aviation, Immeuble Moov-Etisalat - Lomé				

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Company	Legal form	% Group interest	% Capital held	Consolidation method
Atlantique Telecom Niger	**SA**			
Dec 31, 19		**100%**	**100%**	**IG**
Dec 31, 18		100%	100%	IG
Dec 31, 17		100%	100%	IG
720 Boulevard du 15 Avril zone industrielle, BP 13 379, Niamey				
Atlantique Telecom Centrafrique	**SA**			
Dec 31, 19		**100%**	**100%**	**IG**
Dec 31, 18		100%	100%	IG
Dec 31, 17		100%	100%	IG
Bangui, BP 2439, PK 0, Place de la République, Immeuble SOCIM, rez-de-chaussée				
Prestige Telecom Côte d'Ivoire	**SA**			
Dec 31, 18		100%	100%	IG
Dec 31, 17		100%	100%	IG
Grand Bassam Zone Franche Vitib ex-Complexe IIAO, 01 BT 8592 Abidjan				
Millicom Chad [(a)]	**SA**			
Dec 31, 19		**100%**	**100%**	**IG**
N'Djamena, BP 6505, Avenue Charles De Gaulle, Chad				

(a) Integrated in the perimeter since 01/07/2019.

Note 3 Goodwill

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Mauritel	136	136	136
Onatel	1,838	1,838	1,838
Gabon Telecom	647	656	668
Sotelma	4,584	4,669	4,776
Filiales Moov	1,211	1,243	1,271
Casanet	5	5	5
Tigo	780		
TOTAL NET	**9,201**	**8,548**	**8,695**

From July 1, 2009, business combinations are recognized using the full goodwill method. Goodwill is allocated to cash generating units (CGU) identified under IAS 36. Goodwill of Sotelma and the new Moov subsidiaries has been calculated in accordance with the revised IFRS 3 standard.

Goodwill is tested for impairment at least once a year and whenever there is evidence of loss of value.

An impairment test consists of comparing the carrying amount of each CGU with its market value. The latter is estimated on the basis of discounted cash flows, derived from individual 5-year business plans. In the case of Casanet, the market value is estimated using the stock market multiples method. The recently acquired subsidiary in Chad will be tested for impairment in 2020. The goodwill of Millicom Chad presented in the financial statements at 31 December 2019 is provisional; the calculation will be finalised and published in the consolidated financial statements for the first half of 2020.

Goodwill-impairment tests are based on the following assumptions:

CGU	Valuation method	Discount rate in local currency	Perpetual growth rate in local currency
Mauritel	DCF [(a)]	15.50%	1.50%
Onatel	DCF	12.00%	1.50%
Gabon Telecom	DCF	12.50%	1.50%
Sotelma	DCF	13.50%	3.00%
Filiales Moov	DCF	[9.5% - 16%]	3.00%
Casanet	Multiples boursiers	Average of 12.5 x l'EBITDA 2019 and 11 x of 2020 EBITDA	

(a) Discounted Cash Flows.

GOODWILL VARIATION TABLE

(in MAD million)	Beginning of period	Impairment	Translation adjustment	Reclassification	Change in scope of consolidation	End of period
2017	**8,360**	**0**	**336**	**0**	**0**	**8,695**
Mauritel	137		0			136
Onatel	1,838					1,838
Gabon Telecom	641		27			668
Sotelma	4,532		244			4,776
Casanet	5					5
Filiales Moov	1,206		65			1,271
2018	**8,695**	**0**	**-147**	**0**	**0**	**8,548**
Mauritel	136		0			136
Onatel	1,838					1,838
Gabon Telecom	668		-12			656
Sotelma	4,776		-107			4,669
Casanet	5					5
Filiales Moov	1,271		-28			1,243
2019	**8,548**	**0**	**-129**	**0**	**782**	**9,201**
Mauritel	136		0			136
Onatel	1,838					1,838
Gabon Telecom	656		-9			647
Sotelma	4,669		-86			4,584
Casanet	5					5
Filiales Moov	1,243		-23		-9	1,211
Tigo			-11		791	780

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Note 4 Other intangible assets

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Software	1,442	1,508	1,674
Telecom license	5,682	4,554	4,289
Other intangible assets	1,685	1,618	1,522
NET TOTAL	**8,808**	**7,681**	**7,485**

The "Telecom licenses" item includes the following licenses:

- The 2G licenses of Itissalat Al-Maghrib SA, Mauritel, AT Togo, AT Niger and Tigo Chad;
- The 3G licenses of Itissalat Al-Maghrib SA, Mauritel, AT Togo, AT Niger and Tigo Chad;
- The global Mobile licenses of Gabon Telecom, Etisalat Benin and AT RCA;
- The global licenses of Onatel, Sotelma and AT CDI;
- The 4G licenses of Itissalat Al-Maghrib SA, Sotelma, AT Togo and Tigo Chad.

"Other intangible noncurrent assets" primarily includes patents, trademarks, and assets reflecting business combinations such as customer bases identified when measuring the goodwill of acquired subsidiaries.

2019

(in MAD million)	2018	Acquisitions and additions	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2019
Gross	**22,752**	**2,324**	**-4**	**-236**	**644**	**-94**	**25,387**
Software	8,662	668	-4	-74	89	-119	9,222
Telecom license	8,165	1,316		-144	543	2	9,882
Other intangible assets	5,925	340		-18	12	23	6,283
Amortization and impairment	**-15,071**	**-1,382**	**3**	**134**	**-270**	**7**	**-16,578**
Software	-7,154	-624	3	54	-66	7	-7,780
Telecom license	-3,610	-447		66	-199	-10	-4,200
Other intangible assets	-4,307	-311		14	-5	10	-4,598
NET TOTAL	**7,681**	**942**	**-0**	**-102**	**374**	**-86**	**8,808**

Intangible assets recorded a gross increase of MAD 2,324 million relating to new acquisitions, detailed as follows:

- investments in telecom licenses amounting to MAD 1,316 million;
- investments in software amounting to MAD 668 million;
- capital expenditure on patents and trademarks in Morocco amounted to MAD 210 million.

2018

(in MAD million)	2017	Acquisitions and additions	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2018
Gross	**21,574**	**1,628**	**-150**	**-244**	**0**	**-57**	**22,752**
Software	8,478	486	-147	-75		-80	8,662
Telecom license	7,588	719		-149		6	8,165
Other intangible assets	5,507	423	-3	-20		17	5,925
Amortization and impairment	**-14,089**	**-1,286**	**148**	**126**	**0**	**29**	**-15,071**
Software	-6,804	-562	146	52		14	-7,154
Telecom license	-3,299	-382		71		0	-3,610
Other intangible assets	-3,985	-342	2	4		15	-4,307
NET TOTAL	**7,485**	**342**	**-2**	**-118**	**0**	**-27**	**7,681**

2017

(in MAD million)	2016	Acquisitions and additions	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	2017
Gross	**20,009**	**1,405**	**-11**	**445**		**-274**	**21,574**
Software	7,732	911	-11	117		-271	8,478
Telecom license	7,296			292		0	7,588
Other intangible assets	4,981	494		36		-3	5,507
Amortization and impairment	**-12,631**	**-1,332**	**10**	**-246**		**110**	**-14,089**
Software	-6,321	-528	10	-84		118	-6,804
Telecom license	-2,708	-434		-138		-19	-3,299
Other intangible assets	-3,601	-369		-25		10	-3,985
NET TOTAL	**7,378**	**73**	**-1**	**199**		**-164**	**7,485**

The reclassification column concerns transfers between line items of intangible assets.

Note 5 Property, plant, and equipment

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Land	1,637	1,593	1,607
Buildings	3,041	2,982	2,876
Technical installations, machinery and equipment	25,321	25,542	26,612
Transportation, equipment	279	319	92
Office equipment, furniture, and fittings	634	617	712
Other property, plant, and equipment	125	248	192
NET TOTAL	**31,037**	**31,301**	**32,090**

The “Other property, plant, and equipment” item mainly includes advances and deposits for property, plant and equipment orders.

2019

(in MAD million)	2018	Acquisitions & dotations	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	Assets held for sale	2019
Gross	**107,145**	**4,464**	**-84**	**-816**	**3,024**	**-96**	**0**	**113,637**
Land	1,619	21	-17	-14	55	0		1,663
Buildings	9,008	264		-31	105	46		9,393
Technical plant, machinery and equipment	89,605	3,917	-53	-727	2,652	207		95,601
Transportation, equipment	792	22	-14	-10	57	-66		781
Office equipment furniture and fittings	5,720	194	0	-28	149	-87		5,948
Other property, plant, and equipment	401	46		-7	7	-196		252
Depreciation and impairment	**-75,843**	**-5,637**	**83**	**557**	**-1,921**	**161**	**0**	**-82,600**
Land	-26	-2		1				-26
Buildings	-6,027	-306	17	24	-32	-28		-6,352
Technical plant, machinery, and equipment	-64,062	-5,046	53	496	-1,729	9		-70,280
Transportation equipment	-473	-59	14	8	-48	56		-502
Office equipment, furniture, and fittings	-5,103	-219	0	25	-112	95		-5,313
Other property, plant, and equipment	-152	-6		3		29		-127
NET TOTAL	**31,301**	**-1,173**	**0**	**-260**	**1,104**	**65**	**0**	**31,037**

Acquisitions of property, plant and equipment amounting to MAD 4,464 million are mainly due to investments made in network infrastructure in 2019, as follows:

- MAD 2,490 million in Morocco;
- MAD 1,973 million in subsidiaries.

2018

(in MAD million)	2017	Acquisitions & dotations	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	Assets held for sale	2018
Gross	**103,303**	**5,015**	**-341**	**-840**	**0**	**7**	**0**	**107,145**
Land	1,631	13	-9	-15		-1		1,619
Buildings	8,650	401	-3	-31		-9		9,008
Technical plant, machinery and equipment	86,534	3,985	-308	-745		138		89,605
Transportation, equipment	549	273	-19	-10		0		792
Office equipment furniture and fittings	5,604	193	-2	-31		-44		5,720
Other property, plant, and equipment	336	150	-1	-8		-77		401
Depreciation and impairment	**-71,213**	**-5,572**	**354**	**568**	**0**	**20**	**0**	**-75,843**
Land	-24	-2		0		0		-26
Buildings	-5,774	-281	3	26		0		-6,027
Technical plant, machinery, and equipment	-59,922	-4,963	330	503		-11		-64,062
Transportation equipment	-457	-51	19	8		7		-473
Office equipment, furniture, and fittings	-4,892	-264	2	27		24		-5,103
Other property, plant, and equipment	-144	-12	0	3		0		-152
NET TOTAL	**32,090**	**-557**	**13**	**-272**	**0**	**28**	**0**	**31,301**

2017

(in MAD million)	2016	Acquisitions & dotations	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	Assets held for sale	2017
Gross	**95,532**	**6,851**	**-164**	**1,540**		**-432**	**0**	**103,303**
Land	1,584	16		31		0		1,631
Buildings	8,300	297	0	53		0	0	8,650
Technical plant, machinery and equipment	79,402	6,164	-10	1,364		-386		86,534
Transportation, equipment	616	36	-113	13		-2		549
Office equipment furniture and fittings	5,303	200	-40	61		80		5,604
Other property, plant, and equipment	327	115	0	17		-122		336
Depreciation and impairment	**-65,551**	**-5,595**	**380**	**-1,050**		**604**		**-71,213**
Land	-12	-13		0				-24
Buildings	-5,441	-287	1	-48		0		-5,774
Technical plant, machinery, and equipment	-54,951	-4,974	291	-931		643		-59,922
Transportation equipment	-467	-42	48	-12		16		-457
Office equipment, furniture, and fittings	-4,557	-265	39	-53		-56		-4,892
Other property, plant, and equipment	-123	-14	0	-7				-144
NET TOTAL	**29,981**	**1,256**	**216**	**489**		**148**	**0**	**32,090**

Note 6 Investments in equity affiliates

No equity interest was accounted for by the equity method in 2017, 2018, or 2019.

Note 7 Noncurrent financial assets

(in MAD million)	Note	12/31/2019	12/31/2018	12/31/2017
Unconsolidated investments	7.1	87	73	102
Other financial assets		383	226	233
NET TOTAL		**470**	**299**	**335**

At December 31, 2019, other financial assets mainly comprised:

- MAD 159 million in guarantee deposits for the Mobile money business at the AT Togo subsidiary;
- MAD 94 million in cash blocked for borrowings at AT Togo, Sotelma and Onatel;
- Maroc Telecom's financial assets of MAD 73 million;
- loans granted by Mauritel for MAD 32 million.

At December 31, 2019, the maturities of other financial assets were as follows:

(in MAD million)	Note	12/31/2019	12/31/2018	12/31/2017
Due in less than 12 months		244	168	172
Due in 1 to 5 years		105	57	59
Due in more than 5 years		33	0	2
NET TOTAL		**383**	**226**	**233**

7.1 UNCONSOLIDATED INTERESTS

2019

(in MAD million)	Percentage held	Gross value	Impairment	Carrying amount
Arabsat	NS	12		12
Autoroute du Maroc	NS	20	4	16
Thuraya	NS	10	8	2
Médi1 TV	8%	169	147	23
Rascom	9%	45	34	10
Sonatel	NS	8		8
CMTL	25%	6	6	0
Inmarsat	NS	12	12	0
IMT/GIE	20%	1		1
MT Fly	100%	20	20	0
Hôtels de la Gare	NS	1	1	0
MT CASH	100%	10		10
Incubateur numérique Gabon	5%	0		0
Moov Money	100%	5		5
TOTAL		**319**	**231**	**87**

In 2019, the share of non-consolidated companies increased by 20%, mainly due to the creation of MT Cash, in which Maroc Telecom holds a 100% stake. The « Fonds d'amorçage Sindibad » was removed from the assets of Maroc Telecom group following the liquidation of the company in 2019.

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2018

(in MAD million)	Percentage held	Gross value	Impairment	Carrying amount
Arabsat	NS	12		12
Autoroute du Maroc	NS	20	4	16
Thuraya	NS	10	8	2
Fond d'amorçage Sindibad	10%	5	5	0
Médi1 TV	8%	169	147	23
Rascom	9%	46	35	11
Sonatel	NS	9		9
CMTL	25%	6	6	0
Inmarsat	NS	12	12	0
IMT/GIE	20%	1		1
MT Fly	100%	20	20	0
Hôtels de la Gare	NS	1	1	0
TOTAL		**310**	**237**	**73**

2017

(in MAD million)	Percentage held	Gross value	Impairment	Carrying amount
Arabsat	NS	12		12
Autoroute du Maroc	NS	20	4	16
Thuraya	NS	10		10
Fond d'amorçage Sindibad	10%	5	5	0
Médi1 TV	8%	169	138	31
Rascom	9%	47	36	11
Sonatel	NS	13		13
CMTL	25%	6	6	0
Inmarsat	NS	12	4	8
IMT/GIE	20%	1		1
MT Fly	100%	20	20	0
Hôtels de la Gare	NS	1	1	0
TOTAL		**316**	**213**	**102**

Note 8 Change in deferred taxes

8.1 NET POSITION

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Assets	339	224	273
Liabilities	258	246	244
NET POSITION	**81**	**-23**	**29**

8.2 CHANGE IN DEFERRED TAXES

2019

(in MAD million)	2018	Charge to profit or loss	Impact on shareholders' equity	Change in scope of consolidation	Reclassifications	Translation adjustment	2019
Assets	224	64	-14	18	51	-5	339
Liabilities	246	4	2	7	-1	-1	258
NET POSITION	**-23**	**60**	**-15**	**10**	**52**	**-4**	**81**

Deferred tax assets and deferred tax liabilities increased by MAD 115 million and MAD 11 million respectively compared with 2018.

The increase in deferred tax assets is mainly due to the change in extra-accounting reinstatements at certain subsidiaries and to the effect of the new subsidiary Tigo, which has been integrated into the group's scope of consolidation.

2018

(in MAD million)	2017	Charge to profit or loss	Impact on shareholders' equity	Change in scope of consolidation	Reclassifications	Translation adjustment	2018
Assets	273	-25	-28		9	-5	224
Liabilities	244	15	-1		-11	-1	246
NET POSITION	**29**	**-39**	**-27**	**0**	**19**	**-5**	**-23**

2017

(in MAD million)	2016	Charge to profit or loss	Impact on shareholders' equity	Change in scope of consolidation	Reclassifications	Translation adjustment	2017
Assets	276	8	2		-26	14	273
Liabilities	266	6	-1		-28	1	244
NET POSITION	**10**	**2**	**3**	**0**	**2**	**13**	**29**

COMPONENTS OF DEFERRED TAXES

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Impairment deductible in later period	55	55	55
Restatement (IFRS) of revenues	-19	-21	-27
Deferred losses	62	62	62
Other	-17	-119	-61
NET POSITION	**81**	**-23**	**29**

Note 9 Inventories

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Inventories	498	530	500
Impairment (-)	-177	-182	-204
NET TOTAL	**321**	**348**	**296**

Gross inventories at December 31, 2019 mainly comprise inventories in Morocco, including:

- MAD 242 million in inventories;
- MAD 119 million of inventories of consumable materials and supplies.

The breakdown of inventories at the level of subsidiaries follows the same trend as that of Maroc Telecom.

Changes in inventories are recorded under purchases consumed.

Impairment of inventories is recorded under "Net depreciation, impairment and provisions".

Note 10 Trade accounts receivable and other

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Trade receivables and related accounts	8,112	8,534	8,527
Other receivables and accruals	3,268	3,305	2,798
NET TOTAL	**11,380**	**11,839**	**11,325**

10.1 TRADE RECEIVABLES AND RELATED ACCOUNTS

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Trade receivables	14,422	14,882	14,554
Government receivables	1,480	1,391	1,611
Depreciation of trade receivables (-)	-7,790	-7,739	-7,638
NET TOTAL	**8,112**	**8,534**	**8,527**

Net trade receivables are down compared to 2018.

10.2 OTHER RECEIVABLES AND ACCRUALS

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Trade receivables, advances, and deposits	186	464	169
Employee receivables	79	59	82
Tax receivables	1,371	1,064	1,193
Other receivables	1,282	1,298	985
Accruals	351	419	369
NET TOTAL	**3,268**	**3,305**	**2,798**

The "tax receivables" item mainly represents VAT and corporate income tax receivables.

In 2019, the balance of tax receivables amounted to MAD 1,371 million (versus MAD 1,064 million in 2018), up 29%. This mainly concerned recoverable VAT, which increased by MAD 164 million.

Note 11 Short-term financial assets

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Term deposit > 90 days			
Escrow account	126	138	119
Marketable securities			
Other short-term financial assets	3		
NET TOTAL	**128**	**138**	**119**

Maroc Telecom commissioned Rothschild Martin Maurel to execute a liquidity contract on the Paris stock exchange and a share price adjustment agreement on the Casablanca stock exchange to maintain the liquidity of its stock.

Note 12 Cash and cash equivalents

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Cash	1,479	1,664	1,923
Cash equivalents	4	35	87
CASH AND CASH EQUIVALENTS	**1,483**	**1,700**	**2,010**

Cash and cash equivalents decreased by MAD 217 million. This decline is common to both the Morocco and Subsidiaries segments.

CHANGE IN CASH AND CASH EQUIVALENTS

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Net cash from operating activities	15,281	14,520	14,911
Net cash used in investing activities	-8,819	-8,369	-8,061
Net cash used in financing activities	-6,744	-6,501	-7,266
Foreign-currency translation adjustments	65	40	-13
CHANGE IN CASH AND CASH EQUIVALENTS	**-217**	**-310**	**-428**
Cash and cash equivalents at beginning of period	1,700	2,010	2,438
Cash and cash equivalents at end of period	1,483	1,700	2,010
CHANGE IN CASH AND CASH EQUIVALENTS	**-217**	**-310**	**-428**

The decrease in cash and cash equivalents is explained by the increase in disbursements related to investing and financing activities. The Group has undertaken major investment projects, in particular the acquisition of new licences and the financial support it provided to its new subsidiary Millicom Chad to improve its performance.

Net cash from operating activities

In 2019, net cash flow from operating activities amounted to MAD 15,281 million, up MAD 761 million compared with 2018. This increase is consistent with the increase in earnings from operations and is mainly due to a MAD 746 million increase and the optimization of payments of operating payables and receivables.

Net cash used in investing activities

Net cash used in investing activities amounted to MAD -8,822 million, up MAD 450 million compared with 2018. This increase is due to the new acquisitions of fixed assets during the period, mainly financial assets in the form of Tigo Chad financial securities.

Net cash used in financing activities

This cash flow is mainly due to dividend payments to shareholders for MAD 7,244 million and debt servicing disbursements of MAD 4,210 million. The main cash inflows during the period were MAD 2,134 million in borrowings contracted with banks and MAD 2,663 million in overdraft facilities dedicated to the financing of current operations. Cash flows from financing activities were strongly impacted by the increase in payments on current borrowings and by the increase in the cost of net financial debt between 2018 and 2019.

Note 13 Dividends

13.1 DIVIDENDS

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Dividends paid by subsidiaries to their noncontrolling interests			
Total (a)	**857**	**807**	**918**
Dividends paid by Maroc Telecom to its shareholders			
Kingdom of Morocco	1,801	1,709	1,677
Société de Participation dans les Télécommunications (SPT)	3,182	3,019	2,963
Other	1,020	968	950
Total (b)	**6,003**	**5,696**	**5,591**
TOTAL DIVIDENDS PAID (A)+(B)	**6,860**	**6,503**	**6,509**

13.2 DIVIDEND PROPOSED FOR 2019

Dividends distributed by Maroc Telecom and its subsidiaries to their shareholders increased by 5% compared to 2018. This change reflects the group's efforts to maintain a consistently high level of business activity.

Note 14 Provisions

Provisions for contingencies and losses are analyzed as follows:

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Noncurrent provisions	**504**	**464**	**570**
Provisions for life annuities	15	16	17
Provisions for termination benefits	345	389	428
Provisions for disputes with third parties	123	38	94
Other provisions	20	21	32
Current provisions	**4,634**	**1,325**	**838**
Provisions for voluntary redundancy plan		0	0
Provisions for employee-related expenses		0	0
Provisions for disputes with third parties	4,596	1,268	834
Other provisions	37	57	4
TOTAL	**5,137**	**1,789**	**1,408**

"Noncurrent provisions" mainly include provisions for retirement indemnities, provisions for disputes with third parties, provisions for life annuities and noncurrent tax provisions.

The "Current provisions" item mainly include the Moroccan provision for the penalty applied by the regulator, provisions for disputes with third parties and current provisions for taxes.

2019

(in MAD million)	2018	Charges	Used	Change in scope of consolidation	Translation adjustment	Reversals	Reclassification	2019
Noncurrent provisions	**464**	**108**	**-28**	**39**	**-10**	**0**	**-70**	**504**
Provisions for life annuities	16						-1	15
Provisions for termination benefits	389	13	0	6	-8		-55	345
Provisions for disputes with third parties	38	87	-20	34	-1		-15	123
Other provisions	21	8	-9		0			20
Current provisions	**1,325**	**3,574**	**-498**	**241**	**-12**	**0**	**4**	**4,634**
Provisions for voluntary redundancy plan								0
Provisions for employee-related expenses								0
Provisions for disputes with third parties	1,268	3,574	-416	241	-11		-59	4,596
Other provisions	57		-82		-1		63	37
TOTAL	**1,789**	**3,683**	**-527**	**280**	**-22**	**0**	**-66**	**5,137**

Overall, provisions increase between 2018 and 2019. The increase is explained by a penalty of MAD 3.3 billion.

2018

(in MAD million)	2017	Charges	Used	Change in scope of consolidation	Translation adjustment	Reversals	Reclassification	2018
Noncurrent provisions	**570**	**57**	**-113**	**0**	**-11**	**-13**	**-26**	**464**
Provisions for life annuities	17		-1					16
Provisions for termination benefits	428	46	-59		-9		-17	389
Provisions for disputes with third parties	94	11	-53		-1	-11	-1	38
Other provisions	32				-1	-2	-8	21
Current provisions	**838**	**813**	**-266**	**0**	**-10**	**-53**	**4**	**1,325**
Provisions for voluntary redundancy plan	0							0
Provisions for employee-related expenses	0							0
Provisions for disputes with third parties	834	759	-266		-9	-53	4	1,268
Other provisions	4	54			-1			57
TOTAL	**1,408**	**870**	**-379**	**0**	**-20**	**-67**	**-22**	**1,789**

2017

(in MAD million)	2016	Charges	Used	Change in scope of consolidation	Translation adjustment	Reversals	Reclassification	2017
Noncurrent provisions	**470**	**126**	**-57**		**24**	**-5**	**10**	**570**
Provisions for life annuities	18	-1						17
Provisions for termination benefits	400	43	-45		20		10	428
Provisions for disputes with third parties	28	76	-11		3	-3		94
Other provisions	23	9			1	-2		32
Current provisions	**1,208**	**160**	**-12**		**15**	**-419**	**-115**	**838**
Provisions for voluntary redundancy plan	386					-386		
Provisions for employee-related expenses								
Provisions for disputes with third parties	822	156	-12		15	-33	-115	834
Other provisions		4			0			4
TOTAL	**1,679**	**286**	**-69**	**0**	**39**	**-424**	**-104**	**1,408**

Note 15 Borrowings and other financial liabilities

15.1 NET CASH POSITION

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Bank loans due in more than one year	2,935	3,475	4,200
Lease obligation at more than 1 year	1,244		
Bank loans due in less than one year	2,559	2,748	2,913
Lease obligation at less than 1 year	408		
Bank overdrafts	11,780	9,381	7,977
Borrowing and other financial liabilities	**18,926**	**15,605**	**15,090**
Cash and cash equivalents	1,483	1,700	2,010
Cash held in escrow for repayment of bank loans	94	34	38
NET CASH POSITION	**-17,349**	**-13,872**	**-13,042**

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Outstanding debt and accrued interest (a)	18,926	15,605	15,090
Cash assets (b)	1,577	1,733	2,048
NET CASH POSITION (B)-(A)	**-17,349**	**-13,872**	**-13,042**

The Group's financial debt increased by 21% compared to 2018. This variation is explained by:

- The application of IFRS 16, which resulted in rental obligations of MAD 1,652 million;
- The increase in the subsidiaries' debts for MAD 2,045 million, mainly to finance investments and licenses;
- The increase in bank overdrafts in Morocco for MAD 2,399 million.

This increase is accompanied by the cash flows below:

- The repayment of the Euro-denominated borrowing facility granted by Etisalat to Maroc Telecom for a total of MAD 2,706 million;
- The repayment of financial debt for MAD 1,974 million.

15.2 NET CASH BY MATURITY

The breakdown by maturity is based on the repayment terms and conditions of the borrowings.

2019

(in MAD million)	<1 year	1-5 years	>5 years	Total
Bank loans	2,560	2,469	465	5,494
Lease obligation	408	1,151	93	1,652
Bank overdrafts	11,780			11,780
Borrowing and other financial liabilities	**14,748**	**3,620**	**558**	**18,926**
Cash and cash equivalents	1,483			1,483
Cash held in escrow for repayment of bank loans	94			94
NET CASH POSITION	**-13,171**	**-3,620**	**-558**	**-17,349**

2018

(in MAD million)	<1 year	1-5 years	>5 years	Total
Bank loans	2,748	3,433	43	6,223
Lease obligation				
Bank overdrafts	9,381			9,381
Borrowing and other financial liabilities	**12,129**	**3,433**	**43**	**15,605**
Cash and cash equivalents	1,700			1,700
Cash held in escrow for repayment of bank loans	34			34
NET CASH POSITION	**-10,396**	**-3,433**	**-43**	**-13,872**

2017

(in MAD million)	<1 year	1-5 years	>5 years	Total
Bank loans	2,913	4,200		7,113
Lease obligation				
Bank overdrafts	7,977			7,977
Borrowing and other financial liabilities	**10,890**	**4,200**	**0**	**15,090**
Cash and cash equivalents	2,010			2,010
Cash held in escrow for repayment of bank loans	38			38
NET CASH POSITION	**-8,842**	**-4,200**	**0**	**-13,042**

15.3 STATEMENT OF ANALYSIS

Company	Borrowing (in MAD million)	Currency	Maturity	12/31/2019	12/31/2018	12/31/2017
Maroc Telecom	Loan Etisalat	EUR	January-19		728	1,882
Maroc Telecom	Loan Etisalat	USD	November-19		1,979	1,979
Maroc Telecom	Banks, overdrafts IAM	MAD	December-20	10,404	8,118	7,535
Maroc Telecom	IFRS 16	MAD		901		
Mauritel	Leasing contracts ZTE 12 site solaire	USD	April-18	0	0	1
Mauritel	Leasing contracts ZTE 50 site solaire	USD	August-19	0	5	12
Mauritel	Loan QNB	MRO	July-19	0	28	64
Mauritel	Mauritel overdraft	MRO		31	49	73
Mauritel	IFRS 16	MRO		38		
Onatel	Loan AFD1110-1111	EUR	October-18	0	0	2
Onatel	Credit Spot Bicia B Onatel	FCFA	May-20	125	84	86
Onatel	Credit Spot SGBF Onatel	FCFA	March-19	0	7	43
Onatel	Credit Spot SGBF Onatel	FCFA	April-19	0	80	86
Onatel	Credit Spot CBAO Onatel	FCFA	April-19	0	53	51
Onatel	Credit Spot Orabank Onatel	FCFA	May-20	25	20	
Onatel	Credit Spot Bicia B Onatel 2	FCFA	April-19	0	45	
Onatel	Credit Spot WBI Onatel	FCFA	June-20	45		
Onatel	Credit Spot UAB Onatel	FCFA	May-20	45		
Onatel	Loan Bicia 2014	FCFA	May-20			86
Onatel	Loan Bicia 2016	FCFA	May-22	50	68	87
Onatel	Loan CBAO 2015	FCFA	May-21	25	42	60
Onatel	Loan SGBB 2015	FCFA	May-21	25	42	60
Onatel	Loan Orabank 2019 Ltn	FCFA	September-26	83	0	0
Onatel	Loan SGBF 2019 Ltn	FCFA	March-26	166	0	0
Onatel	Loan BABF NºE565978/1 2019 Ltn	FCFA	March-26	333	0	0
Onatel	Loan BABF NºE593684/1 2019 Ltn	FCFA	March-26	125	0	0
Onatel	Loan BABF NºA162934/1 2019 Ltn	FCFA	March-26	125	0	0
Onatel	Loan BABF NºE599998/1 2019 Ltn	FCFA	March-26	83	0	0
Onatel	Loan CBAO Burkina 2019 Ltn	FCFA	March-26	150	0	0
Onatel	Loan CBAO Benin 2019 Ltn	FCFA	March-26	33	0	0
Onatel	Loan CBAO Niger 2019 Ltn	FCFA	March-26	33	0	0

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Company	Borrowing *(in MAD million)*	Currency	Maturity	12/31/2019	12/31/2018	12/31/2017
Onatel	Loan CBAO Senegal 2019 Ltn	FCFA	March-26	117	0	0
Onatel	Banks, overdrafts Onatel	FCFA	December-19	40	32	3
Onatel	IFRS 16	FCFA		42		
Gabon Telecom	Loan AD	FCFA	December-20	2	2	2
Gabon Telecom	Loan UGB	FCFA	December-20	182	359	367
Gabon Telecom	Loan UGB	FCFA	July-21	125	200	166
Gabon Telecom	Banks, overdrafts GT	FCFA	December-19	305	35	
Gabon Telecom	IFRS 16	FCFA		49		
Sotelma	Loan DGDP/CFD OP	FCFA	April-20	0	0	1
Sotelma	Loan AD OE/CML 1026 01 S	FCFA	April-18			2
Sotelma	Loan DGDP/NKF	FCFA	-	0	0	10
Sotelma	Loan BIM 58 billion	FCFA	April-19		293	871
Sotelma	Loan BIM 10 billion	FCFA	October-19		97	173
Sotelma	Loan DGDP/Rascom	USD		9	9	
Sotelma	Loan BAM 7.5 billion	FCFA	February-23	103		
Sotelma	Loan BAM 5.5 billion	FCFA	February-23	81		
Sotelma	Loan BIM 6 billion	FCFA	November-21	100		
Sotelma	Loan BDM 10 billion	FCFA	August-21	145		
Sotelma	Loan ECO 14 billion	FCFA	September-21	202		
Sotelma	Loan BAM 13 billion	FCFA	December-19	0	219	
Sotelma	IFRS 16	FCFA		38		
Sotelma	Banks, overdrafts Sotelma	FCFA	-	289	272	7
Casanet	IFRS 16	MAD		2		
Moov CDI	Loan SIB	EUR	August-20	268	209	182
Moov CDI	Banque Atlantique Côte d'Ivoire	FCFA	April-23	524	417	150
Moov CDI	SIB ICNE	FCFA	January-24	26	3	
Moov CDI	BOA	FCFA	June-20	115	117	
Moov CDI	Ecobank	FCFA	June-20	131	50	
Moov CDI	Banks, overdrafts CDI	FCFA	-	121	200	
Moov CDI	IFRS 16	FCFA		343		
Moov Bénin	Loans BABE	FCFA	January-19	0	19	63
Moov Bénin	Loan CAA pour construction câble ACE	FCFA	April-20	18	22	23
Moov Bénin	Banks, overdrafts Moov Bénin	FCFA	January-19	151	104	
Moov Bénin	IFRS 16	FCFA		53		
Moov Togo	Loan Ecobank	FCFA	December-24	98	156	
Moov Togo	Banque Atlantique Togo	FCFA	May-24	236	177	187
Moov Togo	Banque Atlantique Togo	FCFA	December-21	0		97
Moov Togo	Ecobank Togo 2	FCFA		0		26
Moov Togo	Crédit de Trésorerie BOA	FCFA	September-19	0	43	
Moov Togo	BIA Togo	FCFA	December-24	219	250	
Moov Togo	Banks, overdrafts Togo	FCFA	December-20	278	263	101
Moov Togo	IFRS 16	FCFA		18		
Moov Niger	Loan Ecobank AT Niger	FCFA	March-18			111
Moov Niger	Banks, overdrafts Niger	FCFA	-			68
Moov Niger	CMT BOA	FCFA	March-22	63	87	
Moov Niger	Overdraft BOA	FCFA	June-21	18	11	104
Moov Niger	Overdraft Ecobank	FCFA	June-19	37	21	35
Moov Niger	Overdraft CBAO	FCFA	December-21	65	53	15
Moov Niger	Loan CBAO 1	FCFA	April-20	4	7	13
Moov Niger	Loan CBAO 2	FCFA	May-20	5	11	24
Moov Niger	Loan CBAO 3	FCFA	September-20	15	15	42
Moov Niger	CMT BAN	FCFA	October-28	127	183	85
Moov Niger	CMT BOA 15 Mds	FCFA		23		
Moov Niger	CMT 13 Mds	FCFA		19		
Moov Niger	CMT BAN 5 Mds	FCFA	December-22	40		
Moov Niger	CMT BOA 15 MF	FCFA	December-27	223		
Moov Niger	Loan CBAO 13 MDFCA	FCFA	November-29	194		

Company	Borrowing *(in MAD million)*	Currency	Maturity	12/31/2019	12/31/2018	12/31/2017
Moov Niger	Orabank	FCFA		17	3	
Moov Niger	Overdraft CBAO 2	FCFA		17	217	
Moov Niger	IFRS 16	FCFA		97		
Moov RCA	Banque Populaire Maroco	FCFA	September-22	32	39	49
Moov RCA	Pool BPMC-CBCA	FCFA	March-24	48	56	
Moov RCA	Loan DPA Ericsson	USD	January-20	2	2	2
Moov RCA	Banks, overdrafts RCA	FCFA	-	8	3	4
TIGO	IFC	FCFA	August-19	526		
TIGO	IFRS 16	FCFA		**73**		
TOTAL BORROWING AND OTHER FINANCIAL				**18,926**	**15,605**	**15,090**

Note 16 Trade account payables

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Trade payables and related accounts	13,807	14,442	16,265
Accruals	2,860	2,798	2,370
Other payables	7,127	6,855	6,992
TOTAL	**23,794**	**24,095**	**25,627**

Trade payables and related accounts include amounts due for the acquisition of fixed assets and trade receivables – advances and deposits on orders in progress.

In 2019, operating debts are slightly lower. Other operating liabilities mainly comprise tax liabilities (excluding corporate income tax) for MAD 4,358 million.

Note 17 Revenues

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Morocco	21,690	21,414	20,481
International	16,095	16,041	15,733
Elimination of transactions between the parent company and subsidiaries	-1,268	-1,423	-1,250
TOTAL CONSOLIDATED REVENUES	**36,517**	**36,032**	**34,963**

At the end of December 2019, Maroc Telecom group consolidated revenues totaled MAD 36,517 million, up 1.3% compared with the end of December 2018. The group's growth was driven by the increase in revenues in Morocco (+1.3%).

Note 18 Cost of sales

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Cost of handsets	622	683	659
Domestic and international interconnection charges	3,550	4,040	4,090
Other cost of sales	1,499	1,287	1,188
TOTAL	5,670	6,011	5,937

The cost of purchasing terminals comes mainly from Morocco. Domestic and international interconnection charges decreased due to the reduction in call terminations in the subsidiaries.

"Other purchases consumed" refers to purchases of energy (fuel and electricity) and top-up cards.

Note 19 Payroll costs

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Wages	2,617	2,472	2,654
Payroll taxes	481	419	484
Wages and taxes	**3,098**	**2,891**	**3,138**
Payroll costs	**3,098**	**2,891**	**3,138**
Average headcount (in number of employees)	**10,606**	**10,714**	**11,022**

This item includes the payroll costs for the fiscal year (wages, payroll taxes, training costs) but excludes employee severance plan costs, which were recognized as other operating expenses.

In 2019, the 7.2% increase in personnel costs is partly through the inclusion of the Millicom Chad subsidiary in the scope of consolidation.

Note 20 Taxes, duties and fees

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Taxes and duties	951	772	873
Fees	2,231	2,046	1,964
TOTAL	3,183	2,818	2,838

Royalties include amounts owed to telecom regulatory agencies in Morocco and internationally.

The overall level of taxes and fees increased by 13% between 2018 and 2019. This increase is explained by the outcome of tax audits at the level of certain subsidiaries.

Note 21 Other operating income and expenses

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Communication	800	825	822
Commissions	2,035	1,946	1,845
Other including:	2,774	3,151	3,517
Rental expenses	429	903	852
Maintenance, repair, and property-service charges	1,032	1,027	1,020
Fees	887	850	763
Postage and banking service	136	141	149
Voluntary redundancy plan	9	11	620
Other	281	219	113
TOTAL	**5,610**	**5,923**	**6,183**

In 2019, other operating income and expenses decreased by 5%. This change is particularly due to the significant decrease in rental expenses, a natural consequence of the adoption of IFRS 16.

"Other" mainly includes operating foreign exchange gains and losses, transfers of operating expenses and capital gains and losses on disposals of fixed assets.

Note 22 Depreciation, impairment and provisions

The following table sets out changes in this item for the fiscal years ended December 31, 2017, 2018, and 2019:

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Depreciation and impairment of fixed assets	7,419	6,821	6,610
Net provisions and impairment	3,305	516	-54
TOTAL	**10,724**	**7,337**	**6,557**

Net amortization, impairment and provisions amounted to MAD 10,724 million at the end of December 2019, compared with MAD 7,337 million at the end of December 2018. This change is due to the provisioning of a MAD 3,300 million mandated by the regulator in Morocco and the increase in fixed assets, which led to an increase in depreciation and amortization of fixed assets of MAD 598 million between 2018 and 2019.

Depreciation and impairment of fixed assets

The following table sets out the depreciation and impairment of Maroc Telecom Group's fixed assets for the fiscal years ended December 31, 2017, 2018, and 2019:

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Other intangible assets	1,368	1,273	1,300
Building and civil engineering	306	281	286
Technical plant and pylons	5,048	4,939	4,690
Other property, plant, and equipment	285	328	334
Right to use assets	412		
TOTAL	**7,419**	**6,821**	**6,610**

Net charges to provisions and impairment

The following table sets out the net charges to provisions and impairment of Maroc Telecom Group for the fiscal years ended December 31, 2017, 2018, and 2019:

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Impairment of trade receivables	66	153	178
Impairment of inventories	-12	-21	-22
Impairment of other receivables	39	21	22
Provisions	3,213	363	-232
NET CHARGES AND REVERSALS	**3,305**	**516**	**-54**

Note 23 Income from equity affiliates

No equity interest was accounted for by the equity method in 2017, 2018, or 2019.

Note 24 Net financial income or expense

24.1 BORROWING COSTS

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Income from cash and cash equivalents	2	3	6
Interest expense on loans	-681	-527	-497
Interest expense on rental obligation	-76		
NET BORROWING COSTS	**-754**	**-524**	**-491**

Cost of net debt includes interest expense on borrowings less income from cash and cash equivalents (investment income). Since January 1, 2019, following the adoption of the new IFRS 16 standard, this indicator also includes interest expense on rental obligations. Nevertheless, interest expense on borrowings represents the largest portion of the cost of net debt (90%).

Interest expense on borrowings increased by 29%. This variation is due to the increase in the Group's financial debt, including the debt of the subsidiary Tigo Chad.

24.2 OTHER FINANCIAL INCOME AND EXPENSE

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Foreign-exchange gains and losses	13	64	5
Other financial income (+)	55	149	84
Other financial expenses (-)	-106	-115	-89
Other financial income and expenses	-38	99	-1

Other financial income consists mainly of interest income on loans and income from non-consolidated investments.

Other financial expenses decreased by MAD 9 million. The Morocco segment accounted for 64% of the Group's financial expenses.

Note 25 Tax expense

Like all Moroccan corporations (SA), Maroc Telecom is subject to income tax.

"Income tax expense" includes current and deferred taxes.

Deferred tax reflects temporary differences between the carrying value of assets and liabilities and their tax-base value.

The following table shows Maroc Telecom Group's payable and deferred taxes for the years ended December 31, 2017, 2018, and 2019:

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Income tax expense	3,972	3,591	3,199
Deferred tax	-60	40	-2
Provisions for tax	-82	45	11
Current tax	**3,830**	**3,677**	**3,208**
Consolidated effective tax rate [(a)]	**36%**	**35%**	**33%**

(a) Tax expense/pretax earnings.

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Net earnings	3,598	6,938	6,579
Income tax expense	3,912	3,632	3,197
Provision for tax	-82	45	11
Pretax earnings	**7,428**	**10,615**	**9,787**
Moroccan statutory tax rate	31%	31%	31%
Theoretical income tax expense	2,303	3,291	3,034
Impact of changes in tax rate	-75	-81	-91
Other differences [(a)]	1,602	467	265
Effective income tax expense	3,830	3,677	3,208

(a) Other net differences mainly include withholding tax of MAD 266 million of Maroc Telecom.

Other net differences mainly comprise the withholding tax of MAD 226 million, income tax reminders and rebates of MAD 152 million and items taxed at a reduced rate of MAD 124 million. The impact of the provision covering the penalty imposed by the regulator on this item amounted to MAD 1,023 million.

The deferred tax rates of the Group are as follows:

Entity	The deferred tax rate
Maroc Telecom	31.0%
Casanet	31.0%
Mauritel	25.0%
Onatel	27.5%
Gabon Telecom	30.0%
Sotelma	30.0%
Atlantique Telecom Côte d'Ivoire	30.0%
Etisalat Benin	30.0%
Atlantique Telecom Togo	28.0%
Atlantique Telecom Niger	30.0%
Atlantique Telecom Centrafrique	30.0%
Tigo	35.0%

Note 26 Noncontrolling interests

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Total noncontrolling interests	873	928	873

Minority interests reflect the rights of shareholders other than Maroc Telecom on the earnings of Mauritel, Onatel, Gabon Telecom, Sotelma, AT CDI and AT Togo.

In 2019, minority interests decreased by 6% despite the increase in the group's earnings. This was due to the decrease in earnings of the Group's subsidiaries that are not fully-owned.

Note 27 Earnings per share

27.1 EARNINGS PER SHARE

	12/31/2019		12/31/2018		12/31/2017	
(in MAD million)	Basic	Diluted	Basic	Diluted	Basic	Diluted
Net earnings, Group share	2,726	2,726	6,010	6,010	5,706	5,706
Adjusted net earnings, Group share	2,726	2,726	6,010	6,010	5,706	5,706
Number of shares (millions)	879	879	879	879	879	879
Earnings per share (in MAD)	3.10	3.10	6.84	6.84	6.49	6.49

27.2 CHANGE IN THE NUMBER OF SHARES

(in number of shares)	12/31/2019	12/31/2018	12/31/2017
Weighted average number of shares outstanding for the period	879,095,340	879,095,340	879,095,340
Adjusted weighted average number of shares outstanding for the period	879,095,340	879,095,340	879,095,340
Potential dilutive effect of financial instruments outstanding			
Number of shares including potential dilutive effect	879,095,340	879,095,340	879,095,340

Note 28 Segment data

28.1 STATEMENT OF FINANCIAL POSITION: ITEMS BY GEOGRAPHICAL AREA

2019

(in MAD million)	Morocco	International	Eliminations	Total group Maroc Telecom
Noncurrent assets	37,387	16,817	-2,718	51,485
Current assets	7,582	7,840	-2,057	13,365
Total assets	**44,969**	**24,657**	**-4,775**	**64,851**
Shareholders' equity	15,430	11,960	-11,387	16,003
Noncurrent liabilities	910	6,529	-2,499	4,939
Current liabilities	28,813	17,153	-2,057	43,908
Total shareholders' equity and liabilities	**45,152**	**35,642**	**-15,943**	**64,851**
Acquisitions of PP&E and intangible assets	3,022	3,766		6,788

2018

(in MAD million)	Morocco	International	Eliminations	Total group Maroc Telecom
Noncurrent assets	36,351	24,654	-12,952	48,053
Current assets	7,776	8,242	-1,939	14,078
Total assets	**44,126**	**32,896**	**-14,891**	**62,131**
Shareholders' equity	18,236	11,146	-9,892	19,490
Noncurrent liabilities	2,217	5,028	-3,060	4,185
Current liabilities	23,674	16,722	-1,939	38,456
Total shareholders' equity and liabilities	**44,126**	**32,896**	**-14,891**	**62,131**
Acquisitions of PP&E and intangible assets	2,749	3,894		6,655

2017

(in MAD million)	Morocco	International	Eliminations	Total group Maroc Telecom
Noncurrent assets	37,129	24,360	-12,610	48,879
Current assets	7,963	8,135	-2,295	13,803
Total assets	**45,092**	**32,495**	**-14,905**	**62,682**
Shareholders' equity	17,666	11,065	-8,981	19,750
Noncurrent liabilities	2,963	5,680	-3,629	5,014
Current liabilities	24,462	15,750	-2,295	37,918
Total shareholders' equity and liabilities	**45,092**	**32,495**	**-14,905**	**62,682**
Acquisitions of PP&E and intangible assets	4,612	3,643		8,256

28.2 SEGMENT EARNINGS BY GEOGRAPHICAL AREA

2019

(in MAD million)	Morocco	International	Eliminations	Total group Maroc Telecom
Revenues	21,690	16,095	-1,268	36,517
Earnings from operations	4,994	3,237	0	8,231
Net depreciation and impairment	7,302	3,422		10,724
Voluntary redundancy plan		9		9

2018

(in MAD million)	Morocco	International	Eliminations	Total group Maroc Telecom
Revenues	21,414	16,041	-1,423	36,032
Earnings from operations	8,294	3,237	0	11,052
Net depreciation and impairment	3,849	2,973		6,821
Voluntary redundancy plan	2	9		11

2017

(in MAD million)	Morocco	International	Eliminations	Total group Maroc Telecom
Revenues	20,481	15,733	-1,250	34,963
Earnings from operations	6,760	3,550	0	10,310
Net depreciation and impairment	3,826	2,784		6,610
Voluntary redundancy plan	579	41		620

Note 29 Restructuring provisions

In 2017, 2018 and 2019, no provision for restructuring was recorded at group level.

Note 30 Related-party transactions

30.1 COMPENSATION OF CORPORATE OFFICERS, SENIOR MANAGERS, AND DIRECTORS IN 2017, 2018, AND 2019

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Short-term benefits [(a)]	93	96	84
Termination benefits [(b)]	117	117	105
TOTAL	**210**	**213**	**189**

(a) Wages and salaries, compensation, incentives and bonuses paid, social security contributions, paid leave and non-monetary benefits recognized.
(b) Severance pay.

30.2 EQUITY AFFILIATES

In 2017, 2018 and 2019 no company is consolidated by the equity method.

30.3 OTHER RELATED PARTIES

In 2019, Maroc Telecom completed transactions mainly with Emirates Telecommunications Corporation, EDCH, Etihad Etisalat Company (Mobily), and other sister companies as part of its strategic cooperation with the Etisalat group. These various transactions can be summarized as follows:

2019

(in MAD million)	Etisalat	EDCH	Mobily	Other
Revenues	175	16	0	1
Expenses	39	12	1	1
Receivables	47	85	0	1
Payables	30	62	3	3

2018

(in MAD million)	Etisalat	EDCH	Mobily	Other
Revenues	201	29	9	1
Expenses	61	10	2	1
Receivables	64	84	6	2
Payables	2,723	58	5	3

2017

(in MAD million)	Etisalat	Atlantique Telecom, SA	Etisalat Intl Rep. of Benin	Mobily	EDCH	EIN	Excelcommindo
Revenues	139	66	16	6	0	1	0
Expenses	46	3	3	3	1	2	0
Receivables	47	20	11	2	0	1	0
Payables	3,881	10	3	0	8	2	2

Note 31 Contractual commitments and contingent assets and liabilities

31.1 CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS RECORDED IN THE BALANCE SHEET

(in MAD million)	Less than 12 months	1-5 years	>5 years
Long-term debt		3,620	558
Capital lease obligations	37		
TOTAL	**37**	**3,620**	**558**

31.2 OTHER COMMITMENTS GIVEN AND RECEIVED AS PART OF THE CURRENT ACTIVITY

Commitments given

The commitments given include:

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Commitment given	**8,453**	**3,147**	**6,627**
Investment commitment	*7,293*	*1,499*	*4,719*
Outgoing commitments and signature with banks	*607*	*1,030*	*1,532*
operating and financing lease commitments	*37*	*154*	*113*
Satellite rental commitments	*46*	*34*	*44*
Other commitments	**471**	**427**	**217**
Network maintenance contracts with Ericsson	*61*	*82*	*183*
Commitments on operating expenses	*410*	*345*	*34*
Other commitments	**0**	**2**	**2**
Recovery of guarantees given by Etisalat on the financing of the Atlantic Subsidiaries	*0*	*2*	*2*
Forward sale commitment		*0*	*0*

Commitments received

The commitments received include:

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Commitments received	**1,352**	**1,327**	**1,289**
Guarantees and endorsements	*1,352*	*1,327*	*1,289*
Other commitments received	*0*	*0*	*0*
Forward purchase commitment	*0*	*0*	*0*
Commitment of the Moroccan State to contribute the assets of social works	*0*	*0*	*0*
Investment agreement: *exemption from customs duties on imports related to investments*	*0*	*0*	*0*

Note 32 Risk management

The Group is exposed to different risks of market related to its activity.

Credit risk

Maroc Telecom minimizes its credit risk by engaging only in credit transactions with commercial banks or financial institutions with high credit ratings and by spreading transactions among the selected institutions.

Maroc Telecom's receivables do not carry a significant concentration of credit risk, given their significant dilution rate.

Currency risk

Maroc Telecom Group is exposed to exchange rate fluctuations to the extent that inflows and outflows are in different currencies.

Maroc Telecom receives inflows in foreign currencies in the form of international operator's revenues, and makes expenditures in foreign currencies in the form of payments to international suppliers (notably, as capital expenditure and when buying terminals) and payments for interconnections with foreign operators. These outflows are mainly denominated in euros.

In Morocco, the proportion of foreign currency disbursements denominated in euros represented 54.7% of total foreign currency disbursements at December 31, 2019, which amounted to MAD 3,142 million. Disbursements in foreign currencies are lower than receipts in foreign currencies, which amounted to MAD 3,375 million in 2019.

At the international level, the portion of foreign currency disbursements denominated in US dollars represented 4.1% of total foreign currency disbursements at December 31, 2019, which amounted to MAD 510 million. These foreign currency disbursements are higher than the amount of foreign currency receipts, which amounted to MAD 24.3 million in 2019.

In addition, Maroc Telecom had MAD 18,926 million in debt at December 31, 2019, compared with MAD 15,605 million at December 31, 2018, denominated mainly in Moroccan dirhams and CFA francs:

(in MAD million)	12/31/2019	12/31/2018	12/31/2017
Euro	268	937	2,067
Moroccan dirham	11,307	8,118	7,535
Other (mainly CFA franc)	7,352	6,550	5,488
CURRENT DEBT	**18,926**	**15,605**	**15,090**

Maroc Telecom cannot offset its foreign currency disbursements and receipts, as current Moroccan regulations only allow it to retain 80% of its foreign currency telecom revenues in a foreign currency account, the remaining 20% having to be settled in dirhams. Maroc Telecom Group results may therefore be sensitive to fluctuations in exchange rates, particularly in terms of dirham, US dollars or euros.

In 2019, the euro depreciated by 0.77% compared to the Moroccan dirham (from MAD 10.9875 at December 31, 2018 to MAD 10.9028 for 1 euro at December 31, 2019). Over the same period, the US dollar appreciated by 1.24%, from MAD 9,6121 at December 31, 2018 to MAD 9,7312 per dollar at December 31, 2019.

The subsidiaries whose accounting currency is the CFA Franc and the Mauritanian subsidiary whose currency is the Ouguiya, increase the Group's exposure to foreign exchange risk, in particular with respect to fluctuations in the exchange rates of the Euro and the Ouguiya against the Moroccan dirham.

However, a 1% depreciation of the Moroccan dirham against the euro would have the following limited impacts on the basis of the Group's 2019 financial statements:

Revenues = + MAD 157 million

Earnings from operations = + MAD 37 million

Net earnings, Group share = + MAD 11 million

At Maroc Telecom, assets in foreign currencies consist mainly of receivables from its subsidiaries and foreign operators. Liabilities in foreign currencies consist mainly of debts to the parent company, suppliers and operators.

Internationally, assets in foreign currencies consist mainly of receivables from foreign operators. The Group's currency liabilities are made up primarily of payables to foreign suppliers and operators.

Maroc Telecom renewed the cash credit facility granted in foreign currencies to HSBC for an amount of € 200 million.

(in MAD million)	Euro/FCFA	USD	MRO	Total Foreign currencies	MAD	Total
Total assets	34,149	389	1,658	12	28,643	64,851
Total shareholders' equity and liabilities	-20,037	-864	-1,051	-4	-42,894	-64,851
NET POSITION	**14,112**	**-475**	**607**	**8**	**-14,252**	**0**

5

The following table shows the Company's net foreign-currency positions in euros and US dollars, and the aggregate of other currencies, at December 31, 2019:

(in million)	Euro (c)	USD (c)	Other currencies (against the euro (a)) (b)
Assets	1,421	48	1
Liabilities	-415	-48	-9
Net position	1,006	0	-8
Commitments (d)	0	0	0
AGGREGATE NET POSITION	**1,006**	**0**	**-8**

(a) Based on 1 euro = 10.7645 dirhams, the Bank Al Maghrib average rate at Dec.31, 2019.
(b) Other currencies are mainly the Japanese yen (YEN), Swiss franc (CHF) and Swedish krona (SEK).
(c) The foreign-currency position in euros and in dollars is calculated by applying, to receivables and debts expressed in Special Drawing Rights (SDR) of foreign operators at December 31, 2018, the proportion per currency of inflows in 2018.
(d) For the balance of commitments owed on contracts in progress, the breakdown by currency corresponds to the actual remaining part of the contracts signed.

Liquidity risk

Maroc Telecom believes that the cash flows generated by its operating activities, its cash position and the funds available through credit lines will be sufficient to cover the expenses and investments necessary for its operations, the servicing of its debt, the distribution of dividends and the external growth operations in progress at December 31, 2019.

Interest-risk

Maroc Telecom group's debt is mainly at fixed rates. As the proportion of floating-rate debt is relatively low, Maroc Telecom group is not significantly exposed to favorable or unfavourable changes in interest rates.

Note 33 Events after the end of the reporting period

33.1 HIGHLIGHTS

In connection with the referral initiated by Wana in 2016, relating to anticompetitive practices in the Fixed-line market and fixed broadband internet access, a decision of the ANRT's Management Committee dated 01/17/2020 was notified to Itissalat Al-Maghrib SA on 01/27/2020.

This enforceable decision relates to a financial penalty of MAD 3.3 billion and injunctions relating to the technical and pricing aspects of unbundling.

Given the recent, complex and exceptional nature of the decision received, the case is still being analyzed by Itissalat Al-Maghrib SA

As provided by law, Itissalat Al-Maghrib SA also reserves the right to appeal to the Court of Appeal within 30 days of notification of the decision.

In this context and in accordance with IAS 37, Maroc Telecom recorded a provision in its financial statements at December 31, 2019 in the amount of MAD 3.3 billion.

Note 34 IFRS 16 at December 31, 2019

34.1 RIGHT OF USE

(in MAD million)	Carrying value	Entry of assets	Depreciation/ Amortization
Land	977	104	-142
Buildings	372	185	-119
Technical facilities	756	422	-151
Transportation equipment	2	2	-1
Office equipment			
Other assets			
TOTAL	**2,107**	**712**	**-412**

34.2 RENTAL OBLIGATION

	12/31/2019
Lease-related payments	473

34.3 EXPENSES FROM CONTRACTS OUTSIDE THE SCOPE OF IFRS 16

	12/31/2019
Leases with term ≤12 months	396
Leases with low underlying asset value	34
Leases with variable payments	
Leases with no presumed control of occupancy right	

5.4 • Statutory financial statements

Statutory auditors' general report

Year ended December 31, 2019

To Shareholders of Itissalat Al-Maghrib "IAM" SA

Avenue Annakhil, Hay Riad – Rabat, Maroc

In accordance with the terms of our appointment by the General Meetings, we have audited the accompanying financial statements of Itissalat Al-Maghrib (IAM) SA, including the statement of financial position, the statement of comprehensive income, the statement of operating data, the statement of cash flows, and the additional disclosures, concerning the year ended December 31, 2019. These financial statements show shareholders' equity and reserves of MAD 13,224,863 thousand and net profit of MAD 3,259,293 thousand.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for preparing these financial statements to give a true and fair view of the Company, in accordance with the accounting standards generally accepted in Morocco. This responsibility includes planning, implementing, and monitoring internal controls relating to the preparation and presentation of financial statements that are free of material misstatement, and selecting accounting estimates that are appropriate to the circumstances.

AUDITORS'RESPONSIBILITY

Our responsibility is to render an opinion on these financial statements on the basis of our audit. We have conducted our audit in accordance with the audit standards applicable in Morocco. These standards require us to comply with a Code of Ethics and to plan and perform the audit in order to obtain reasonable assurance that the financial statements are free from material misstatement. An audit involves implementing procedures in order to gather information about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditors' judgment, including the assessment of risk that the financial statements could contain material misstatements. In assessing such risk, the auditors take into consideration the entity's current internal controls relating to the preparation and presentation of the financial statements, in order to define audit procedures that fit the circumstances, but not for the purpose of stating an opinion on the effectiveness of the internal control. An audit also involves evaluating the appropriateness of the accounting policies used, the soundness of the accounting estimates made by management, and the overall presentation of the financial statements.

We believe that the information gathered is sufficient and appropriate to provide a basis for our audit opinion.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements referred to in the first paragraph above give a true and fair view of Itissalat Al-Maghrib (IAM) SA's assets, liabilities, and financial position at December 31, 2019, and of its operations for the year then ended, in accordance with the accounting principles generally accepted in Morocco.

Without qualifying our audit opinion, expressed above, we refer to the statement C5, which sets out the treatment of ANRT decision in the accompanying financials statements as at December 31, 2019.

SPECIFIC CONTROLS AND INFORMATION

We have also performed the specific verifications required by law. In particular, we ensured that the information contained in the Management Board's report to the shareholders was consistent with the Company's financial statements.

Itissalat Al-Maghrib has acquired, on June 26, 2019 100% of the capital of the Chadian operator Millicom Tchad SA for an amount of MAD 1,175,334 thousand, and created MT CASH subsidiary (100%) for a share capital of MAD 10,000 thousand.

Casablanca, February 14th, 2020

The Statutory auditors

Deloitte Audit	**Abdelaziz almechatt**
French original signed by	French original signed by
Sakina Bensouda-Korachi	Abdelaziz Almechatt
Partner	Partner

Assets

(in MAD thousands)	Gross	Amortization and provisions	Net 2019	Net 2018	Net 2017
Capitalized costs (A)	**0**	**0**	**0**	**0**	**0**
Start-up costs	0	0	0	0	0
Deferred costs	0	0	0	0	0
Bond redemption premiums	0	0	0	0	0
Intangible assets (B)	**12,543,854**	**10,238,535**	**2,305,319**	**2,340,165**	**2,472,385**
Research and development costs	0	0	0	0	0
Patents, trademarks, and similar rights	12,055,320	10,168,681	1,886,639	1,999,535	2,035,919
Goodwill	70,717	69,853	864	2,933	6,414
Other intangible assets	417,816	0	417,816	337,697	430,052
Property, plant, and equipment (C)	**71,812,207**	**54,123,886**	**17,688,321**	**18,430,398**	**19,367,986**
Land	955,383	0	955,383	955,370	954,671
Buildings	7,889,346	5,083,200	2,806,147	2,828,809	2,701,885
Technical plant, machinery, and equipment	55,944,115	44,304,208	11,639,908	11,840,471	12,270,408
Vehicles	274,309	66,279	208,030	223,353	8,545
Office equipment, furniture, and fittings	4,849,489	4,416,778	432,710	462,427	521,858
Other property, plant, and equipment	11,048	0	11,048	11,048	11,048
Work in progress	1,888,517	253,421	1,635,097	2,108,920	2,899,570
Financial assets (D)	**13,600,676**	**179,078**	**13,421,598**	**12,506,455**	**12,386,552**
Long-term loans	1,779,880	0	1,779,880	2,369,330	3,074,386
Other financial receivables	4,084	0	4,084	4,223	3,382
Equity investments	11,816,712	179,078	11,637,634	10,132,903	9,308,784
Other investments and securities					
Unrealised foreign exchange losses (E)	**21,017**	**0**	**21,017**	**18,725**	**53,895**
Decrease in long-term receivables	21,017	0	21,017	6,294	52
Increase in long-term debt	0	0	0	12,432	53,843
TOTAL I (A+B+C+D+E)	**97,977,755**	**64,541,499**	**33,436,256**	**33,295,745**	**34,280,818**
Inventories (F)	**309,578**	**136,487**	**173,090**	**218,209**	**202,852**
Merchandise	189,477	88,521	100,956	158,775	120,764
Raw materials and supplies	120,101	47,966	72,135	59,434	82,088
Work in progress	0	0	0	0	0
Intermediary and residual goods	0	0	0	0	0
Finished goods					
Current receivables (G)	**15,726,224**	**8,225,504**	**7,500,720**	**7,266,627**	**7,331,267**
Trade payables, advances and deposits	11,112	0	11,112	13,102	13,564
Accounts receivable and related accounts	14,107,448	7,903,461	6,203,987	5,818,969	5,845,006
Employees	14,402	0	14,402	4,369	3,793
Tax receivable	449,251	0	449,251	385,359	595,320
Shareholders' current accounts	0	0	0	0	0
Other receivables	1,123,285	322,043	801,242	689,817	638,625
Accruals	20,725	0	20,725	355,009	234,959
Marketable securities (H)	**129,922**	**0**	**129,922**	**128,806**	**128,759**
Unrealized foreign exchange losses (I)	**0**	**0**	**0**	**0**	**0**
(Current items)	51,786	0	51,786	64,763	61,708
TOTAL II (F+G+H+I)	**16,217,509**	**8,361,992**	**7,855,517**	**7,678,405**	**7,724,586**
Cash and cash equivalents	213,687	0	213,687	397,735	497,991
.Checks	0	0	0	0	0
.Bank deposits	211,289	0	211,289	394,833	495,067
.Petty cash	2,398	0	2,398	2,903	2,924
TOTAL III	**213,687**		**213,687**	**397,735**	**497,991**
GRAND TOTAL I+II+III	**114,408,951**	**72,903,490**	**41,505,461**	**41,371,885**	**42,503,396**

5

Shareholders' equity and liabilities

(in MAD thousands)	2019	2018	Net 2017
Shareholders' equity (A)	**13,224,863**	**15,968,628**	**15,363,637**
Share capital [(1)]	5,274,572	5,274,572	5,274,572
Less: capital subscribed and not paid-in	0	0	0
Paid-in capital	0	0	0
Additional paid-in capital	0	0	0
Revaluation difference	0	0	0
Statutory reserve	879,095	879,095	879,095
Other reserves	3,811,903	3,514,240	3,510,509
Retained earnings [(2)]	0	0	0
Unallocated income [(2)]	0	0	0
Net income of the year [(2)]	3,259,293	6,300,721	5,699,461
Quasi-equity (B)	**0**	**0**	**0**
Investment subsidies	0	0	0
Regulated provisions	0	0	0
Debenture bonds (C)	**6,874**	**2,713,506**	**3,867,811**
Debenture bonds	0	0	0
Other long-term debt	6,874	2,713,506	3,867,811
Provisions (D)	**35,414**	**34,190**	**70,477**
Provisions for contingencies	21,017	18,725	53,895
Provisions for losses	14,396	15,465	16,582
Unrealized foreign exchange gains (E)	**0**	**92**	**36,248**
Increase in long-term receivables	0	92	36,248
Decrease in long-term debt	0	0	0
TOTAL I (A+B+C+D+E)	**13,267,151**	**18,716,416**	**19,338,173**
Current liabilities (F)	**13,213,682**	**13,136,149**	**14,508,512**
Accounts payable and related accounts	7,111,716	6,874,507	8,428,399
Trade receivables, advances and down payments	82,480	140,135	115,726
Payroll costs	1,059,639	1,024,899	1,117,965
Social security contributions	88,424	76,358	116,790
Tax payable	2,790,460	3,042,619	2,567,667
Shareholders' current accounts	1	1	1
Other payables	470,581	489,036	783,018
Accruals	1,610,381	1,488,593	1,378,946
Other provisions for contingencies and losses (G)	**4,747,496**	**1,495,110**	**1,185,365**
Unrealized foreign exchange gains (Current items) (H)	**38,685**	**34,519**	**70,061**
TOTAL II (F+G+H)	**17,999,863**	**14,665,778**	**15,763,938**
Bank overdrafts	**10,238,446**	**7,989,691**	**7,401,285**
Discounted bills	0	0	0
Treasury loans	0	0	0
Bank loans and overdrafts	10,238,446	7,989,691	7,401,285
TOTAL III	**10,238,446**	**7,989,691**	**7,401,285**
GRAND TOTAL I+II+III	**41,505,461**	**41,371,885**	**42,503,396**

(1) Personal capital debtor (-).
(2) Beneficiary (+), deficit (-).

Statement of comprehensive income (exclusive of VAT)

(in MAD thousands)	2019	2018	2017
I- Operating income	**21,422,198**	**21,376,576**	**20,324,642**
Sales of goods	350,898	371,786	382,127
Sales of manufactured goods and services rendered	20,628,008	20,362,272	19,518,264
Operating revenues	**20,978,906**	**20,734,058**	**19,900,391**
Change in inventories	0	0	0
Company-constructed assets	0	0	0
Operating subsidies	0	0	0
Other operating income	27,715	35,534	31,436
Operating write-backs: expense transfers	415,577	606,984	392,815
TOTAL I	**21,422,198**	**21,376,576**	**20,324,642**
II- Operating expenses	**13,291,437**	**13,982,259**	**13,648,763**
Cost of goods sold	568,844	637,577	629,207
Raw materials and supplies	3,379,494	3,598,477	3,503,463
Other external expenses	2,751,695	2,733,310	2,777,274
Taxes (except corporate income tax)	228,309	245,161	222,417
Payroll, costs	2,182,623	1,940,240	2,190,425
Other operating expenses	2,540	2,540	2,540
Operating allowances for amortization	3,564,746	3,603,662	3,644,867
Operating allowances for provisions	613,187	1,221,293	678,570
TOTAL II	**13,291,437**	**13,982,259**	**13,648,763**
III- Operating income I-II	**8,130,761**	**7,394,317**	**6,675,879**
IV- Financial income	**1,580,551**	**1,773,962**	**1,532,300**
Income from equity investments and other financial investments and other financial investments	958,413	1,004,118	932,680
Foreign exchange gains	320,649	414,527	150,096
Interest and other financial income	213,522	239,713	281,834
Financial write – backs: expense transfers	87,967	115,603	167,691
TOTAL IV	**1,580,551**	**1,773,962**	**1,532,300**
VI- Financial expenses IV - V	**637,364**	**677,641**	**526,028**
Interest and loans	295,455	268,763	253,230
Foreign exchange losses	268,811	306,796	103,347
Other financial expenses	295	2,184	95
Financial allowances	72,803	99,897	169,356
TOTAL V	**637,364**	**677,641**	**526,028**
VI- Financial income IV - V	**943,187**	**1,096,321**	**1,006,272**
VII- Ordinary income III + VI	**9,073,947**	**8,490,638**	**7,682,151**
VIII- Extraordinary income	**546,077**	**556,261**	**924,968**
Proceeds from disposal of fixed assets	7,493	13,310	42,771
Subsidies received	0	0	0
Write-backs of investment subsidies	0	0	0
Other extraordinary income	234,831	296,811	245,287
Extraordinary write-backs: expense transfers	303,753	246,141	636,911
TOTAL VIII	**546,077**	**556,261**	**924,968**
IX- Extraordinary expenses	**3,972,217**	**371,607**	**942,084**
Net book value of disposed assets	30,020	2,780	66,687
Subsidies granted	0	0	0
Other extraordinary expenses	225,309	13,337	587,866
Regulated provisions	0	0	0
Extraordinary allowances for depreciation and provisions	3,716,888	355,489	287,531
TOTAL IX	**3,972,217**	**371,607**	**942,084**
X- Extraordinary income VIII - IX	**-3,426,140**	**184,655**	**-17,116**
XI- Income before tax VII + X	**5,647,807**	**8,675,292**	**7,665,035**
XII- Corporate income tax	**2,388,514**	**2,374,572**	**1,965,575**
XIII- Net income XI - XII	**3,259,293**	**6,300,721**	**5,699,461**
XIV- Total income (I+IV+VIII)	**23,548,826**	**23,706,798**	**22,781,911**
XV- Total expenses (II+V+IX+XII)	**20,289,533**	**17,406,078**	**17,082,450**
XVI- Net Income (total income – Total expenses)	**3,259,293**	**6,300,721**	**5,699,461**

Statement of operating data

		Operating Statement *(in MAD thousands)*	2019	2018	2017
	1	Sales of goods	350,898	371,786	382,127
	2	Cost of goods sold	568,844	637,577	629,207
I		**Gross margin on sales**	**-217,946**	**-265,790**	**-247,080**
II		**Production for the year: (3+4+5)**	**20,628,008**	**20,362,272**	**19,518,264**
	3	Sales of manufactured goods and services rendered	20,628,008	20,362,272	19,518,264
	4	Change in inventories	0	0	0
	5	Self-constructed assets	0	0	0
III		**Cost of current year production**	**6,131,190**	**6,331,786**	**6,280,737**
	6	Raw materials and supplies	3,379,494	3,598,477	3,503,463
	7	Other external expenses	2,751,695	2,733,310	2,777,274
IV		**Added value (I+II-III)**	**14,278,872**	**13,764,695**	**12,990,446**
	8	Operating subsidies	0	0	0
	9	Taxes	228,309	245,161	222,417
	10	Payroll costs	2,182,623	1,940,240	2,190,425
V		**Gross operating surplus**	**11,867,941**	**11,579,294**	**10,577,605**
		Net Loss From Operations	**0**	**0**	**0**
	11	Other operating income	27,715	35,534	31,436
	12	Other operating expenses	2,540	2,540	2,540
	13	Operating write-backs, expense transfers	415,577	606,984	392,815
	14	Operating allowances	4,177,932	4,824,955	4,323,437
VI		**OPERATING INCOME (+ OU -)**	**8,130,761**	**7,394,317**	**6,675,879**
VII		**FINANCIAL INCOME**	**943,187**	**1,096,321**	**1,006,272**
VIII		**ORDINARY INCOME (+ OU -)**	**9,073,947**	**8,490,638**	**7,682,151**
IX		**EXTRAORDINARY INCOME**	**-3,426,140**	**184,655**	**-17,116**
	15	**Corporate income tax**	**2,388,514**	**2,374,572**	**1,965,575**
X		**NET INCOME (+ OU -)**	**3,259,293**	**6,300,721**	**5,699,461**

		Operating Cash Flow *(in MAD thousands)*	2019	2018	2017
	1	Net income			
		Profit	3,259,293	6,300,721	5,699,461
		Loss	0	0	0
	2	Operating allowances (1)	3,564,746	3,603,662	3,644,867
	3	Financial allowances (1)	21,017	35,134	107,647
	4	Extraordinary allowances (1)	416,888	355,489	287,531
	5	Operating write-backs (2)	1,068	1,117	1,112
	6	Financial write-backs (2)	23,205	53,895	52,964
	7	Extraordinary write-backs (2), (3)	303,753	246,141	251,018
	8	Proceeds on disposal of fixed-lined assets	7,493	13,310	42,771
	9	Net book value of disposed assets	30,020	2,780	66,687
I		**Cash earnings**	**6,956,445**	**9,983,323**	**9,458,328**
	10	Dividend payments	6,003,058	5,695,730	5,590,752
II		**Net Cash Earnings**	**953,387**	**4,287,594**	**3,867,577**

(1) Excluding allowances related to current assets and liabilities and cash.
(2) Excluding write-backs relating to current assets and liabilities and cash.
(3) Including write-backs of investments subsidies.

Statement of cash flows

SELECTED BALANCE-SHEET DATA

Masses *(in MAD thousands)*	2019 (A)	2018 (B)	Changes (A-B) Uses (C)	Sources (D)
1 Equity and long-term liabilities	16,567,151	18,716,416	2,149,265	
2 Less long-term assets	33,436,256	33,295,745	140,511	
3 Working capital (1-2) (A)	**-16,869,105**	**-14,579,328**	**2,289,777**	
4 Current assets	7,855,517	7,678,405	177,112	
5 Less current liabilities	14,699,863	14,665,778		34,086
6 Working capital requirement (4-5) (B)	**-6,844,346**	**-6,987,373**	143,027	
7 Net cash (A-B)	**-10,024,759**	**-7,591,956**		**2,432,803**

USES AND SOURCES

(in MAD thousands)	2019 Uses	2019 Sources	2018 Uses	2018 Sources	2017 Uses	2017 Sources
I - Long-term financing sources						
Net cash earnings (A)		**4,253,387**		**4,287,594**		**3,867,577**
Cash earnings		10,256,445		9,983,323		9,458,328
Dividends		6,003,058		5,695,730		5,590,752
Disposals and reductions of fixed-lined assets (B)		**607,498**		**831,206**		**590,137**
Reduction of intangible assets		0		0		23
Reduction of property, plant, and equipment		0		0		44,695
Disposal of property, plant, and equipment		4,010		13,310		42,771
Disposal of financial assets		3,483		0		0
Write-backs of long-term receivables		600,005		817,896		502,648
Increase in shareholders' equity and quasi equity (C)		**0**		**0**		**0**
Increase in equity, capital contribution		0		0		0
Investment subsidies		0		0		0
Increase in long-term debt (D)		**0**		**0**		**0**
(Net of redemption premiums)						
TOTAL (I) LONG-TERM RESOURCES (A+B+C+D)		**4,860,885**		**5,118,799**		**4,457,714**
II - Long-term uses for the year						
Additions & increase in fixed-lined assets (E)	**4,456,462**		**3,642,589**		**4,972,443**	
Acquisitions of intangible assets	508,082		439,864		658,550	
Acquisitions of property, plant, and equipment	2,395,327		2,206,120		3,822,795	
Acquisitions of financial assets	1,527,821		840,528		0	
Increase in long-term receivables	25,232		156,078		491,098	
Increase in property, plant, and equipment	0		0		0	
Reimbursement of equity (F)	**0**		**0**		**0**	
Reimbursement of long-term debt (G)	**2,694,199**		**1,112,894**		**1,112,894**	
Capitalized costs (H)	**0**		**0**		**0**	
TOTAL (II) STABLE USES (E+F+G+H)	**7,150,661**		**4,755,483**		**6,085,337**	
III - Change in working capital requirement	**143,027**	**0**	**1,051,979**	**0**	**0**	**746,400**
IV - Change in cash and cash equivalents	**0**	**2,432,803**	**0**	**688,662**	**0**	**881,222**
GRAND TOTAL	**7,293,688**	**7,293,688**	**5,807,462**	**5,807,462**	**6,085,337**	**6,085,337**

5

A1 Main valuation methods used by the Company

1. ACCOUNTING POLICIES

The Company's financial statements have been prepared in accordance with generally accepted accounting practices and, in particular, with the principles related to historical costs, separation of accounting periods, prudence, and consistent accounting methods from one year to the next, and no netting.

2. INTANGIBLE ASSETS AND PROPERTY, PLANT, AND EQUIPMENT

The assets transferred by the Moroccan government on February 26, 1998, to establish Itissalat Al-Maghrib (Maroc Telecom), were recorded as a net amount in the opening, which was approved by:

- Postal Services and Information Technology Act no. 24-96 ;
- joint order no. 341-98 of the Ministry of Telecommunications and the Ministry of Finance, Commerce, and Industry, approving the inventory of assets transferred to itissalat Al-Maghrib.

Assets acquired thereafter are recorded at their acquisition or production cost, which for networks essentially comprises design and planning costs, construction costs, site development costs, network-rollout costs, customs duties, and internal costs related to network development. Financial expenses corresponding to interest on capital borrowed to finance property, plant, and equipment are not expensed as production costs during the production period.

Expenses of maintenance and network maintenance are expensed for the year. Capital assets are amortized evenly according to their nature (intangible – tangible) and according to their destination (transmission, network equipment).

The depreciation and amortization are calculated using the straight-line method over the estimated useful life lives of the assets, as follows:

- Intangible assets from four to five years expect for license 3G (25 years)
- Property, plant, and equipment:
  - constructions and buildings 20 years
  - civil engineering 15 years
  - network equipment:
  - transmission (mobile) 10 years
  - switching 8 years
  - transmission (fixed-line) 10 years
- Other property, plant, and equipment :
  - furniture and fi ttings 10 years
  - computer equipment 5 years
  - office equipment 10 years
  - transportation equipment 5 years

An additional provision is recorded for technical obsolescence, reduction in estimated useful life, or asset impairment.

Assets not yet in service are recorded as work-in-progress.

3. FINANCIAL ASSETS

Investment securities are recorded at their purchase price. An impairment charge is recorded for the difference if this value is higher than the carrying value. The carrying value is determined on the basis of the Group's proportionate share of equity as represented by the securities. This figure may be adjusted to reflect the companies'growth and earnings outlooks.

Other financial assets, which include receivables, loans, and deposits, are recognized on the basis of their nominal value. Provisions may be recorded to reflect collection risk.

4. INVENTORIES

Inventories comprise:

- mobile handsets and accessories intended for sale to customers upon line activation ;
- technical support required for network rollout and maintenance other than cable and spare parts.

Inventories of mobile handsets and accessories are accounted for using the weighted average cost method; a provision is recorded to account for obsolescence risk and for unsold inventory.

Technical-equipment inventories are measured at cost (including customs duties and other costs) and are depreciated on the basis of their value in use or obsolescence.

5. ACCOUNTS RECEIVABLE

Accounts receivable are recorded at nominal value :

- *trade receivables:* impairment provisions are recorded to cover collection risk, which is estimated on the basis of the age of the receivable ;
- *government receivables:* Provisions are recorded to cover the risk of the Moroccan government not recognizing these receivables. These provisions are evaluated statistically ;
- *other receivables:* where appropriate, other provisions are recorded on the basis of estimated collection risk.

6. ACCRUALS (ASSETS)

This line item includes mainly prepaid expenses.

7. CASH AND INVESTMENT SECURITIES

Cash and investment securities comprise highly liquid assets and short-term investments measured at historical cost.

8. PROVISIONS FOR CONTINGENCIES AND LOSSES

These include long-term and other provisions for contingencies and losses.

Long-term provisions for contingencies and losses correspond to provisions for translation differences and life annuities.

Other provisions for contingencies and losses comprise provisions for restructuring, loyalty programs, and disputes and legal risks known at period end. These provisions are measured on the basis of the advancement of procedures underway and estimated risks at period end.

No provision for postretirement benefits has been recorded in the financial statements, because pension expenses are covered by statutory pension plans established for employees in Morocco.

9. ACCRUALS (LIABILITIES)

This item contains deferred revenue concerning mainly prepaid subscriptions and unused minutes sold.

10. RECEIVABLES AND PAYABLES IN FOREIGN CURRENCIES

Receivables in foreign currencies are translated into the presentation currency using the exchange rate on the transaction date. At period end, receivables and payables in foreign currencies are translated into the presentation currency using the exchange rate on the closing date; unrealized gains or losses are recorded on the statement under "Accruals (assets)" or "Accruals (liabilities)." Unrealized losses are accrued in full.

In accordance with the principles of clarity and prudence, no exceptions shall be made between unrealized gains and unrealized losses, unless otherwise specified in the CGNC. To this end, the translation differences on the USD 200 million loan granted by Golden Falcon to IAM to finance investments in the new IAM Subsidiaries were offset against the loans granted to the subsidiaries.

11. REVENUES

Revenues are recorded on the basis of consumption by subscribers and customers at the end of the period, net of subsidies and commissions.

- Sales of goods and services correspond to income from outgoing and incoming communications and are recognized at the time they occur (telephone communications and line-activation costs). Subscriptions are billed in advance each month and recognized under deferred revenue as a liability on the statement, before being transferred to revenues for the period. For prepaid services, revenues are recognized at the time of consumption. They also include income from sales of advertising in paper and electronic telephone Directories; this revenue is recognized when the advertisements are published.

They also include the proceeds from the sale of advertising inserts in the printed and electronic Directories which are taken into account in the result when they are published.

- Sales of merchandise concern revenues from handset sales, which are recognized either at the time of delivery or upon line activation.
- Customer acquisition and loyalty costs include discounts on mobile handsets and promotional offers of free airtime granted to new customers. Discounts on mobile handsets are deducted from revenues on the date of delivery to the customer or distributor. Discounts granted to distributors as remuneration for services are recognized mainly under revenues, at the time of delivery.

12. OTHER INCOME

Other income from operations includes:

- expense reclassifications (mainly telecommunication costs specific to IAM, recognized under "Other external expenses");
- reversal of operating provisions (inventories and provisions for contingencies and losses).

13. OTHER EXTERNAL EXPENSES

In addition to rental expenses, maintenance costs, advertising expenses, and general expenses, other external expenses include:

- ANRT regulatory fees for radio-frequency assignment, in accordance with act 24-96 and Order 310-98 of February 25, 1998 ;
- expenses related to the universal service obligation, in accordance with act 24-96 and Order 2,00.1333 of October 9, 2000 (IAM contract specifications) ;

- costs related to research, training, and telecommunications standardization, in accordance with act 24-96 and Order 2,00.1333 of October 9, 2000 (IAM contract specifications).

14. FINANCIAL INSTRUMENTS

Except the operation of purchase of foreign currency (dollar against euro) set up in late 2015 to cover the loan of USD 200 million granted by Golden Falcon to IAM for investment financing of the new subsidiaries, the Company does not use any financial instrument, including any currency hedge.

A2 Exceptions

FROM 01/01/2019 TO 12/31/2019

Exemptions	Justification of exemptions	Effect of exemptions on assets, financial position, and results
I- Exemptions from basic accounting principles	None	None
II- Exemptions from valuation methods	None	None
III- Exemptions from rules for preparing and presenting summary financial statements	None	None

A3 Changes in method

FROM 01/01/2019 TO 12/31/2019

Type of commitment	Justification of exemptions	Effect of exemptions on assets, financial position, and results
Changes affecting valuation methods	None	None
Changes affecting presentation guidelines	None	None

B1 Capitalized costs

FROM 01/01/2019 TO 12/31/2019

Main account	Description	Amount
2110	Incorporation fees	None
2116	Development costs	None
2118	Other preliminary expenses	None
2120	Costs allocated over several fiscal years	None
	TOTAL	

B2 Non financial assets

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Description	Gross Balance carried forward	Increase			Decrease			Gross Balance at year-end
		Acquisition	Self constructe assets	Transfers	Disposals	Retirement	Transfers	
Capitalized costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Start-up costs	0	0	0	0	0	0	0	0
Deferred costs	0	0	0	0	0	0	0	0
Bond redemption premiums	0	0	0	0	0	0	0	0
Intangible assets	**12,115,855**	**508,082**	**0**	**352,180**	**3,468**	**0**	**428,796**	**12,543,854**
Research and development costs	0	0	0	0	0	0	0	0
Patents, trademarks, and similar rights	11,707,441	0	0	351,347	3,468	0	0	12,055,320
Goodwill	70,717	0	0	0	0	0	0	70,717
Other intangible assets	337,697	508,082	0	833	0	0	428,796	417,816
Property, plant, and equipment	**69,370,332**	**2,395,327**	**0**	**2,996,098**	**30,067**	**0**	**2,919,483**	**71,812,207**
Land	955,370	0	0	12	0	0	0	955,383
Buildings	7,664,650	0	0	224,696	0	0	0	7,889,346
Technical plant, machinery, and equipment	53,330,171	0	0	2,643,694	29,750	0	0	55,944,115
Vehicles	273,250	0	0	1,377	318	0	0	274,309
Office equipment	4,723,170	0	0	126,319	0	0	0	4,849,489
Other property, plant, and equipment	11,048	0	0	0	0	0	0	11,048
Work in progress	2,412,673	2,395,327	0	0	0	0	2,919,483	1,888,517

B2 Bis Depreciation schedule

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Description	Accumulated depreciation opening of period	Allowances for period	Amortization of disposed assets	Amount at year -end
Capitalized costs	**0**	**0**	**0**	**0**
• Start-up costs	0	0	0	0
• Deferred costs	0	0	0	0
• Bond redemption premiums	0	0	0	0
Intangible assets	**9,775,690**	**466,119**	**3,274**	**10,238,535**
• Research and development costs	0	0	0	0
• Patents, trademarks, and similar rights	9,707,906	464,050	3,274	10,168,681
• Goodwill	67,784	2,069	0	69,853
• Other intangible assets	0	0	0	0
Property, plant and equipment	**50,636,181**	**3,262,094**	**27,810**	**53,870,465**
• Land	0	0	0	0
• Buildings	4,835,841	247,359	0	5,083,200
• Technical plant, machinery, and equipment	41,489,700	2,842,000	27,492	44,304,208
• Vehicles	49,897	16,700	318	66,279
• Office equipment	4,260,743	156,035	0	4,416,778
• Other property, plant, and equipment	0	0	0	0
• Work in progress	0	0	0	0

B3 Gains and losses from disposals and retirement of fixed-lined assets

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Disposal or retirement date	Principal amount	Gross amount	Accumulated depreciation	Net book value	Proceeds from disposal of assets	Gains	Losses
06/30/2019	222	3,468	3,274	194	194		
06/30/2019	233	29,750	27,492	2,258	3,667	1,409	
06/30/2019	234	318	318	0	150	150	
06/30/2019	251	23,090	0	23,090	2,660		20,430
09/30/2019	251	4,479	0	4,479	823		3,656
TOTAL		**61,104**	**31,084**	**30,020**	**7,493**	**1,559**	**24,086**

B4 Equity investments

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

	Operating sector	Share capital	% of interest	Overall acquisition price	Net book value	Derived from latest selected financial data of issuer			Income recorded in statement of comprehensive income
						Closing date	Net equity	Net income	
	1	2	3	4	5	6	7	8	9
ARABSAT	Operation and marketing of telecommunication systems	1,562,192	0.61	6,454	6,454	12/31/2019	0	0	1,632
ADM	Building and operation of Moroccan road network	15,715,629	0.13	20,000	16,000	12/31/2019	0	0	0
THURAYA	Regional satellite operator	6,271,626	0.16	9,872	1,874	12/31/2019	0	0	0
Casanet	Internet service provider	14,414	100	18,174	18,174	12/31/2019	55,583	6,039	6,465
CMC	Financial holding compagny	303,539	80	399,469	399,469	03/31/2019	323,077	125,432	99,337
Médi1 sat	Media (Satellite television)	199,246	8	169,540	22,760	12/31/2019	0	0	0
MT CASH	Payment institution	10,000	100	10,000	10,000	12/31/2019	0	0	0
Onatel	Telecommunications	556,724	61	2,928,777	2,928,777	12/31/2019	1,161,693	495,019	275,960
Gabon Telecom	Telecommunications	881,506	51	696,641	696,641	12/31/2019	1,499,715	442,830	151,041
Sotelma	Telecommunications	143,962	51	3,143,911	3,143,911	12/31/2019	673,191	501,454	253,648
MT FLY SA	Operating aicraft for passenger and/or freight transport	2,096	100	20,300	0	12/31/2019	0	0	0
Etisalat Bénin SA	Telecommunications	170,428	100	864,716	864,716	12/31/2019	-126,926	-171,436	0
Atlantique Télécom Côte d'Ivoire	Telecommunications	327,485	85	890,932	890,932	12/31/2019	518,734	125,926	60,732
Atlantique Télécom Togo	Telecommunications	130,994	95	596,672	596,672	12/31/2019	217,249	60,171	96,988
Atlantique Télécom Niger	Telecommunications	18,170	100	507,165	507,165	12/31/2019	-206,706	-216,669	0
Atlantique Télécom Centrafrique	Telecommunications	32,830	100	358,755	358,755	12/31/2019	-54,678	-71,393	0
MIC Africa 2 BV (Tigo tchad)	Telecommunications	122,072	100	1,175,334	1,175,334	12/31/2019	351,109	-183,201	12,611
TOTAL				**11,816,712**	**11,637,634**		**4,412,043**	**1,114,174**	**958,413**

B5 Provisions

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Description	Opening balance	Allowances operating	Allowances financial	Allowances extra-ordinary	Write-backs operating	Write-backs financial	Write-backs extra-ordinary	Closing balance
1- Provisions for depreciation of fixed-lined assets	487,310	0	0	253,421	0	4,479	303,753	432,499
2- Regulated provisions	0	0	0	0	0	0	0	0
3- Provisions for contingences and losses	34,190	0	21,017	0	1,068	18,725	0	35,414
Sub total (A)	**521,500**	**0**	**21,017**	**253,421**	**1,068**	**23,205**	**303,753**	**467,913**
4- Provisions for depreciation of current assets (excluding cash and cash equivalent)	8,062,063	443,817	0	0	143,888	0	0	8,361,992
5- Other provisions for contingencies	1,495,110	169,370	51,786	3,300,000	204,007	64,763	0	4,747,496
6- Provisions for depreciation of cash and cash equivalents	0	0	0	0	0	0	0	0
Sub total (B)	**9,557,173**	**613,187**	**51,786**	**3,300,000**	**347,895**	**64,763**	**0**	**13,109,488**
TOTAL (A+B)	**10,078,674**	**613,187**	**72,803**	**3,553,421**	**348,963**	**87,967**	**303,753**	**13,577,401**

B6 Receivables

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Receivables	Total	Breakdown by maturity: More than one year	Less than one year	Expired but not recovered	Other breakdown: Amount in foreign currency	Amounts due from government and public bodies	Amounts due from related parties	Amounts in notes
Fixed-lined assets	**1,783,964**	**65,768**	**-**	**1,718,196**	**1,758,662**	**0**	**1,764,201**	**-**
Long-term loans	1,779,880	61,684	-	1,718,196	1,758,101	0	1,764,201	-
Other financial receivables	4,084	4,084	-	0	560	0	0	-
Current assets	**15,726,224**	**0**	**2,793,285**	**12,932,939**	**2,617,998**	**1,355,264**	**2,191,839**	**-**
Trade payables, advances, and deposits	11,112	0	11,112	0	459	0	0	-
Accounts receivable and related accounts	14,107,448	0	2,296,141	11,811,308	1,842,452	567,838	1,409,229	-
Employees	14,402	0	14,402	0	0	0	0	-
Tax receivables	449,251	0	449,251	0	0	449,251	0	-
Shareholders' current accounts	0	0	0	0	0	0	0	-
Other receivables	1,123,285	0	1,654	1,121,632	773,509	335,576	780,854	-
Accruals	20,725	0	20,725	0	1,578	2,600	1,756	-

B7 Liabilities

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

		Breakdown by maturity				Other breakdown		
Liabilities	Total	More than one year	Less than one year	Expired but not recovered	Amount in foreign currency	Amounts due from government and public bodies	Amounts due from related parties	Amounts in notes
Long-term debt	**6,874**	**6,874**	**0**	**0**	**558**	**0**	**0**	**0**
Debenture bonds	0	0	0	0	0	0	0	0
Other long-term debt	6,874	6,874	0	0	558	0	0	0
Current liabilities	**13,213,682**	**89,083**	**12,788,094**	**336,505**	**1,926,792**	**3,500,672**	**187,201**	**0**
Accounts payable and related accounts	7,111,716	89,083	6,709,070	313,563	1,843,724	169,268	177,537	0
Trade receivables, advances, and deposits	82,480	0	59,539	22,941	82,480	0	9,665	0
Employees	1,059,639	0	1,059,639	0	0	0	0	0
Social-security authorities	88,424	0	88,424	0	0	88,424	0	0
Tax payable	2,790,460	0	2,790,460	0	0	2,790,460	0	0
Shareholders' current accounts	1	0	0	1	0	0	0	0
Other payables	470,581	0	470,581	0	0	452,519	0	0
Accruals	1,610,381	0	1,610,381	0	588	0	0	0

B8 Guarantees given or received

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Third parties	Amount covered by guarantee	Description (1)	Date and place of registration	Purpose (2) (3)	Net book value of the guarantee given at balance-sheet date
Guarantees given					
Guarantees received				Guarantees received are from	
Long-term loans	15,679	(2)		employees	15,679

(1) Collateral: 1- Mortgage: 2-Pledge: 3-Warrant: 4-Others: 5-To be specified.
(2) Specify whether the security is given for the benefit of companies or third parties (data security).
(Affiliated companies, partners, staff).
(3) Specify whether the collateral received by the Company from persons other than the debtor (collateral received).

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B9 Financial commitments given or received, excluding leasing transactions

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Commitments given	Amounts Year end	Amounts Previous year
Investment not yet realized		
• Investment Agreement	6,603,794	0
• Including Investment commitment	1,029,143	843,160
	6,603,794	**843,160**
Guarantees from banks		
• Documentary credit	-	-
• Endorsements	192,544	193,158
	192,544	**193,158**
Operating lease obligations*	85,968	77,987
	85,968	**77,987**
Guarantees by Etisalat for financing Opcos :		
Maroc Telecom replaces the Etisalat Group companies' for the guarantees given by them, as part of current operations of companies acquired. (M€ 0.181 at December 31, 2019).	1,994	1,997
Guarantees by Millicom for financing TIGO TCHAD :		
Maroc Telecom replaces the Millicom international companies' for the guarantees given by them, as part of current operations of Tigo Tchad. (M€ 47.5 at December 31, 2019).	517,705	0
	519,699	**1,997**
Bank guarantee AT Niger		
Commitment of payment on request of the balance in case of insufficiency of provision of the IAM account:		
• Letter of Comfort of 08/31/2018 in the amount of EUR 19,818,372.24	216,002	223,416
• Letter of Comfort of 10/30/2018 in the amount of EUR 9,909,186.12	108,001	111,708
	324,002	**335,125**
Other Bank guarantees		
• Make sure that the subsidiary makes the usual diligence to respect its commitments.		
• Concerned subsidiaries (AT RCA; AT CDI; AT Niger; Etisalat BENIN; AT Togo; Gabon Telecom; Onatel; Sotelma)		
• Commitment of prior authorization of the bank in case of total or partial transfer.		
• Concerned subsidiaries: AT RCA; Etisalat BENIN		
• Commitment of prior information of the bank in case of total or partial transfer.		
• Concerned subsidiaries (AT RCA; AT CDI; AT Niger; Etisalat BENIN; AT Togo; Gabon Telecom; Onatel; Sotelma)		
• Make sure that that the subsidiary maintains a satisfying economic and financial situation enabling it to meet its commitments toward its lenders		
• Concerned subsidiaries (AT RCA; AT CDI; AT Niger; Etisalat BENIN; AT Togo; Gabon Telecom; Onatel; Sotelma)		
• Other commitments given		
• Swap agreement		
Investment commitment 2019-2021		
• Commitment to create 150 direct jobs and stable employment in a period of 36 months		
• Jobs created in 2019: 10		
• Remainder of the Undertaking: 140		
TOTAL	**7,726,008**	**1,451,426**

* *2 to 15 year rent contract with tacit renewal. The amount indicated is related to the notice period in case of termination. The leases of transport equipment are for 4 to 5 years, the commitment corresponds to the compensation to be paid to the lessors in the event of early termination of the contract.*

Commitments received	Amounts Year end	Amounts Previous year
Endorsements and guarantees	**792,535**	**734,218**
Other commitments received		
• Commitment by the Moroccan government to social outreach initiatives		
Investment commitment		
• Exemption of the customs duties on the imports relating to the investments		
Exemption of the VAT relating to the investments		
TOTAL	**792,535**	**734,218**

B10 Finance-lease assets

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Section	Date of the first term	Contract length in months	Estimated value at the date of the contract 'value	Theoritical amortization period	Accumulated fees of previous years	Accumulated royalties amount	Remaining royalties to pay		Residual purchase price	Observations
							Less than one year	More than one year		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		None					None			

B11 Analysis of statement of comprehensive income (items)

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Item		Current year 2019	Previous year
	Operating income		
711	**Sales of goods**	**350,898**	**371,786**
	Sales of goods in Morocco	350,898	371,786
	Sales of goods abroad	0	0
	Other sales of goods		
	TOTAL	**350,898**	**371,786**
712	**Sales of manufactured goods and services rendered**	**20,628,008**	**20,362,272**
	Sales of manufactured goods in Morocco		
	Sales of manufactured goods abroad		
	Sales of service rendered in Morocco	18,079,305	17,277,309
	Sales of service rendered abroad	2,548,703	3,084,963
	Royalties for patents, trademarks, rights, etc		
	Other sales of manufactured goods and services rendered	0	0
	TOTAL	**20,628,008**	**20,362,272**
713	**Change in inventories**	**0**	**0**
	Change in manufactured goods inventory	0	0
	Change in services inventory	0	0
	Change in product inventory WIP	0	0
	TOTAL	**0**	**0**
714/718	**Other operating income**	**27,715**	**35,534**
	Directories' fees received	0	0
	Other operating income	27,715	35,534
	TOTAL	**27,715**	**35,534**
719	**Operating write-backs: expense transfers**	**415,577**	**606,984**
	Write-backs	348,963	527,571
	Expense transfers	66,613	79,413
	TOTAL	**415,577**	**606,984**
	Financial income		
738	**Interest and other financial income**	**213,522**	**239,713**
	Interest and similar income	211,645	235,248
	Income from receivables of controlled entities	0	0
	Net proceeds from disposal of marketable securities	1,186	2,037
	Other interest and financial income	691	2,428
	TOTAL	**213,522**	**239,713**

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FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Item		Current year 2019	Previous year
	Operating expenses		
611	**Cost of goods sold**	**568,844**	**637,577**
	Cost of goods	503,451	660,677
	Change in inventory (+/-)	65,393	-23,100
	TOTAL	**568,844**	**637,577**
612	**Raw material and supplies**	**3,379,494**	**3,598,477**
	Raw materials	0	0
	Change in raw material inventory	0	0
	Supplies and packaging	146,279	140,725
	Change in supplies and packaging inventory	-12,873	24,696
	Cost of consumable materials and supplies	709,981	688,744
	Cost of research, surveys, studies, and services	2,536,108	2,744,312
	TOTAL	**3,379,494**	**3,598,477**
613/614	**Other external expenses**	**2,751,695**	**2,733,310**
	Rent and rental expenses	316,225	317,741
	Finance lease installments	0	0
	Maintenance and repairs	500,524	492,219
	Insurance premiums	11,899	12,070
	Payments of external staff	264,200	251,356
	Payments for intermediaries and fees	316,663	233,196
	Fees for patents, trademarks, rights, etc.	628,230	654,192
	Transportation	34,402	44,967
	Travel and entertainment expenses	66,667	69,209
	Other external expenses	612,885	658,359
	TOTAL	**2,751,695**	**2,733,310**
617	**Payroll costs**	**2,182,623**	**1,940,240**
	Payroll	1,850,871	1,672,047
	Social security	331,752	268,193
	Other payroll costs	0	0
	TOTAL	**2,182,623**	**1,940,240**
618	**Other operating expenses**	**2,540**	**2,540**
	Directors' fees	2,540	2,540
	Losses on uncollectible receivables	0	0
	Other financial expenses	0	0
	TOTAL	**2,540**	**2,540**
	Financial expenses		
638	Other financial expenses	295	2,184
	Net losses on disposal of marketable securities	295	2,184
	Other financial expenses	0	0
	TOTAL	**295**	**2,184**
	Extraordinary expenses		
658	Other extraordinary expenses	225,309	13,337
	Contract cancellation payments and forfeiture of deposits	0	0
	Back tax payments (other than income tax)	0	0
	Tax penalties and fines	24	74
	Uncollectible receivables	0	0
	Other extraordinary expenses	225,285	13,263
	TOTAL	**225,309**	**13,337**

B12 Reconciliation of net income to taxable income

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

I determination of income	Amount	Amount
I- NET INCOME		
• Net profit	3,259,293	
• Net loss		
II- TAX ADD-BACKS	**6,100,697**	
1. Ordinary	**2,431,946**	
• Income tax 2019	2,388,514	
• Amortization in excess of MAD 300.000	638	
• POP Paris expenses (IAM branch)	78	
• Unrealized foreign exchange gains 2019	38,685	
• Gifts exceeding MAD 100 per unit	12	
• Donations in cash or kind	4,019	
• Provisions	0	
2. Extraordinary	**3,668,752**	
• Amortization & Provisions	163,467	
• Tax penalties and fines	3,300,000	
• Contribution for the support of social solidarity	24	
• Other provisions for contingencies and losses	203,699	
• Expenses from prior years	1,562	
III- TAX DEDUCTIONS		**1,251,017**
1. Ordinary		**993,055**
• Unrealized foreign exchange gains 2018		34,611
• POP Paris income (IAM branch)		32
• Revenues from equity investments		958,413
2. Extraordinary		**257,962**
• Allowance on net capital gains from disposal		0
• Provisions & amortization		257,962
• Reversal of provisions for impairment of investments		0
TOTAL	**6,100,697**	**1,251,017**
IV- GROSS TAXABLE INCOME		
• Gross profit		8,108,973
• Gross taxable loss		
V- LOSS CARRIED FORWARD		**0**
VI- TAXABLE INCOME		
• Net taxable profit		8,108,973
• Net taxable loss		

B13 Determination of ordinary income after tax

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

I - Determination of income	Amount
Ordinary income from statement of comprehensive income (+)	9,073,947
Add-backs on ordinary operations	43,432
Deduction of ordinary operations	993,055
Ordinary income theoretically taxable (=)	**8,124,323**
Theoretical tax on ordinary income (-)	2,518,540
Exemption of export revenues	-125,362
Ordinary income after tax (=)	**6,680,769**
II - Indication of the tax status and advantages granted	
IAM benefits from a reduced rate of corporate income tax (17.50% instead of 31%) for its international revenues	
Granted by Investment Codes or by specific legal provisions	

B14 Analysis of VAT

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Description	Opening balance 1	Operations 2	VAT returns 3	Closing balance (1+2-3)
A/ Invoiced VAT	**2,335,706**	**3,778,037**	**3,677,458**	**2,436,284**
B/ Recoverable VAT	**370,311**	**1,424,042**	**1,360,150**	**434,202**
• On expenses	253,541	916,253	883,375	286,420
• On assets	116,769	507,789	476,776	147,782
C/ VAT payable (VAT credit) VAT = (A-B)	**1,965,395**	**2,353,995**	**2,317,308**	**2,002,082**

C1 Shareholder structure

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Surname, first name, business name of main shareholders [1]	Adresse	Stocks held *(in thousands)* Previous year	Current year	Nominal value of each stock or share	Capital amount Soubscribed	Called	Full paid
1	2	3	4	5	6	7	8
1°/ Kingdom of Morocco		263,729	193,401	0.006	1,160,406	1,160,406	1,160,406
2°/ Societe de Participation dans les Telecommunications		465,940	465,940	0.006	2,795,643	2,795,643	2,795,643
3°/ M. MOHAMED BENCHAABOUN		0.010	0.010	0.006	0.060	0.060	0.060
4°/ M. ABDELOUAFI LAFTIF		0.010	0.010	0.006	0.060	0.060	0.060
5°/ M. ALAMI MOHAMED		2.900	2.900	0.006	17.400	17.400	17.400
6°/ M. EISSA MOHAMED AL SUWAIDI		0.001	0.001	0.006	0.006	0.006	0.006
7°/ M. MOHAMED HADI AL HUSSAINI		0.001	0.001	0.006	0.006	0.006	0.006
8°/ M. AHMED ABDULKARIM JULFAR		0.001	0.001	0.006	0.006	0.006	0.006
9°/ M. M. DANIEL RITZ		0.001	0.001	0.006	0.006	0.006	0.006
10°/ M. MOHAMMED SAIF AL SUWAIDI		0.001	0.001	0.006	0.006	0.006	0.006
11°/ M. M. SERKAN OKANDAN		0.001	0.001	0.006	0.006	0.006	0.006
12°/ M. JEAN FRANCOIS DUBOS		0.010	0.010	0.006	0.060	0.060	0.060
13°/ M. REGIS TURRINI		0.010	0.010	0.006	0.060	0.060	0.060
14°/ M. JACQUES ESPINASSE		0.010	0.010	0.006	0.060	0.060	0.060
15°/ M. FRANCK ESSER		0.010	0.010	0.006	0.060	0.060	0.060
16°/ M. JEAN-RENE FOURTOU		0.010	0.010	0.006	0.060	0.060	0.060
17°/ M. JACQUES CHAREYRE		0.100	0.100	0.006	0.600	0.600	0.600
18°/ M. TALBI ABDELAZIZ		0.010	0.010	0.006	0.060	0.060	0.060
19°/ M. SALEH ABDOOLI		0.001	0.001	0.006	0.006	0.006	0.006
20°/ M. ABDERRAHMANE SEMMAR		0.001	0.001	0.006	0.006	0.006	0.006
21°/ M. HATEM DOWIDAR		0.001	0.001	0.006	0.006	0.006	0.006
22°/ Divers actionnaires		149,423	219,751	0.006	1,318,505	1,318,505	1,318,505

(1) If the number of shareholders is less than or equal to 10, the Company should list all the shareholders. Otherwise, the Company may list only the 10 principal shareholders.

C2 Appropriation of year-end income

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Amount			Amount
A. Source of income (Decision of April 23, 2019)		**B. Income appropriation**	
Retained earnings at December 31, 2018	0	Legal reserves	0
Net income to be allocated	0	Other reserves	297,662
Net income for the period	6,300,721	Directors' share in profits	0
Withholding from reserves	0	Dividends	6,003,058
Other reserves	0	Other allocations	0
		Retained earnings	0
TOTAL A	**6,300,721**	**TOTAL B**	**6,300,721**

C3 Income and other significant items over the past three years

Description (in MAD thousands)	2019	2018	2017
Net equity of the Company			
Shareholders' equity and quasi-equity less capitalized costs	13,224,863	15,968,628	15,363,637
Operations and income from period			
Revenues excluding tax	20,978,906	20,734,058	19,900,391
Income before tax	5,647,807	8,675,292	7,665,035
Corporate income tax	2,388,514	2,374,572	1,965,575
Dividends	6,003,058	5,695,730	5,590,752
Unappropriated income (placed in reserves or to be allocated)	297,662	3,731	600,534
Earnings per share			
Earnings per share for period (in MAD)	3.71	7.17	6.48
Dividends per share * (in MAD)	6.83	6.48	6.36

C4 Transactions in foreign currencies during the year

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSANDS)*

Description	Entry Exchange value *in MAD*	Outgoing Exchange value *in MAD*
Permanent financing		
Gross assets		2,310,172
Receipts from sale of fixed-lined assets	1,387,224	
Repayment of long-term debt		2,626,801
Other court-term debt	857,640	
Income	1,404,933	
Expenses		557,368
TOTAL INFLOWS	**3,649,796**	
TOTAL OUTFLOWS		**5,494,341**
FOREIGN CURRENCY BALANCE	**1,844,545**	
TOTAL	**5,494,341**	**5,494,341**

C5 Date of financial statements and subsequent events

I. DATES

Date of statement of financial position (1): 12/31/2019

Date of preparation of the financial statements (2): 01/23/2020

Date of rectifying declaration

II. EVENTS SUBSEQUENT TO THE DATE OF THE FINANCIAL STATEMENTS AND KNOWN PRIOR TO INITIAL DISCLOSURE OF THE FINANCIAL STATEMENTS

Dates	Indication of events
01/27/2020	In connection with the referral initiated by Wana in 2016, relating to anti-competitive practices in the fixed-line market and fixed broadband Internet access, a decision of the ANRT's Management Committee dated 17/01/2020 was notified to Itissalat Al-Maghrib SA on 27/01/2020. This enforceable decision relates to a financial penalty of MAD3.3 billion and injunctions relating to the technical and pricing aspects of unbundling. Given the recent, complex and exceptional nature of the decision received, the case is still being analyzed by Itissalat Al-Maghrib SA. As provided by law, Itissalat Al-Maghrib SA also reserves the right to appeal to the Court of Appeal within 30 days of notification of the decision. In this context and in accordance with the principle of prudence, Itissalat Al-Maghrib SA has made a provision in its accounts at December 31, 2019 in the amount of MAD 3.3 billion.

(1) Justification in the event of a change in the balance-sheet date.
(2) Justification in the event of noncompliance with the regulatory requirement to prepare financial statements within three months of the balance-sheet date.

5

5.5 • Statutory auditor's special report

Financial Year from January 1, 2019 to December 31, 2019

To the Shareholders,

As Statutory auditors of the Company, we hereby submit our report on related-party agreements, in accordance with Articles 95 to 97 of 17-95 Act, as amended and completed by Acts 20-05, 78-12 and 20-19.

Our responsibility is to present the main characteristics and modalities of the agreements which we have been informed of by the Chairman of the Supervisory Board or that we discovered during our engagement, without giving an opinion on their usefulness and appropriateness, or looking for the existence of other agreements. It is your responsibility, under the law above, to decide on their approval.

We have performed the procedures that we considered necessary under the standards of the profession in Morocco. These procedures are designed to verify the consistency of the information provided to us with the documentation from which they originate.

1. Related-party agreements concluded in 2019

The Chairman of your Supervisory Board has not advised us of any new agreements entered into during fiscal year 2019.

2. Agreements from previous years still in effect in 2019

2.1 Agreement related to the acquisition of Etisalat subsidiaries

- **Parties concerned:**
  - Etisalat is the major shareholder of IAM;
  - the members of the joint management bodies are Eissa Mohammed GHANEM AL SUWAIDI (Vice-Chairman of the Supervisory Board of IAM until 12/06/2019), Obaid Bin Humaid AL TAYER (Vice-Chairman of the Supervisory Board of IAM from 12/06/2019), Mohammad Hadi AL HUSSAINI (member of the Supervisory Board of IAM), Hatem DOWIDAR (member of the Supervisory Board of IAM), Saleh ABDOOLI (member of the Supervisory Board of IAM), Serkan OKANDAN (member of the Supervisory Board of IAM) and Mohammed Saif AL SUWAIDI (member of the Supervisory Board of IAM).
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Acquisition of investments.
- **Main terms:** In May 2014, Itissalat Al-Maghrib (IAM) concluded an agreement with Etisalat subsidiaries (Etisalat International Benin Ltd and Atlantique Telecom SA) for the acquisition of the subsidiaries presented below:
  - Etisalat Bénin SA (ETB) ;
  - Atlantique Telecom Côte d'Ivoire (AT CIV);
  - AtlantiqueTelecom Togo (AT Togo);
  - Atlantique Telecom Gabon (ATG);
  - Atlantique Telecom Niger (AT Niger);
  - Atlantique Telecom Centrafrique (AT RCA);
  - Prestige Telecom Côte d'Ivoire (Prestige CIV).

- **Services provided:**

  The agreement concerns the payment by Itissalat Al-Maghrib (IAM) of a total amount of EUR 474 million (equivalent to MAD 5.16 billion) for the acquisition of the above-mentioned subsidiaries (Shares and debts). The payment was not yet realized at December 31, 2014. Moreover, in accordance with the acquisition agreement, in 2015 IAM received a loan of USD 200 million at zero interest rate from Etisalat, which at 2015, 2016, 2017, 2018 and 2019 had been reallocated in Euro to newly acquired subsidiaries (AT CIV, AT Niger, AT RCA) for USD 194.6 million, which is EUR 178.8 million.

- **Amounts paid:**
  - during fiscal year 2019, Itissalat Al-Maghrib (IAM) paid the final tranche of the acquisition agreement for a total amount of MAD 0.7 billion to Etisalat Benin International and Atlantique Telecom SA, and MAD 1.98 billion to Golden Falcon Investments LLC (GFI LLC). The loan received under this agreement has therefore been paid in full;
  - Itissalat Al-Maghrib (IAM) has also granted loans to its subsidiaries after the completion of the "Alysse Transaction". The situation of these loans as of December 31, 2019 is detailed as below:

  - **Atlantique Côte d'Ivoire:**

    loan balance: EUR 81.6 million as of December 31, 2019 (equivalent to MAD 877.7 million),

    revenues of the fiscal year: IAM recognized revenue related to interests and penalties for respectively EUR 4.4 million and EUR 1.5 million in 2019 (equivalent to MAD 62.8 million),

    amounts received: for fiscal year 2019, IAM received EUR 30 million, i.e. EUR 19 million in principal (equivalent to MAD 205 million), EUR 7.4 million in interest and EUR 3.9 million in penalties (equivalent to MAD 119.3 million);

  - **Atlantique Niger:**

    loan balance: EUR 14.8 million as of December 31, 2019 (equivalent to MAD 157.6 million).

    In December 2019, Atlantique Telecom Niger SA carried out a capital increase by incorporation of liabilities. The balance of the loan thus decreased by MAD 155 million, which was used by IAM as part of the said capital increase,

    revenues of the fiscal year: IAM recognized revenue related to interests and penalties for respectively EUR 1.5 million and EUR 0.2 million in 2019 (equivalent to MAD 18 million),

    amounts received: No cash was received during 2019;

  - **Atlantique RCA:**

    loan balance: At December 31, 2019, the total current account advances granted to this subsidiary amount to EUR 8.4 million (equivalent to MAD 89.7 million).

    In December 2019, Atlantique Telecom Niger Centrafrique carried out a capital increase by incorporation of liabilities. The balance of the loan thus decreased by MAD 187 million, which was used by IAM as part of the said capital increase,

    revenues of the fiscal year: IAM recognized revenue related to interests and penalties for respectively EUR 2.5 million and EUR 0.3 million in 2019 (equivalent to MAD 26.8 and 2.7 million),

    amount paid: IAM paid its subsidiary Atlantique Telecom Centrafrique SA, during 2019, EUR 2.3 million (equivalent to MAD 25.4 million) in a drawdown under the terms of the EUR 19 million loan,

    amount received: No cash was received by IAM in 2019.

2.2 Agreements resulting from the acquisition of new subsidiaries – "Alysse Transaction"

Following the acquisition of the new subsidiaries "Alysse Transaction" and since January 26, 2015, Itissalat Al-Maghrib (IAM) substituted to Atlantique Telecom SA (ATH) and Golden Falcon Investments LLC (GFI LLC) in all their rights and obligations resulting from the agreements signed between ATH, GFI LLC and the subsidiaries acquired by IAM. These Agreements are as follows, by subsidiary:

2.2.1 AGREEMENTS SIGNED WITH ATLANTIQUE TELECOM CÔTE D'IVOIRE (AT CIV)

- **Parties concerned:** Itissalat Al-Maghrib (IAM) is the majority shareholder of Atlantique Telecom Côte d'Ivoire (AT CIV).
- **Agreement form:** Written agreements.
- **Nature and purpose of the agreement:** As of January 26, 2015, IAM substituted for Atlantique Telecom SA (ATH) in all their rights and obligations resulting from the following agreements:
  - technical assistance agreement between AT CIV and ATH on July 4, 2006;
  - brand license agreement between AT CIV and ATH on June 12, 2006;
  - share loan agreement between AT CIV and ATH on February 17, 2012, with an initial amount of EUR 125 million.

- **Main terms:** Itissalat Al-Maghrib (IAM) substituted for ATH in all its rights and obligations resulting from the agreements listed above signed between ATH and AT CIV. All amounts due by AT CIV under these agreements shall be paid to IAM. In accordance with these agreements, AT CIV is still committed according to the same contractual terms to IAM as previously to ATH.
- **Services provided:**
  - technical assistance services: the revenues recognized by Itissalat Al-Maghrib for 2019 amount to (after withholding taxes) MAD 149 million;
  - brand licenses: the revenues recognized by IAM for 2019 represented MAD 26.9 million.
- **Amounts received:** No amount was collected by IAM for the fiscal year 2019.

2.2.2 AGREEMENTS SIGNED WITH ETISALAT BÉNIN (ETB)

- **Parties concerned:** Itissalat Al-Maghrib (IAM) is the majority shareholder of Etisalat Bénin.
- **Agreement form:** Written agreements.
- **Nature and purpose of the agreement:** As of January 26, 2015, IAM substituted to Atlantique Telecom SA (ATH) and Golden Falcon Investments LLC (GFI LLC) in all their rights and obligations resulting from the following agreements:
  - technical assistance agreement between Etisalat Bénin and ATH on November 3, 2011;
  - brand license agreement between Etisalat Bénin and ATH on January 1, 2014;
  - loan agreement between Etisalat Bénin and GFI LLC on May 1, 2013.
- **Main terms:** Itissalat Al-Maghrib (IAM) substituted for ATH and GFI LLC in all their rights and obligations resulting from the above-mentioned agreements signed between ATH and Etisalat Bénin, on one hand, and GFI LLC and Etisalat Bénin, on the other hand. All amounts due by Etisalat Bénin under these agreements shall be paid to IAM. In accordance with these agreements, ETB is still committed according to the same contractual terms to IAM as previously to ATH and to GFI LLC.
- **Services provided:**
  - **technical assistance services:** the revenues recognized by Itissalat Al-Maghrib for 2019 amount to (after withholding taxes) MAD 52.6 million. As of October 2019, the technical support services for the ETB subsidiary have been discontinued (Unwritten amendment);
  - **brand licenses:** the revenues booked by IAM for 2019 amounts to MAD 9.5 million;
  - **shareholder loan:** Loan balance EUR 59.6 million as of the end of 2019 (equivalent to MAD 633 million). Itissalat Al-Maghrib (IAM) booked financial revenue of EUR 6.8 million (equivalent to MAD 73.1 million);

    During 2019, an amendment was signed with ETB (Unwritten amendment) to capitalize the interest due on May 1, 2019. The interest rate that this loan was revised downwards to 6% instead of 10% (Unwritten amendment);

    An amendment that provides for the rescheduling of the loan repayment period to start on January 1, 2020 is currently being signed.
- **Amounts received:** IAM received a total payment of EUR 4.8 million (equivalent to MAD 52.3 million) during 2019, as a repayment of principal. The amount, related to the receipt of technical assistance and brand licenses in 2019, is MAD 24.7 million.

2.2.3 AGREEMENTS SIGNED WITH ATLANTIQUE TELECOM TOGO (AT TOGO)

- **Parties concerned:** Itissalat Al-Maghrib (IAM) is the 95% shareholder of Atlantique Telecom Togo (AT Togo).
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** As of January 26, 2015, Itissalat Al-Maghrib (IAM) substituted to Atlantique Telecom SA (ATH) in all its rights and obligations resulting from the following agreements:
  - technical assistance agreement between AT Togo and ATH on July 17, 2008;
  - brand license agreement between AT Togo and ATH on December 1, 2006;
  - share loan agreement between AT Togo and ATH on August 1, 2013, with an initial amount of EUR 5.8 million;
  - share loan agreement between AT Togo and ATH on August 1, 2013, with an initial amount of EUR 24 million.
- **Main terms:** IAM substituted for ATH in all its rights and obligations resulting from the agreements listed above signed between ATH and AT Togo. All amounts due by AT Togo under these agreements shall be paid to IAM. In accordance with these agreements, AT Togo is still committed according to the same contractual terms to IAM as previously to ATH.

- **Services provided:**
  - **technical assistance services:** the revenues recognized by IAM for 2019 amount to (after withholding taxes) MAD 48.9 million;
  - **brand licenses:** the revenues recognized by IAM for 2019 represented MAD 8.8 million;
  - **shareholder loans:** no amount of the loan balance as of December 31, 2019.
- **Amounts received:** No amount was collected by Itissalat Al-Maghrib for the financial year 2019.

2.2.4 AGREEMENTS SIGNED WITH ATLANTIQUE TELECOM NIGER (AT NIGER)

- **Parties concerned:** Itissalat Al-Maghrib (IAM) is the 100% shareholder of Atlantique Telecom Niger (AT Niger).
- **Agreement form:** Written agreements.
- **Nature and purpose of the agreement:** As of January 26, 2015, Itissalat Al-Maghrib (IAM) substituted to Atlantique Telecom SA (ATH) in all its rights and obligations resulting from the following agreements:
  - technical assistance agreement between AT Niger and ATH on December 29, 2004;
  - brand license agreement between AT Niger and ATH on January 1, 2008;
  - share loan agreement between AT Niger and ATH on August 1, 2013, with an initial amount of EUR 1.7 million;
  - financing agreement between AT Niger and ATH on November 25, 2008;
  - loan agreements signed between AT Niger and ATH in January 2015;
  - treasury signed between AT Niger and ATH on December 3, 2003.
- **Main terms:** Itissalat Al-Maghrib (IAM) substituted for ATH in all its rights and obligations resulting from the agreements listed above signed between ATH and AT Niger. All amounts due by AT Niger under these agreements shall be paid to IAM. In accordance with these agreements, AT Niger is still committed according to the same contractual terms to IAM as previously to ATH.
- **Services provided:**
  - **technical assistance services:** the revenues recognized by IAM for 2019 amount to (after withholding taxes) MAD 23 million. As of October 2019, the technical support services for the AT Niger subsidiary have been discontinued (Amendment not written);
  - **brand licenses:** the revenues recognized by Itissalat Al-Maghrib (IAM) for 2019 amounts to MAD 4.1 million.
- **Amounts received:** No amount was collected by Itissalat Al-Maghrib for the fiscal year 2019.

2.2.5 AGREEMENTS SIGNED WITH ATLANTIQUE TELECOM CENTRAFRIQUE (AT RCA)

- **Parties concerned:** Itissalat Al-Maghrib (IAM) is the 100% shareholder of Atlantique Telecom Centrafrique (AT RCA).
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** As of January 26, 2015, Itissalat Al-Maghrib (IAM) substituted to Atlantique Telecom SA (ATH) in all their rights and obligations resulting from the following agreements:
  - technical assistance agreement between AT RCA and ATH on July 4, 2006;
  - brand license agreement between AT RCA and ATH on July 1, 2011;
  - shareholder loan agreement between AT RCA and ATH on August 1, 2013, with an initial amount of EUR 2.6 million;
  - loan agreements signed between AT RCA and ATH in January 2015.
- **Main terms:** Itissalat Al-Maghrib (IAM) substituted for ATH in all its rights and obligations resulting from the agreements listed above signed between ATH and AT RCA. All amounts due by AT RCA under these agreements shall be paid to IAM. In accordance with these agreements, AT RCA is still committed according to the same contractual terms to IAM as previously to ATH.
- **Services provided:**
  - **technical assistance services:** the revenues booked by IAM for 2019 amount to (after withholding taxes) MAD 1.4 million. As of October 2019, the technical support services for the AT RCA subsidiary have been discontinued (Unwritten amendment);
  - **brand licenses:** the revenues recognized by Itissalat Al-Maghrib (IAM) for 2019 amounts to MAD 0.3 million.
- **Amounts received:** No amount was collected by Itissalat Al-Maghrib for the fiscal year 2019.

2.3 Technical services agreement with Etisalat

- **Parties concerned:** Etisalat is the major shareholder of Itissalat Al-Maghrib (IAM). The members of the joint management bodies are Eissa Mohammed GHANEM AL SUWAIDI (Vice-Chairman of the Supervisory Board of IAM until 12/06/2019), Obaid Bin Humaid AL TAYER (Vice-Chairman of the Supervisory Board of IAM from 12/06/2019), Mohammad Hadi AL HUSSAINI (member of the Supervisory Board of IAM), Hatem DOWIDAR (member of the Supervisory Board of IAM), Saleh ABDOOLI (member of the Supervisory Board of IAM), Serkan OKANDAN (member of the Supervisory Board of IAM) and Mohammed Saif AL SUWAIDI (member of the Supervisory Board of IAM).
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Supply of technical assistance.
- **Main terms:** In May 2014, the Company concluded a service agreement with the Emirates Telecommunications Corporation (Etisalat), under which, Etisalat will provide, either directly or through its subsidiaries, technical support work. These services are carried out mostly by expatriate employees.
- **Services provided:** Itissalat Al-Maghrib accounted on December 31, 2019, within its expenses, MAD 0.95 million regarding this agreement.
- **Amounts paid:** Itissalat Al-Maghrib made a payment of MAD 0.95 million regarding this agreement. There is no amount still due.

2.4 Fédération Royale Marocaine d'Athlétisme "FRMA"

- **Parties concerned:** The member of the joint management bodies of the two entities is Mr. Abdeslam Ahizoune, Chairman of the Itissalat Al-Maghrib (IAM) Management Board.
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Sponsorship agreement.
- **Main terms:** The sponsoring agreement between IAM and FRMA was initially concluded in July 2012 for an amount of MAD 6 million per annum and for a period of three years. Then, this agreement was renewed on July 2014 for three years for an amount of MAD 4 million.

  On December 7, 2018, the Supervisory Board authorized the renewal of said agreement for a period of three years, for an annual amount of MAD 3 million. In addition to this amount, the travel and assignment expenses of the Chairman of the FRMA will be covered.
- **Products or services delivered or provided:** The amount expensed by IAM related to this agreement for 2019 amounted to MAD 3 million.
- **Amounts paid:** IAM paid to the FRMA a total amount of MAD 4.3 million in 2019.

2.5 Agreement with Sotelma

- **Parties concerned:** Itissalat Al-Maghrib (IAM) is the 51% majority shareholder of Sotelma. The members of the joint management bodies are Larbi GUEDIRA (until February 15, 2019) and Abdelkader MAAMAR (starting February 15, 2019).
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Providing Services and technical assistance.
- **Main terms:** In 2009, Sotelma and Itissalat Al-Maghrib (IAM) concluded an agreement under which the latter provides technical assistance and services. These services are performed mainly by expatriate personnel.
- **Products or services delivered or provided:** In 2019, Itissalat Al-Maghrib (IAM) provided Sotelma with technical assistance services, in various fields.

  On December 31, 2019, the amount recognized as revenues by IAM amounts to MAD 13.6 million (excluding VAT).

  The balance of the receivable, held by IAM at December 31, 2019 on Sotelma amounts to MAD 8.6 million.
- **Amounts received:** IAM received MAD 15.5 million in 2019 regarding this agreement.

2.6 Agreement with Onatel

- **Parties concerned:** Itissalat Al-Maghrib (IAM) is the 61% majority shareholder of Onatel.
- **Form of the agreement:** Written agreement.
- **Nature and purpose of the agreement:** Supply of services and technical assistance.
- **Main terms:** In September 2007, Onatel and IAM concluded an agreement under which IAM provides technical assistance and services. These services are carried out mostly by expatriate employees.
- **Products or services delivered or provided:** During fiscal year 2019, IAM provided technical assistance services to Onatel in various fields.

  As of December 31, 2019, the amount of revenues recognized for fiscal year 2019 amounted to MAD 9.7 million excluding tax.

  The balance of the receivable, held by IAM at December 31, 2019 on Onatel, amounts to MAD 6.1 million.
- **Amounts received:** IAM received MAD 12.3 million in 2019 regarding this agreement.

2.7 Agreement with Gabon Telecom (GT)

Agreement with Gabon Telecom (GT)

- **Parties concerned:** Itissalat Al-Maghrib (IAM) is the 51% majority shareholder of Gabon Telecom (GT), and the member of the joint management bodies is Brahim Boudaoud (member of the Management Board of IAM).
- **Form of the agreement:** Written agreement.
- **Nature and purpose of the agreement:** Service commitment agreement
- **Main terms:** On November 22, 2016, Gabon Telecom (which absorbed the subsidiary Atlantique Telecom Gabon on June 29, 2016) and Itissalat Al Maghrib (IAM) concluded an agreement under which the latter provides technical assistance and services, with retroactive effect starting from January 1, 2013.

  These services are carried out mostly by expatriate employees or by resort to a third party, after Gabon Telecom agreement.
- **Products or services delivered or provided:** In 2019, Itissalat Al-Maghrib (IAM) provided technical assistance services to Gabon Telecom (GT) in various fields.

  Under all of these services' provisions, IAM recorded in its accounts:

  - **Services provided under the Services Commitment Agreement (SCA):**

  As of December 31, 2019, the revenues recognized during 2019 and paid by Gabon Telecom amounted to MAD 14.6 million (excluding taxes).

  At December 31, 2019, Itissalat Al-Maghrib held a receivable of MAD17.2 million relating to the Service Commitment Agreement with Gabon Télécom.

  - **Services provided as part of the Management fees:**

  Income recorded by Itissalat Al-Maghrib for the year ended December 31, 2019 amounted to MAD111 million, net of withholding tax.

  At December 31, 2019, Itissalat Al-Maghrib held a receivable of MAD142.5 million relating to management fees from Gabon Telecom.
- **Amounts received:** In 2019, Itissalat Al-Maghrib (Itissalat Al-Maghrib) received a total amount of MAD60.9 million for services provided to Gabon Telecom.

2.8 Agreement with Mauritel

- **Parties concerned:** Itissalat Al-Maghrib (IAM) is the 52% majority shareholder of Mauritel. and the member of the joint management bodies is Hassan RACHAD (member of the Management Board of IAM).
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Services and technical assistance and sale of equipment.
- **Main terms:** In 2001, Mauritel and IAM concluded an agreement under which IAM provides services, technical assistance and equipment.
- **Products or services delivered or provided:** IAM provides Mauritel with telecommunication equipment and technical assistance.

  Under this agreement, the amount of revenues invoiced by IAM amounts to MAD 10.1 million (excl. tax) in 2019.

  The balance of the receivable, held by IAM at December 31, 2019 on Mauritel amounts to MAD 8.6 million.
- **Amounts received:** IAM received MAD 10.3 million in 2019 regarding this agreement.

2.9 Agreement with Casanet for current account advance

- **Parties concerned:** Itissalat AL-MAGHRIB (IAM) is the 100% majority shareholder of Casanet, and the member of the joint management bodies is Hassan RACHAD.
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Advance by IAM to Casanet on non-interest-bearing account.
- **Main terms:** At its meeting held on December 4, 2007, the Supervisory Board authorized IAM to underwrite all necessary capital expenditures through the provision of non-interest-bearing current-account advances for MAD 6.1 million.

  Several advances have been granted to Casanet between 2008 and 2012, bringing the current account balance to MAD 6.1 million at December 31, 2012.

  At December 31, 2019, the current-account balance totalized MAD 6.1 million.
- **Products or services delivered or provided:** Advance on non-interest-bearing current account.
- **Amounts received or paid:** None.

2.10 Service agreement with Casanet

- **Parties concerned:** Itissalat Al-Maghrib (IAM) is the 100% majority shareholder of Casanet, and the member of the joint management bodies is Mr. Hassan RACHAD.
- **Agreement form:** Written agreements.
- **Nature and purpose of the agreement:** Maintaining services, web hosting, technical assistance, and equipment.
- **Main terms:** Since 2003, IAM has concluded several service agreements with its subsidiary Casanet.
- **Products or services delivered or provided:** Several contracts and orders were executed by Casanet for IAM in fiscal year 2019.

  As of December 31, 2019, the amount of expenses billed and recognized by IAM under these agreements amounted to MAD 49.6 million excluding tax.

  As of December 31, 2019, the balance of debts invoiced in this respect amounted to MAD 36.4 million.
- **Amounts paid:** IAM paid MAD 51 million in 2019, regarding this agreement.

Casablanca, February 14, 2020.

The Statutory auditors

Deloitte Audit
Sakina BENSOUDA-KORACHI
Partner

ABDELAZIZ ALMECHATT
Abdelaziz AL MECHATT
Partner

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Un monde nouveau
vous appelle

6

RECENT DEVELOPMENTS

Ordinary general meeting of April 29, 2020

Itissalat Al-Maghrib, a Moroccan public limited company with Management and Supervisory Boards and share capital of 5,274,572,040 Moroccan Dirhams, whose headquarters are in Rabat, Avenue Annakhil, Hay Riad, and which is registered under number 48 947 in the Rabat Trade and Companies Register, hereby invites shareholders to its headquarters on April 29, 2020 at 3pm for an Ordinary Shareholders' Meeting convened to deliberate on the following agenda:

1. Approval of the reports and summary review of the annual financial statements for the fiscal year ended December 31, 2019;
2. Approval of the consolidated financial statements for the fiscal year ended December 31, 2019;
3. Approval of the related-party agreements reviewed in the Statutory Auditors' special report;
4. Appropriation of 2019 earnings – Dividend;
5. Ratification of Mr. Obaid Bin Humaid AL TAYER's co-option to the Supervisory Board;
6. Reappointment of Mr. Serkan OKANDAN to the Supervisory Board;
7. Appointment of two (2) independent directors to the Supervisory Board;
8. Reappointment of the Statutory Auditor;
9. Repeal of the current share buyback program and authority to be granted to the Management Board to again trade in the Company's shares and the establishment of a liquidity contract on the Casablanca Stock Market;
10. Powers to perform formalities.

ANRT decision

On January 27, 2020 Maroc Telecom received notice of the January 17, 2020 decision by the ANRT Management Committee on anti-competitive practices in the fixed-line and high speed broadband access markets.

The binding decision imposes a fine of 3.3 billion Moroccan Dirhams and orders unbundling in terms of both equipment and rates.

Maroc Telecom recorded a provision of MAD3.3 billion in its financial statements at December 31, 2019.

Withdrawal of Inwi lawsuit

Inwi has withdrawn its complaint and claim for MAD 5.7 billion against Maroc Telecom for anti-competitive behavior. The Rabat Commercial Court enacted the withdrawal of the complaint in a ruling on February 24, 2020.

Covid-19 impact

The year 2020 has been marked by an explosion on a global scale, of the number of cases testing positive for COVID-19. Present in ten countries in addition to Morocco, Maroc Telecom Group is currently exposed to the risk from the spread of coronavirus across its entire consolidation scope.

The uncertainty of the duration and extent of the pandemic makes its overall impact on the economy unpredictable worldwide. It will depend on government action and the duration of the pandemic.

The telecom sector's exposure is low in the short term. However, as of the date of this Universal Registration Document, it is unclear how to anticipate the potential impacts in the medium and long term on the Group's financial performance.

Maroc Telecom Group has taken all the necessary measures to ensure that it manages this risk by prioritizing the protection of its employees and its customers and by continuously guaranteeing the quality, reliability and continuity of its service.

As part of the general mobilization and along with the major Groups in the country, Maroc Telecom has committed to contribute for an amount of 1.5 billion dirhams to the special fund dedicated to manage the coronavirus pandemic.


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7

NOTES TO THE FINANCIAL STATEMENTS

Cross-reference table

This cross-reference table lists the headings provided in Annexes I and II to the Delegated Regulation (EU) 2019/980 of March 14, 2019 and refers to the pages of this Universal Registration Document where the information relating to each of these headings is mentioned.

NA: not applicable

NA: not applicable

Pursuant to Article 19 of EU Regulation nº2017/1129 of 14 June 2017, the following information is incorporated by reference in this Universal Registration Document :

- the consolidated financial statements for the year ended December 31, 2018, the related Statutory Auditors' report and the Group's financial report are presented on pages 133 and from 120 untill 173 of the Registration Statement filed with the AMF on April 11, 2019 under the number d 19-0318;
- the consolidated financial statements for the year ended December 31, 2017, the related Statutory Auditors' report and the Group's financial report are presented on pages 106, 121 and 122 of the Registration Statement filed with the AMF on April 9, 2018 under the number D 18-0302.

Cross-reference table for the annual financial report

Annual Financial Report	**Pages**
The complete consolidated annual accounts, together with the auditors' report	191
The complete consolidated annual accounts, together with the auditors' report	148
The auditors' special report on related-party agreements	214
Statement of fees paid to auditors	231
The management report	**12-13 / 136 / 174 / 14-15 / 115-131/163 / 169**
Management commentary containing a brief presentation of the issuer, the main highlights of the financial year, the main achievements in terms of activity and their impact on the financial statements, and explaining the main changes in the said financial statements.	139-144
ESG report	
General elements	83-84
Specific elements	
• Environmental information	83 / 89
• Social information	81-83 / 89
• Governance	60-75 / 30-31
The list of press releases published by the issuer during the financial year	230

2019 annual information document

The following information was published or released by Maroc Telecom over the past 12 months (from March 1, 2019 to March 1, 2020):

Date	**Title**
April 11, 2019	Press release on the availability of the 2018 Registration Document
April 22, 2019	Press release on Q1 2019 earnings
July 5, 2019	Interim results – Liquidity contract (Paris) – Price regulation contract (Casablanca)
July 22, 2019	Press release on first half 2019 earnings
October 21, 2019	Press release on 9 months 2019 earnings
January 8, 2020	Interim results – Liquidity contract (Paris) – Price regulation contract (Casablanca)
February 17, 2020	Press release on 2019 earnings

All press releases are available on:

- the AMF website at www.amf.fr;
- the Maroc Telecom website (regulatory information section) at www.iam.ma/Information-reglementee.aspx.

Fees paid to the Statutory auditors

2019 accounting period

Below are details on the fees paid by Maroc Telecom to each Statutory auditor in 2019.

	Deloitte Audit					
	Amount/year			Percentage/year*		
	2019	2018	2017	2019	2018	2017
Statutory audit, issuance of an audit opinion, review of statutory and consolidated financial statements	**13,743,146.19**	**17,134,283.13**	**19,668,216.39**	**100%**	**100%**	**100%**
Issuer	3,500,000.00	3,850,000.00	3,850,000.00	25%	22%	19%
Subsidiaries**	10,243,146.19	13,284,283.13	15,818,216.39	75%	78%	76%
Other procedures and services directly related to statutory auditing	**-**	**-**	**-**	**0%**	**0%**	**0%**
Issuer	-	-	-	0%	0%	0%
Subsidiaries**	-	-	-	0%	0%	0%
Subtotal	**13,743,146.19**	**17,134,283.13**	**19,668,216.39**	**100%**	**100%**	**95%**
Other services provided		**-**	**-**	**0%**	**0%**	**0%**
Others	-	-	1,098,263.00	0%	0%	5%
Subtotal	**-**	**-**	**1,098,263.00**	**0%**	**0%**	**5%**
TOTAL	**13,743,146.19**	**17,134,283.13**	**20,766,479.39**	**100%**	**100%**	**100%**

** Proportion of each item in the total for that year.*
*** These amounts include the fees relating to the Global Network firms to which Statutory Auditors belong and which intervene at the subsidiaries' level.*

	Abdelaziz Almechatt					
	Amount/year			Percentage/year*		
	2019	2018	2017	2019	2018	2017
Statutory audit, issuance of an audit opinion, review of statutory and consolidated financial statements	**4,873,324.76**	**4,008,220.13**	**4,983,926.78**	**92%**	**100%**	**100%**
Issuer	2,460,000.00	2,460,000.00	2,460,000.00	46%	61%	49%
Subsidiaries**	2,413,324.76	1,548,220.13	1,133,926.78	47%	39%	23%
Other procedures and services directly related to statutory auditing	**414,628.84**	**0**	**0**	**8%**	**0%**	**0%**
Issuer	-	-	-	0%	0%	0%
Subsidiaries**	414,628.84	-	-	8%	0%	0%
Subtotal	**5,287,953.60**	**4,008,220.13**	**4,983,926.78**	**100%**	**100%**	**100%**
Other services provided	**-**	**-**	**-**	**0%**	**0%**	**0%**
Others	-	-	-	0%	0%	0%
Subtotal	**-**	**-**	**-**	**0%**	**0%**	**0%**
TOTAL	**5,287,953.60**	**4,008,220.13**	**4,983,926.78**	**100%**	**100%**	**100%**

** Proportion of each item in the total for that year.*
*** These amounts include the fees relating to the Global Network firms to which Statutory Auditors belong and which intervene at the subsidiaries' level.*

	Other					
	Amount/year			Percentage/year*		
	2019	2018	2017	2019	2018	2017
Statutory audit, issuance of an audit opinion, review of statutory and consolidated financial statements	**6,493,172.88**	**7,159,307.68**	**2,589,021.22**	**86%**	**95%**	**55%**
Issuer	-	-	-	0%	0%	0%
Subsidiaries**	6,493,172.88	7,159,307.68	2,589,021.22	86%	95%	55%
Other procedures and services directly related to statutory auditing	**47,715.22**	**178,658.79**	**1,771,632.00**	**1%**	**2%**	**38%**
Issuer	-	-	1,771,632.00	0%	0%	38%
Subsidiaries**	47,715.22	178,658.79	-	1%	2%	0%
Subtotal	**6,540,888.10**	**7,337,966.47**	**4,360,653.22**	**86%**	**98%**	**93%**
Other services provided	**-**	**-**	**-**	**0%**	**0%**	**0%**
Others	1,032,238.24	162,874.56	306,605.00	14%	2%	7%
Subtotal	**1,032,238.24**	**162,874.56**	**306,605.00**	**14%**	**2%**	**7%**
TOTAL	**7,573,126.34**	**7,500,841.03**	**4,667,258.22**	**100%**	**100%**	**100%**

* *Proportion of each item in the total for that year*
** *These amounts include the fees relating to the Global Network firms to which Statutory Auditors belong and which intervene at the subsidiaries' level.*

Shareholders' Meeting of April 29, 2020

FIRST RESOLUTION

APPROVAL OF THE REPORTS AND SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED DECEMBER 31, 2019

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting, after hearing:

- the management report of the Management Board and the observations of the Supervisory Board on said report; and
- the general report of the Statutory auditors on the financial statements for the accounting period ended December 31, 2019.

hereby approves the summary financial statements for said fiscal year and the operations accounted for therein or summarized in said reports.

Consequently, the Shareholders' Meeting resolves to give final discharge to the members of the Supervisory and Management Boards for the performance of their duties in the 2019 accounting period.

SECOND RESOLUTION

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED DECEMBER 31, 2019

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting hereby approves as necessary the consolidated financial statements, as presented, for the accounting period ended December 31, 2019.

THIRD RESOLUTION

Approval of the related-party agreements reviewed in the Statutory auditors' special report

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings and having heard the special report of the Statutory auditors on the related-party agreements covered by Article 95 of Law 17-95 relating to corporations (*société anonyme*), which was amended and supplemented by Law 20-05, Law 78-12 and Law 20-19, the Shareholders' Meeting hereby approves all operations and agreements reviewed in said report.

FOURTH RESOLUTION

APPROPRIATION OF 2019 EARNINGS – DIVIDEND

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting hereby resolves to appropriate as follows the earnings for the accounting period ended December 31, 2019, which amount to MAD 3,259,293,036.08:

Net income for the financial year	MAD 3,259,293,036.08
Withholding from reserves [(a)]	MAD 1,610,895,147.52
Distributable amount [(b)]	MAD 4,870,188,183.60
Ordinary dividend	MAD 4,870,188,183.60

(a) After appropriation of the surplus of the legal reserve of MAD 351,638,136 to the optional reserve.
(b) This amount should be adjusted to reflect the number of treasury shares held on the dividend payment date.

The Shareholders' Meeting therefore resolves to set the dividend at MAD 5.54 for each of the shares comprising the share capital and held on the record date. The dividend will be paid on or after Tuesday June 2, 2020.

Ordinary dividends paid in the past three accounting periods were as follows:

Fiscal years	2018	2017	2016
Dividend per share *(in MAD)*	6.83	6.48	6.36
Total dividends paid (in MAD million)	6,004	5,696	5,590

FIFTH RESOLUTION

RATIFICATION OF THE CO-OPTION OF MR. OBAID BIN HUMAID AL TAYER AS A MEMBER OF THE SUPERVISORY BOARD

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting hereby confirms the co-option of Obaid Bin Humaid AL TAYER as a member of the Supervisory Board for the remainder of the outgoing member's term of office, i.e. until the end of the Shareholders' Meeting called to approve the financial statements for the period ending December 31, 2024.

SIXTH RESOLUTION

REAPPOINTMENT OF MR. SERKAN OKANDAN AS A MEMBER OF THE SUPERVISORY BOARD

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting, on a proposal of the Supervisory Board, hereby reappoints Serkan OKANDAN as a member of the Supervisory Board for six (6) accounting periods, i.e. until the end of the Shareholders' Meeting called to approve the financial statements for the period ending December 31, 2025.

SEVENTH RESOLUTION

APPOINTMENT OF TWO INDEPENDENT MEMBERS OF THE SUPERVISORY BOARD

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting, on a proposal of the Supervisory Board, hereby decides to appoint two (2) independent members to the Supervisory Board for a term of six (6) years each, i.e. until the end of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025.

EIGHTH RESOLUTION

APPOINTMENT OF A NEW STATUTORY AUDITOR

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting, on a proposal of the Supervisory Board, to renew the mandate of Coopers Audit, represented by Mr. Abdelaziz ALMECHATT, as Statutory auditor of the Company for a term of three (3) accounting periods, i.e. until the end of the Shareholders' Meeting called to approve the financial statements for the period ending December 31, 2022.

NINTH RESOLUTION

CANCELLATION OF THE CURRENT STOCK BUYBACK PROGRAM AND AUTHORIZATION GIVEN TO THE MANAGEMENT BOARD TO AGAIN TRADE IN THE COMPANY'S SHARES AND ESTABLISH A LIQUIDITY CONTRACT ON THE CASABLANCA STOCK EXCHANGE

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' meetings, and having heard the Management Board's report, the Shareholders' meeting hereby cancels as of May 13, 2020 the stock buyback program authorized by the Ordinary Shareholders' meeting of April 23, 2019 to stabilize the share price and scheduled to end on November 6, 2020.

The Ordinary Shareholders' Meeting, abiding by the terms and conditions of:

- Articles 279 and 281 of Law 17-95 of August 30, 1996, pertaining to Moroccan corporations (*sociétés anonymes*), as amended and supplemented by Laws 20-05, 78-12 and 20-19;
- Decree No. 2-10-44 of 17 Rajab 1431 (June 30, 2010), amending and supplementing Decree No. 2-02-556 of 22 Dou-al Hijja 1423 (February 24, 2003) determining the forms and conditions under which corporations can buy back their own shares on the stock exchange in view of regulating the share price; and
- of the AMMC (Moroccan securities authority) circular.

And having heard the report of the Management Board on the share buyback program undertaken by Itissalat Al-Maghrib with a view towards regulating share price, has reviewed all items in the notice approved by the AMMC. The characteristics of the new buyback program are as follows:

The Ordinary Shareholders' Meeting expressly authorizes the establishment of a new program by Itissalat Al-Maghrib to buy back its own shares on the stock exchange, in Morocco or abroad, as proposed by the Management Board.

Incidentally, and subject to compliance with the current legal and regulatory provisions, the Shareholders' Meeting expressly authorizes the establishing of a liquidity contract on the Casablanca stock exchange, backing this buyback program.

The number of shares targeted by this liquidity contract can under no circumstance exceed the lower of the following two limits:

- 300,000 shares, or 20% of the total number of shares indicated in the buyback program;
- the maximum limit allowed by the laws cited above.

The characteristics of the new buyback program are as follows:

Stock concerned	Shares of Itissalat Al-Maghrib
Maximum number of shares to be held within the scope of the share buyback program, including shares covered by the liquidity agreement	0.17% of the capital i.e., 1,500,000 shares
Maximum expenditure allowable for implementation of buyback program	MAD 297,000,000
Authorized period	18 months
Program calendar	From May 13, 2020 to November 12, 2021
Share price (excluding buying/selling commissions):	
• Minimum sale price	MAD 92 per share (or equivalent in euros)
• Maximum purchase price	MAD 198 per share (or equivalent in EUR)
Financing method	With free cash flow

The Shareholders' Meeting hereby grants all powers unreservedly to the Chairman of the Management Board, or to any other member of the Management Board, to proceed with the revocation of the share buyback program authorized at the Ordinary Shareholders' Meeting of April 23, 2019, and to implement, within the limits set out above, in Morocco and abroad, the new share buyback program and the liquidity contract related thereto, at the dates and under the terms and conditions that said Board deems fit.

TENTH RESOLUTION

POWERS TO PERFORM FORMALITIES

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting hereby grants the Chairman of the Management Board all powers, which can be delegated to any person of his choice, to perform all formalities required by law.

Glossary

3RP (Shared Radio Network). A radio network in which the transmission methods are shared between the users of several companies or bodies for internal communications. This sharing is marked by the fact that these methods are allocated to users solely for the duration of each communication.

4G is the 4th generation of standards for Mobile telephony. Succeeding the 2G and 3G, it allows for "very-high-speed mobile broadband", in other words data transmissions with theoretical speeds of more than 100 Mb/s, i.e., higher than 1 Gbps.

ADSL (Asymmetrical Data Subscriber Line). Technology enabling users to receive high-bandwidth services and make phone calls simultaneously through their existing phone lines. The transmission capacity going from the network to the consumer is greater than that from the consumer to the network, and therefore asymmetric.

AMRTP. The Malian regulatory authority for telecommunications and postal services.

ANRT. Regulatory authority for electronic communications and postal services.

ARCEP. Regulatory authority for electronic communications and postal services.

ARE. Mauritanian telecommunications regulator.

ATM (Asynchronous Transfer Mode). Network technology that accommodates the simultaneous transmission of data, voice and video. It is based on asynchronous transmission of short packets of fixed length.

Average churn rate. Indicator calculated by dividing the number of contracts terminated (customers with prepaid and postpaid plans) over a given period by the total average customer base (prepaid and postpaid) for the same period, expressed yearly. The average customer base is the average of all average monthly customer bases (prepaid and postpaid) for the period. The monthly average customer base corresponds to a given month's mean number of customers (prepaid and postpaid) taken at the beginning and at the end of that month.

Bitstream: Used in particular for the transmission of audio signals between a source (a DVD player for example) and a broadcaster (a home cinema for example).

BTS (Base Transceiver Station). Element of the mobile radio network, consisting of an antenna system and radio transmitters/receivers (TRX). It provides GSM network coverage in a specific geographical segment.

CAF. Cash-flow.

Call completion rate. Quality indicator measuring, at peak time on the network, the number of calls successfully completed by the existing Mobile customer base (for the BSS radio portion), compared to all calls transmitted over the network.

CAMEL (Customised Applications for Mobile Networks Enhanced Logic). A technology that enables users to call their home country without needing an area code. The technology works for voice calls as well as short messages (SMS).

CGSUT. Telecommunications Universal Service Management Board.

Churn rate. Indicator calculated by dividing the number of contracts terminated over a given period by the average customer base over the same period, expressed yearly. The monthly average customer base corresponds to a given month's mean number of customers taken at the beginning and at the end of that month.

CPC. Statement of comprehensive income.

CTI (*Centre de Transit International*). International Transit Center. A switch that carries international calls to foreign operators' networks.

Divisions. Indicates Maroc Telecom's Mobile or Fixed-line and Internet divisions.

Dropped-call rate. Quality indicator measuring, for the existing Mobile customer base, the number of dropped communications in comparison to the set of communications established on the network.

DSLAM (Digital Subscriber Line Access). ADSL equipment located at a telephone exchange. It is an electronic assembly holding several cards that are equivalent to the client filter and modem. The filter separates incoming phone and data signals, and the modem translates back the ATM cells (small packets transported over ATM connections).

EDGE (Enhanced Data Rates for GSM Evolution). is a Mobile telephony standard that builds on GPRS, which is a GSM extension with backward compatibility.

Fidelio. Fidelio was the first points-based loyalty program introduced in Morocco. It is reserved to postpaid customers and was launched on June 1, 2002. This program allows points to be collected on the basis of expenditure and provides advantages in the form of free or discounted handsets and free calls and SMS messages.

Frame Relay. Technology used to send high-bandwidth data over long distances, enabling the transmission of large amounts of data, the handling of fluctuations in data flows, and voice transmission.

GMPCS (Global Mobile Personal Communications by Satellite). Personal communications system providing cross-border, regional or worldwide coverage via a network of satellites accessible by small, easily transportable handsets.

GPRS (General Packet Radio Service). Packet switching system that increases data rates over GSM networks.

GSM (Global Systems for Mobile Communications). European digital radio transmission standard for Mobile telephony, known as 2G (second generation), developed by ETSI (European Telecommunications Standards Institute) and adopted in 1987. It is the most widely used standard in the world. Used since 1992, this technology uses two frequency bands, 900 and 1,800 MHz, and can transmit voice just as well as data.

IN platforms (Intelligent Network). Platform allowing value-added services to be made available (prepaid card, prepaid line, kiosk, capped rate plan, etc.).

Interconnection. Reciprocal service offered by the operators of two different telecommunications networks, enabling all subscribers within the two groups to communicate freely with one another.

Inter-segment revenues. Inter-segment revenues are mainly generated from interconnection services relating to traffic between the fixed-line and mobile networks and the provision to the Mobile segment of leased lines by the Fixed-line segment. Since July 1, 2004, inter-segment revenues also include revenues from the provision of interconnection services with Mauritel.

IP (Internet Protocol). Telecommunications protocol used on networks to carry internet traffic and based on the transmission of data packets.

ISDN (Integrated Services Digital Network). Entirely digital telecom network enabling the simultaneous transmission of voice and data (fax, internet, etc.).

ISP (Internet Service Provider). A company or an organization offering internet access to retail, professional, and business users.

Kbits/s (Kilobits per second). Unit of measurement for the speed at which data can be transmitted along a line.

Leased line. Any part of a network (or an access line to that network) that is supplied as a dedicated channel with all of its capacity available exclusively to the user and on which there are no controls or signaling.

LO BOX (GSM gateway). Equipment, compatible with the GSM standard, that has been designed to act as an interface between the GSM network and equipment that is normally meant to be connected to the fixed-line public telecommunications network, e.g., private switching systems (PABX) or ordinary telephones.

Maroc Telecom Group. The Maroc Telecom entity comprising all fully consolidated companies.

MENA (The Middle East and North Africa). Region comprising the following countries: Algeria, Bahrain, Egypt, Gaza and the West Bank, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, Turkey, UAE and Yemen.

MMS (Multimedia Messaging Service). Multimedia version of SMS enabling real multimedia files (video, audio, high-resolution images) to be attached to text messages.

MSAN (Multi-Service Access Node). New telecommunications technology that shortens last miles, thereby increasing speeds, integrating ADSL and voice and allowing for services such as videotelephony and three-way calling.

MSC (Mobile Switching Center). A central switching point for Mobile service that controls the routing of calls.

Multiplexer. Telecom network equipment that enables the insertion or extraction of data packages.

Network Intelligent Call Center (*Centre d'Appels Intelligent Réseau – CAIR*). Call Center Offer launched by Maroc Telecom, intended for companies whose customer relations management constitutes a true strategic variable. CAIR's objective is to enable effective management of the customer relationship without significant investment from the customer. This is because the technical functionalities of the call center are managed within the Maroc Telecom network.

NICT. New information and communication technology

NMT (Nordic Mobile Telephone) standard. Mobile network launched by Maroc Telecom and based on analog technology operating in the 450 MHz frequency band.

NSS System (Network Sub-System). All elements/equipment, in particular switchgear, required to make up a GSM network.

Optical local loop. Fiber optic-cable-based access network used to connect broadband customers.

PABX (Private Automatic Branch eXchange). Equipment able to establish temporary connections between inbound and outbound lines in order to route communications.

PCM (Pulse Code Modulation). Transmission of the spoken word through the sampling and digital coding of the signal. The PCM circuit is the heart of the 2 Mb/s telephone network.

Postpaid (services). Formula whereby services are paid for after being used (free services may also be included in this formula).

Power CP. New, more powerful processor, based on Siemens technology, for MSC mobile switches.

PPT. Smart Network service allowing the marketing of capped rate plans, not with a line number (CLI) but with any virtual phone number.

Prepaid (services). Formula whereby services are paid for before being used (free services may also be included in this formula).

PSTN (Public Switched Telephone Network). This is the classic 2-line network. This system is switched in the sense that the connection is temporarily established with the person called, as opposed to cable, where the connection is permanent.

Radio paging. Transmission of numeric or alphanumeric messages to a mobile handset or group of mobile handsets.

Radio-relay system. Technique used to transmit a signal (voice, data or video) by radio wave. These links consist of relays that are installed on pylons or at high points which are used to ensure that the signal is routed from the source to the destination.

Roaming. Function enabling customers abroad to make and receive calls via an operator other than the one to which they subscribe.

SaaS. Software as a Service, whereby software and applications are hosted, delivered and maintained via the cloud by the service provider rather than by the customer.

SDH (Synchronous Digital Hierarchy). Digital method of optimizing transmissions over fiber optic and radio systems.

Signal failure rate. General term, applicable to various services, expressing the number of lines or services declared to have failed during the period, compared to the set of lines or services for the same period.

Signaling Transfer Point (STP) system. Signaling transfer point for S7 signaling systems. The STP allows signaling messages to be routed and transferred by means of the SS7 protocol.

SIM (Subscriber Identity Module) card. Without a SIM card, calls cannot be made from a mobile phone. In particular, the SIM card stores the user's personal profile and a PIN code protecting access to the card.

Single RAN. Solution for network operators that lowers energy consumption, transmission costs, maintenance, and the amount of ground infrastructure needed with respect to traditional BTS solutions.

SMS (Short Message Service). Written message, limited to 160 characters, exchanged between mobile telephones.

SMSC (Short Message Service Center) Servers. Service allowing the sending and receiving of written messages containing a maximum of 160 characters. Messages can be sent via an operator, via the internet or directly using the keyboard on a mobile phone. If the recipient's phone is turned off, the messages are still saved at the operator's message center. The length of time these messages are stored for varies depending on the operator. Nonetheless, in order for messages to be received, the maximum storage capacity of the handset must not have been reached.

SMW3 (SEA-ME-WE3/Southeast Asia – Middle East – Western Europe). Fiber optic submarine cable linking four continents.

SRS (Self-Routing Switch). A switch is a set of controls that allow a temporary link or connect to be established between an incoming path and an outgoing path corresponding to subscriber lines or circuits.

SS7 Network (Signaling System 7). American name for the CCITT 7 network signaling protocol.

SSNC (Signaling System Network Control). A new component developed by Siemens that controls signaling traffic for MSCs (mobile switching centers) in such a way as to increase handling capacity.

Success rate. Quality indicator measuring the number of SMS successfully sent by the existing Mobile customer base, as compared to all SMS transmitted on the network.

TFR. Components of earnings table.

Unbundling. An incumbent operator, owner of the local loop, has an obligation to provide pairs of copper wires to third-party operators, in exchange for compensation. Such third-party operators install their own transmission equipment in order to connect their networks to their customers' premises. Partial unbundling allows a third-party operator to take over the internet connection while the incumbent operator still provides telephony subscription and services. Full unbundling allows a third-party operator to connect the entire customer line to its own network, and thus to offer both telephony and broadband services.

USF. Universal Service Fund.

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Maroc Telecom

Un monde nouveau vous appelle

MAROC TELECOM

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