

CONSOLIDATED RESULTS AS AT SEPTEMBER 30, 2020

Resilient results despite a difficult context:

- » **4.3% increase** in the Group's total **customer base** at **70.5 million subscribers**;
- » Adjusted Group EBITDA margin improved by 0.2 pt (on a like-for-like basis) reaching 52.2% thanks to good cost control;
- » **International activities showing good resilience** thanks to Mobile Data;
- » **Continued growth in Fixed-Line activities in Morocco** driven by growth in Data.

To mark the publication of this press release, Mr. Abdeslam Ahizoune, Chairman of the Management Board, made the following comments:

"Amid the global health crisis and a tougher competition, the international diversification strategy initiated by Maroc Telecom several years ago is once again proving its success. The international assets enable the Group to improve its resilience in this difficult economic environment.

Maroc Telecom has also shown a strong adaptability in handling the effects of the crisis through the adoption of cost optimization plans and

optimized investment management since the beginning of the pandemic.

The Group is also pursuing its modernization of infrastructure and services to offer to its customers the best quality and the broadest coverage in all countries in which it operates. As a committed operator, Maroc Telecom is positioned to be a catalyst for digitalization and closing the digital divide."

GROUP CONSOLIDATED ADJUSTED RESULTS*

(IFRS in MAD million)	Q3-2019	Q3-2020	Change	Change on a like-for-like basis ⁽¹⁾	9M-2019	9M-2020	Change	Change on a like-for-like basis ⁽¹⁾
Revenues	9,465	9,174	-3.1%	-3.5%	27,308	27,498	+0.7%	-1.2%
Adjusted EBITA	4,989	4,758	-4.6%	-5.0%	14,398	14,361	-0.3%	-0.8%
<i>Margin (%)</i>	52.7%	51.9%	-0.8 pt	-0.8 pt	52.7%	52.2%	-0.5 pt	+0.2 pt
Adjusted EBITA	3,126	2,879	-7.9%	-8.1%	8,989	8,714	-3.1%	-2.6%
<i>Margin (%)</i>	33.0%	31.4%	-1.7 pt	-1.6 pt	32.9%	31.7%	-1.2 pt	-0.5 pt
Group share of adjusted Net Income	1,625	1,520	-6.5%	-6.3%	4,647	4,526	-2.6%	-1.4%
<i>Margin (%)</i>	17.2%	16.6%	-0.6 pt	-0.5 pt	17.0%	16.5%	-0.6 pt	-0.0 pt
CAPEX⁽²⁾	1,377	846	-38.6%	-38.8%	4,605	2,032	-55.9%	-57.8%
<i>Of which frequencies & licenses</i>		11			1 321	11		
<i>CAPEX/revenues (excluding frequencies & licenses)</i>	14.6%	9.1%	-5.5 pt	-5.5 pt	12.0%	7.3%	-4.7 pt	-4.7 pt
Adjusted CFFO	3,438	4,121	+19.9%	+19.5%	9,166	11,221	+22.4%	+21.2%
Net Debt	20,188	20,809	+3.1%	+2.8%	20,188	20,809	+3.1%	+2.8%
Net Debt/EBITDA⁽³⁾	1.0x	1.0x			1.1x	1.0x		

*The adjustments to financial indicators are presented in Note 1

► Customer base

The Group's customer base continued to grow (+4.3% year-on-year) reaching 70.5 million at the end of September 2020, driven by the increase in the customer bases of subsidiaries (+7.3%), Fixed Lines (+6.7%) and Fixed-Line Broadband (+10.4%) customer bases in Morocco.

► Revenues

During the first nine months of the year 2020, Maroc Telecom Group generated total revenues⁽⁴⁾ of MAD 27,498 million, up 0.7% (-1.2% on a like-for-like basis⁽¹⁾). The good resilience of the International activities partially offset the decline in revenues in Morocco which was penalized by the effects of the COVID-19 health crisis.

► Earnings from operations before depreciation and amortization

Maroc Telecom Group's adjusted earnings from operations before depreciation and amortization (EBITDA) reached MAD 14,361 million at the end of September 2020, down slightly by 0.3% (-0.8% on a like-for-like basis⁽¹⁾) thanks to a 6.7% increase (+5.0% on a like-for-like basis⁽¹⁾) in adjusted EBITDA from International activities which partially offset the decrease in adjusted

EBITDA in Morocco. The adjusted EBITDA margin increased by 0.2 pt on a like-for-like basis⁽¹⁾ to 52.2%.

▶ **Earnings from operations**

At the end of the first nine months of 2020, Maroc Telecom Group's adjusted earnings from operations (EBITA)⁽⁵⁾ amounted to MAD 8,714 million, down 3.1% (-2.6% on a like-for-like basis⁽¹⁾) due to an increase in amortization.

▶ **Group share of Net Income**

The adjusted Group share of Net Income was MAD 4,526 million, down 2.6% (-1.4% on a like-for-like basis⁽¹⁾).

▶ **Investments**

As a result of effective management of investments⁽²⁾ adapted to the current crisis, Capex (excluding frequencies and licenses) was down 38.5% at the end of September 2020.

▶ **Cash Flow**

Adjusted cash flow from operations (CFFO)⁽⁶⁾ amounted to MAD 11,221 million, up 22.4% (+21.2% on a like-for-like basis⁽¹⁾) due to the decline in Capex.

At the end of September 2020, the Group's consolidated net debt⁽⁷⁾ represents 1.0x its annualized EBITDA⁽³⁾.

OVERVIEW OF THE GROUP'S ACTIVITIES

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

- **Morocco**

(IFRS in MAD million)	Q3-2019	Q3-2020	Change	9M-2019	9M-2020	Change
Revenues	5,599	5,205	-7.0%	16,312	15,729	-3.6%
Mobile	3,760	3,354	-10.8%	10,719	10,132	-5.5%
Services	3,729	3,288	-11.8%	10,523	9,925	-5.7%
Equipment	31	65	ns	195	207	+6.2%
Fixed-line	2,298	2,367	+3.0%	6,955	7,093	+2.0%
Of which Fixed-line Data*	762	901	+18.2%	2,300	2,641	+14.8%
Eliminations and other income	-458	-515		-1,361	-1,496	
Adjusted EBITDA	3,209	2,991	-6.8%	9,345	8,971	-4.0%
Margin (%)	57.3%	57.5%	+0.2 pt	57.3%	57.0%	-0.3 pt
Adjusted EBITA	2,207	2,019	-8.5%	6,377	6,056	-5.0%
Margin (%)	39.4%	38.8%	-0.6 pt	39.1%	38.5%	-0.6 pt
CAPEX⁽²⁾	856	318	-62.9%	1,733	882	-49.1%
Of which frequencies & licenses						
CAPEX/revenues (excluding frequencies & licenses)	15.3%	6.1%	-9.2 pt	10.6%	5.6%	-5.0 pt
Adjusted CFFO	2,606	2,797	+7.3%	6,424	7,054	+9.8%
Net Debt	13,739	14,314	+4.2%	13,739	14,314	+4.2%
Net Debt/EBITDA⁽³⁾	1.1x	1.0x		1.1x	1.1x	

*Fixed-line Data includes Internet, TV over ADSL and Corporate Data services

Revenues from activities in Morocco reached MAD 15,729 million for the first nine months of 2020, down 3.6% due to the decline in Mobile revenues. Deprived of significant income from tourism and Moroccans living abroad, the Mobile segment continued to suffer from the effects of the COVID-19 crisis, especially regarding incoming international traffic and roaming. This decline was mitigated by the increase in Fixed-Line revenues which rose by 2.0% over the 9-month period (+3.0% in the third quarter of 2020 alone).

Over the same period, the adjusted earnings from operations before depreciation and amortization (EBITDA) contracted by 4.0% year-on-year to MAD 8,971 million. The adjusted EBITDA margin was 57.0%, a slight decrease of 0.3 pt.

Adjusted earnings from operations (EBITA)⁽⁵⁾ reached MAD 6,056 million, down 5.0% year-on-year due to the decline in adjusted EBITDA. The adjusted EBITA margin was 38.5%, down 0.6 pt.

Adjusted cash flow from operations (CFFO)⁽⁶⁾ in Morocco was up 9.8%.

Mobile

	Unit	9M-2019	9M-2020	Change
Customer base⁽⁸⁾	(000)	20,281	19,711	-2.8%
Prepaid	(000)	18,031	17,393	-3.5%
Postpaid	(000)	2,250	2,318	+3.0%
Of which 3G/4G+ Internet⁽⁹⁾	(000)	12,328	11,335	-8.1%
ARPU⁽¹⁰⁾	(MAD/month)	58.7	55.1	-6.1%

As at September 30, 2020, the Mobile base⁽⁸⁾ was 19.7 million customers, down 2.8% year-on-year.

The effects of the health crisis resulted in significant pressure on Mobile activities, which recorded a 5.5% decline in revenues to MAD 10,132 million.

At the end of the first nine months of 2020, combined ARPU⁽¹⁰⁾ amounted to MAD 55.1, down 6.1% year-on-year.

Fixed-line and internet

	Unit	9M-2019	9M-2020	Change
Fixed Lines	(000)	1,865	1,991	+6.7%
Broadband access⁽¹⁾	(000)	1,548	1,709	+10.4%

At the end of September 2020, the Fixed-Line base had grown by 6.7% year-on-year, to nearly 2 million lines. The broadband customer base increased by 10.4% to 1.7 million subscribers.

Fixed-Line and Internet activities in Morocco generated revenues of MAD 7,093 million, up 2.0% compared to the same period in 2019 driven by Fixed-Line Data.

- **International**

Financial indicators

(IFRS in MAD million)	Q3-2019	Q3-2020	Change	Change on a like-for-like basis ⁽¹⁾	9M-2019	9M-2020	Change	Change on a like-for-like basis ⁽¹⁾
Revenues	4,169	4,199	+0.7%	-0.3%	11,993	12,517	+4.4%	-0.1%
<i>Of which Mobile</i>	3,823	3,881	+1.5%	+0.5%	10,941	11,476	+4.9%	+0.0%
Adjusted EBITDA	1,779	1,767	-0.7%	-1.6%	5,052	5,389	+6.7%	+5.0%
<i>Margin (%)</i>	42.7%	42.1%	-0.6 pt	-0.6 pt	42.1%	43.1%	+0.9 pt	+2.1 pt
Adjusted EBITA	920	860	-6.4%	-7.0%	2,612	2,658	+1.8%	+3.2%
<i>Margin (%)</i>	22.1%	20.5%	-1.6 pt	-1.5 pt	21.8%	21.2%	-0.5 pt	+0.7 pt
CAPEX⁽²⁾	521	527	+1.2%	+0.6%	2,872	1,149	-60.0%	-62.7%
<i>Of which frequencies & licenses</i>		11			1 321	11		
<i>CAPEX/revenues (excluding frequencies & licenses)</i>	12.6%	12.3%	-0.3 pt	-0.3 pt	12.9%	9.1%	-3.8 pt	-3.2 pt
Adjusted CFFO	832	1,324	+59.0%	+57.5%	2,742	4,167	+52.0%	+46.9%
Net Debt	9,313	7,948	-14.7%	-15.2%	9,313	7,948	-14.7%	-15.2%
Net Debt/EBITDA⁽³⁾	1.3x	1.1x			1.4x	1.0x		

Despite a particularly difficult environment marked by the effects of the COVID-19 epidemic, socio-political and economic unrest in Mali and heavy rains in some regions, the Group's International activities continued to show resilience generating virtually unchanged revenues at the end of September 2020 (-0.1% on a like-for-like basis⁽¹⁾) and +4.4% at current exchange rates compared to 2019. Mobile Data continues to support the activity.

Adjusted earnings from operations before depreciation and amortization (EBITDA) for the first nine months of 2020 reached MAD 5,389 million up 6.7% (+5.0% on a like-for-like basis⁽¹⁾). Adjusted EBITDA margin was up 0.9 pt (+2.1 pt on a like-for-like basis⁽¹⁾). This performance is mainly due to the improvement in the gross margin and ongoing efforts to optimize operating costs.

Adjusted earnings from operations (EBITA)⁽⁵⁾ improved by 1.8% (+3.2% on a like-for-like basis⁽¹⁾) to total MAD 2,658 million representing a 0.7 pt improvement in the adjusted margin on a like-for-like basis⁽¹⁾.

With an increase in EBITDA and optimisation of investments, adjusted cash flow from operations (CFFO)⁽⁶⁾ increased by 52.0% (+46.9% on a like-for-like basis⁽¹⁾) to MAD 4,167 million.

Operating indicators

	Unit	9M-2019	9M-2020	Change
Mobile				
Customer base⁽¹⁾	(000)	43,435	46,606	
Mauritania		2,440	2,572	+5.4%
Burkina Faso		8,294	9,087	+9.6%
Gabon		1,601	1,562	-2.4%
Mali		7,395	8,572	+15.9%
Côte d'Ivoire		9,030	9,703	+7.5%
Benin		4,549	4,541	-0.2%
Togo		3,689	3,190	-13.5%
Niger		2,846	2,888	+1.5%
Central African Republic		160	185	+15.8%
Chad		3,431	4,306	+25.5%
Fixed-line				
Customer base	(000)	324	335	
Mauritania		56	58	+2.9%
Burkina Faso		77	74	-3.0%
Gabon		22	25	+13.0%
Mali		169	178	+5.0%
Fixed-Line Broadband				
Customer base⁽¹⁾	(000)	114	129	
Mauritania		10	18	+78.6%
Burkina Faso		15	14	-6.0%
Gabon		18	21	+17.6%
Mali		72	76	+5.8%

Notes:

- (1) The like-for-like basis illustrates the effects of the consolidation of Tigo Chad as if it had actually completed on January 1, 2019 and a constant MAD/Ouguiya/ CFA Franc exchange rate.
- (2) CAPEX corresponds to the acquisitions of non-current intangible assets and property, plant and equipment recognized during the period.
- (3) The net debt/EBITDA ratio excludes the impact of IFRS 16.
- (4) Maroc Telecom consolidates Mauritel, Onatel, Gabon Télécom, Sotelma, Casanet, AT Côte d'Ivoire, Etisalat Benin, AT Togo, AT Niger, AT Centrafrique and Tigo Chad in its financial statements since July 1, 2019.
- (5) EBITA corresponds to operating income before the amortization of intangible assets related to business combinations, goodwill impairment and other intangible assets related to business combinations and other income and expenses related to financial investment transactions and transactions with shareholders (unless they are directly recognized in shareholders' equity).
- (6) CFFO includes the net cash flows from operations before tax as presented in the cash flow statement as well as dividends received from companies accounted for using the equity method and non-consolidated investments. It also includes net industrial investments which correspond to net cash outflows related to acquisitions and disposals of non-current intangible assets and property, plant and equipment.
- (7) Loans and other current and non-current liabilities less cash and cash equivalents including cash held in escrow for bank loans.
- (8) The active base comprises prepaid customers that have made or received a voice call (excluding calls from the concerned ERPT or its Customer Relations Centers) or sent an SMS/MMS or used Data services (excluding technical data exchanges with the concerned ERPT network) over the last three months and postpaid customers that have not canceled.
- (9) The Mobile Internet 3G and 4G+ active base includes holders of a postpaid subscription contract (whether or not combined with a voice offering) and holders of a prepaid subscription to the Internet service that have made at least one recharge over the last three months or for whom the credit is valid and who have used the service during the period.
- (10) The ARPU is defined as revenue (generated by entering or exiting calls and by data services) less promotional offers, excluding roaming and equipment sales, divided by the average base over the period. It is the combined ARPU for the prepaid and postpaid segments.
- (11) The broadband base includes ADSL, FTTH access and rented connections and also includes the CDMA base in Mauritania, Burkina Faso and Mali.

Important warning:

Forward-looking statements. This press release contains forward-looking statements and elements relating to the financial position, operating results, strategy and outlook for Maroc Telecom and the impacts of certain transactions. Although Maroc Telecom considers that these forward-looking statements are based on reasonable assumptions, they do not constitute guarantees as to the Company's future performance. The actual results may be very different from the forward-looking statements, due to a number of risks and uncertainties, both known and unknown. The majority of these risks are beyond our control namely the risks described in the public documents filed by Maroc Telecom with the Moroccan Capital Markets Authority (www.ammc.ma) and the French Financial Markets Authority (www.amf-france.org), which are also available in French on our website (www.iam.ma). This press release contains forward-looking information that may only be assessed on the day of its publication. Maroc Telecom makes no commitment to complete update or amend these forward-looking statements as a result of new information, a future event or any other reason, subject to the applicable regulations particularly articles 2.31 et seq. of the Autorité Marocaine du Marché des Capitaux (Moroccan Capital Markets Authority) circular and 223-1 et seq. of the Autorité des Marchés Financiers (French Financial Markets Authority) General Regulation.

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

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

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

Adjusted EBITDA, adjusted EBITA, Group share of adjusted Net Income and adjusted CFFO are not strictly accounting measurements and must be considered as additional information. They better illustrate the Group's performance by excluding exceptional items.

(in MAD millions)	9M-2019			9M-2020		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	9,345	5,052	14,398	8,971	5,389	14,361
Resolution of disputes				+420		+420
Reported EBITDA	9,345	5,052	14,398	9,391	5,389	14,780
Adjusted EBITA	6,377	2,612	8,989	6,056	2,658	8,714
Resolution of disputes				+420		+420
Reported EBITA	6,377	2,612	8,989	6,476	2,658	9,134
Group share of adjusted Net Income			4,647			4,526
Resolution of disputes						+469
COVID-19 contributions						-1 038
Published Net Income – Group share			4,647			3,958
Adjusted CFFO	6,424	2,742	9,166	7,054	4,167	11,221
Payment of licenses		-1,833	-1,833		-118	-118
ANRT penalty				-3,300		-3,300
Reported CFFO	6,424	908	7,333	3,754	4,049	7,803

The first nine months of 2020 were marked by the disbursement of MAD 3.300 million related to the payment in full of the ANRT fine in Morocco, the payment of the last tranche of the license (extension to 4G) in Togo and frequencies in Gabon for an amount of MAD 118 million.

The first nine months of the previous year included the payment of MAD 1.833 million for licenses obtained in Burkina Faso, Mali, Côte d'Ivoire and Togo.

Appendix 2: IFRS 16 impact

As at end-September 2020 the impact of IFRS 16 on Maroc Telecom key indicators was as follows:

<i>(in MAD millions)</i>	9M-2020		
	Morocco	International	Group
Adjusted EBITDA	+201	+212	+413
Adjusted EBITA	+29	+30	+59
Groupe share of adjusted Net Income			-5
Adjusted CFFO	+201	+212	+413
Net Debt	+862	+776	+1,638