



Management report

Financial year 2021

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Dear Sirs,

In accordance with Article 141 of Law 17-95 of 30 August 1996, as amended and supplemented, and the agenda provided to you, we are pleased to present the Management Board's report to the Shareholders' Meeting of Itissalat Al-Maghrib ('Maroc Telecom') on the company's activity and to present the results and financial statements for the year ended 31 December 2021.

1. 2021 Highlights and events after the end of the reporting period

In 2021, the Maroc Telecom Group demonstrated its resilience and adaptability across all its markets in the face of the ongoing health crisis, ending in line with all the operational and financial objectives.

Ongoing efforts to control costs are enabling the Group to maintain its margins, and the digital transformation and innovation projects remain a priority in order to support the expansion of the customer base and the growth of Data, particularly in the Subsidiaries.

These achievements confirm the relevance of the Group's investment policy in its networks, both in the domestic and international markets, and reinforce the Group's strategy based on differentiation through performance and quality of service.

The Maroc Telecom Group generated revenues⁽⁴⁾ of nearly MAD 36 billion, down 2.7% (-2.0% at constant exchange rates⁽¹⁾). The good performance of the revenues of the Moov Africa subsidiaries and Fixed Broadband in Morocco partially offset the slowdown in Mobile activities in Morocco, still impacted by the competitive and regulatory environment.

The Group's customer base reached more than 74 million customers in 2021 and recorded an increase of 1.8%, driven in particular by the growth of the subsidiaries' customer base.

In Morocco, the Mobile customer base⁽⁸⁾ had 19.9 million customers, up 2.1% over one year.

The Group's international activities posted revenues of MAD 16,912 million, up 1.5% at constant exchange rates⁽¹⁾, explained by the continuous growth in Data Mobile (+18.8% at constant exchange rates⁽¹⁾) and Mobile Money services (+13.1% at constant exchange rates⁽¹⁾). Excluding the decrease in termination fees, subsidiaries' revenues rose by 3.4% at constant exchange rates⁽¹⁾.

The subsidiaries' customer base reached almost 51.0 million by the end of 2021, an increase of 1.9%.

The year was marked by the following developments:

- i) On 16 December 2021, Itissalat Al-Maghrib S.A received a notice from the Rabat Commercial Court regarding a complaint filed by Wana on unbundling and is seeking compensation amounting to MAD 6,845 million. The company will use all legal means to defend its interests;
- ii) The 2022 Finance Act in Morocco provides for a new social solidarity contribution on profits for companies with a net profit of MAD 1 million or more. The rates of this contribution will increase from 3.5% in 2021 to 5% in 2022 for Maroc Telecom.
- iii) - In Mali, under the REMACOTEM dispute (association of mobile network consumers in Mali), the Civil Court had dismissed the plaintiff in 2013, for the alleged damages suffered. On November 3, 2021, the Bamako Court of Appeal set the total amount of damages claimed by REMACOTEM from 2011 to 2020 at 2,823 million dirhams, including 933 million dirhams for Sotelma. The latter has replied through its lawyers and a hearing has been requested to annul the said judgment as well as its execution.

Events after the end of the reporting period:

On 10 January 2022, Itissalat Al-Maghrib S.A received a report from the ANRT, pointing the partial compliance with certain injunctions in the January 17, 2020 decision. After an in-depth and detailed analysis of the aforementioned report, a response contesting the ANRT's findings was filed within the legal deadline of one month.

2. Group consolidated adjusted results*

<i>(IFRS in MAD millions)</i>	Q4 2020	Q4 2021	Change	Change at constant exchange rates ⁽¹⁾	2020	2021	Change	Change at constant exchange rates ⁽¹⁾
Revenues	9,271	9,004	-2.9%	-1.8%	36,769	35,790	-2.7%	-2.0%
Adjusted EBITDA	4,740	4,760	0.4%	1.3%	19,100	18,589	-2.7%	-2.2%
<i>Margin (%)</i>	51.1%	52.9%	1.7 pt	1.6 pt	51.9%	51.9%	-0.0 pt	-0.1 pt
Adjusted EBITA	2,886	3,082	6.8%	7.5%	11,598	11,586	-0.1%	0.4%
<i>Margin (%)</i>	31.1%	34.2%	3.1 pt	3.0 pt	31.5%	32.4%	0.8 pt	0.8 pt
Group share of adjusted Net Income	1,475	1,714	16.2%	16.7%	6,001	6,014	0.2%	0.5%
<i>Margin (%)</i>	15.9%	19.0%	3.1 pt	3.0 pt	16.3%	16.8%	0.5 pt	0.4 pt
CAPEX⁽²⁾	1,417	1,928	36.1%	37.4%	3,448	5,615	62.8%	64.0%
Of which frequencies and licences	124	1			135	123		
<i>CAPEX/revenues (excluding frequencies and licences)</i>	13.9%	21.4%	7.5 pt	7.5 pt	9.0%	15.3%	6.3 pt	6.3 pt
Adjusted CFO	4,498	3,736	-16.9%	-16.3%	15,719	12,110	-23.0%	-22.5%
Net debt	17,619	14,397	-18.3%	-17.6%	17,619	14,397	-18.3%	-17.6%
Net debt/EBITDA⁽³⁾	0,9x	0.7x			0,8x	0.7x		

*The adjustments to the financial indicators are detailed in section 6 Change from adjusted financial indicators to published financial indicators.

► Revenues

The Maroc Telecom Group generated revenues⁽⁴⁾ of nearly MAD 36 billion in 2021, down 2.7% (-2.0% at constant exchange rates⁽¹⁾). The good performance of the revenues of the Moov Africa subsidiaries and Fixed Broadband in Morocco partially offset the slowdown in Mobile activities in Morocco, still impacted by the competitive and regulatory environment.

► Earnings from operations before depreciation and amortization

At the end of December 2021, the adjusted earnings from operations before depreciation and amortization (EBITDA) of the Maroc Telecom Group stood at MAD 18,589 million, down 2.7% (-2.2% at constant exchange rates⁽¹⁾). Adjusted EBITDA margin remains high at 51.9%, stable over the year.

In the fourth quarter, the Group's adjusted EBITDA increased by 1.3% at constant exchange rates⁽¹⁾ to MAD 4,760 million thanks to rigorous cost management.

► Earnings from operations

At the end of 2021, the adjusted earnings from operations (EBITA)⁽⁵⁾ of the Maroc Telecom Group stood at MAD 11,586 million, up 0.4% at constant exchange rates⁽¹⁾, thanks to lower depreciation. The adjusted EBITA margin rose by 0.8 pt to 32.4%.

► Group share of Net Income

Group share of Net Income sharply rose (+11.1% at constant exchange rates⁽¹⁾).

Adjusted Group share of Net Income rose by 0.5% at constant exchange rates⁽¹⁾ thanks to the sharp increase in net income from the activities of the Moov Africa subsidiaries.

► Investments

Investments⁽²⁾ excluding frequencies and licences are sharply increasing to support a desire to strengthen Fixed and Mobile network infrastructures and represent 15.3% of revenues, in line with the objective announced for the year.

► Cash-Flow

Adjusted cash flows from operations (CFFO)⁽⁶⁾ fell by 22.5% at constant exchange rates⁽¹⁾, reaching MAD 12,110 million due in particular to the increase in investments.

At 31 December 2021, the consolidated net debt⁽⁷⁾ of the Maroc Telecom Group represented 0.7 times⁽³⁾ the Group's annual EBITDA.

3. Maroc Telecom Group's outlook for 2022

Based on recent market developments and insofar as no new major exceptional event disrupts the Group's activity, Morocco Telecom forecasts for 2022, at constant scope and exchange rates:

- Decrease in revenues;
- Decrease in EBITDA;
- CAPEX of approximately 20% of revenues, excluding frequencies and licences.

4. Offices and positions held by members of the Supervisory Board

Name	Current title and primary occupation	Date of appointment	Term of office ends	Primary occupation or employment
Nadia FETTAH ALAOUI	Chairman	Supervisory Board meeting of 25 October 2021	Ordinary General Meeting called to approve the 2024 financial statements	Minister of Economy and Finances, Morocco
Jassem Mohammed Bu Ataba AL ZAABI	Vice-Chairman	Supervisory Board meeting of 22 April 2021	Ordinary General Meeting called to approve the 2024 financial statements	Chairman of the Ministry of Finance of Abu Dhabi and Chairman of the Board of Directors of Etisalat Group, United Arab Emirates
Abdelouafi LAFTIT	Member	Supervisory Board meeting of 21 July 2017	Ordinary General Meeting called to approve the 2024 financial statements	Interior Minister, Morocco
Abderrahmane SEMMAR	Member	Supervisory Board meeting of 22 July 2016	Ordinary General Meeting called to approve the 2024 financial statements	Director of Public Enterprises and Privatization at the Ministry of Economy and Finances, Morocco
Hatem DOWIDAR	Member	Supervisory Board meeting of 22 July 2016	Ordinary General Meeting called to approve the 2024 financial statements	Chief Executive Officer of the Etisalat Group, United Arab Emirates
Luis ENRIQUEZ	Member	Supervisory Board meeting of 22 July 2020	Ordinary general meeting called to approve the 2025 financial statements	Partner, Grafine Capital Partners, United Arab Emirates
Kamal SHEHADI	Member	Supervisory Board meeting of 22 April 2021	Ordinary General Meeting called to approve the 2021 financial statements	Head of Legal and Regulatory Affairs at Etisalat International, United Arab Emirates
Hesham Abdulla AL QASSIM	Member	Supervisory Board meeting of 25 October 2021	Ordinary general meeting called to approve the 2024 financial statements	Chief Executive Officer of Wasl Asset Management Group, United Arab Emirates
Mohammed Karim BENNIS	Member	Supervisory Board meeting of 25 October 2021	Ordinary general meeting called to approve the 2024 financial statements	Chief Financial Officer of Etisalat Group, United Arab Emirates.

Nadia FETTAH ALAOUI

Chairman

Moroccan nationality

Business address: Ministry of Economy and Finances, Rabat

Current terms of office

- ◆ Ministry of Economy and Finances; Minister

Jassem Mohammed Bu Ataba AL ZAABI

Vice-President

Emirati nationality

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

Current terms of office

- ◆ Abu Dhabi Ministry of Finance; Chairman
- ◆ Superior Council of Financial Affairs; General Secretary
- ◆ Executive Committee; Member
- ◆ Abu Dhabi Pension Fund; Chairman of the Board of Directors
- ◆ Abu Dhabi Holding Company; Vice-Chairman of the Board of Directors
- ◆ Mohammed Bin Zayed University for Artificial Intelligence; Member of the Advisory Board
- ◆ First Abu Dhabi Bank; Member of the Board of Directors
- ◆ Tawazun Economic Council; Member of the Board of Directors
- ◆ Etisalat Group; Chairman of the Board of Directors

Abdelouafi LAFTIT

Moroccan nationality

Business address: Ministry of the Interior, Rabat

Current terms of office

- ◆ Ministry of the Interior; Minister

Abderrahman SEMMAR

Moroccan nationality

Business address: Ministry of Economy and Finances, Rabat

Current terms of office

- ◆ Ministry of Economy and Finances; Director of Public Enterprises and Privatization

Hatem DOWIDAR

Egyptian nationality

Business address: Etisalat – Intersection of Sheikh Zayed the First Street and Sheikh Rashid bin Saeed Al Maktoum Road, PO 3838, Abu Dhabi

Current terms of office

- ◆ Etisalat Misr; Director
- ◆ PTCL (Pakistan); Director
- ◆ Hutch Lanka; Director

Luis ENRIQUEZ

Chilean and Belgian nationality

Business address: London

Current terms of office

- ◆ Etisalat Group; Advisor to the Board of Directors

Kamal SHEHADI

Lebanese and US nationality

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

Current terms of office

- ◆ Atlantique Telecom; Chairman of the Board of Directors

Hesham ABDULLA AL QASSIM

Emirati nationality

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

Current terms of office

- ◆ Wasl Asset Management Group; Managing Director
- ◆ Emirates Islamic Bank PJSC; Chairman of the Board of Directors
- ◆ Emirates NBD S.A.E. Egypt; Chairman of the Board of Directors
- ◆ DenizBank A.S. Turkey; Chairman of the Board of Directors
- ◆ Emirates Institute for Banking and Financial Studies; Chairman of the Board of Directors
- ◆ Dubai Sports Corporation; Chairman of the Board of Directors
- ◆ Emirates National Bank of Dubai PJSC; Vice Chairman of the Board of Directors and Managing Director
- ◆ Dubai Real Estate Corporation; Vice Chairman of the Board of Directors
- ◆ Dubai Autism Centre; Chairman of the Board of Directors
- ◆ Dubai International Financial Centre Authority; Director

- ◆ DIFC Investments LLC; Director
- ◆ Etisalat Group; Director
- ◆ International Humanitarian City; Director
- ◆ The National Human Resources Development Committee in the Banking and Financial Sector; Director

Mohammed Karim BENNIS

Nationality: Moroccan and French

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

Current terms of office

- ◆ PTCL; Director
- ◆ Etisalat Misr; Director
- ◆ Atlantique Telecom; Director

5. Review of the Group's activities

The adjustments of the financial indicators are provided in section 6. Change from adjusted financial indicators to published financial indicators.

5.1 Morocco

<i>(IFRS in MAD millions)</i>	Q4 2020	Q4 2021	Change	2020	2021	Change
Revenues	5,152	5,028	-2.4%	20,881	19,906	-4.7%
Mobile	3,219	3,072	-4.6%	13,351	12,270	-8.1%
Services	3,084	2,834	-8.1%	13,009	11,684	-10.2%
Equipment	135	238	75.9%	342	586	71.1%
Fixed	2,424	2,416	-0.3%	9,517	9,474	-0.5%
Of which Fixed Data*	903	965	6.9%	3,490	3,754	7.6%
Elimination and other income	-491	-460	-	-1,987	-1,837	
Adjusted EBITDA	2,979	2,972	-0.3%	11,950	11,234	-6.0%
<i>Margin (%)</i>	57.8%	59.1%	1.3 pt	57.2%	56.4%	-0.8 pt
Adjusted EBITA	2,024	2,110	4.2%	8,079	7,599	-5.9%
<i>Margin (%)</i>	39.3%	42.0%	2.7 pt	38.7%	38.2%	-0.5 pt
CAPEX⁽²⁾	584	754	29.1%	1,466	2,630	79.4%
Of which frequencies and licences	0	0		0	0	
<i>CAPEX/revenues (excluding frequencies and licences)</i>	11.3%	15.0%	3.7 pt	7.0%	13.2%	6.2 pt
Adjusted CFFO	3,246	2,578	-20.6%	10,300	7,179	-30.3%
Net debt	11,515	9,350	-18.8%	11,515	9,350	-18.8%
Net debt/EBITDA⁽³⁾	0,9x	0.7x		0,9x	0.8x	

* Fixed Data includes the Internet, TV on ADSL and Data services to companies. A calculation method has been changed for an element of the Fixed Data affecting the background.

Revenues from the Group's activities in Morocco were down 4.7% compared with 2020, mainly affected by the decline in the Mobile business. The momentum in Fixed Data (+7.6%) partially offset the fall in Mobile revenues, which continue to be impacted by competitive and regulatory constraints.

At the end of 2021, adjusted earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 11,234 million, down 6.0% compared with 2020. The adjusted EBITDA margin rate remained high at 56.4%.

Adjusted earnings from operations (EBITA)⁽⁵⁾ reached MAD 7,599 million, down 5.9%. It represents an adjusted margin rate of 38.2%.

Adjusted cash flows from operations (CFFO)⁽⁶⁾ fell by 30.3% to MAD 7,179 million due to the increase in investments.

- **Mobile**

	Unit	2020	2021	Change
Customer base⁽⁸⁾	(000)	19,498	19,900	2.1%
Prepaid	(000)	17,181	17,538	2.1%
Postpaid	(000)	2,317	2,362	1.9%
Of which Internet 3G/4G+⁽⁹⁾	(000)	11,060	10,633	-3.9%
ARPU⁽¹⁰⁾	(MAD/month)	54.3	48.7	-10.2%

At the end of 2021, the Mobile customer base⁽⁸⁾ had 19.9 million customers, up 2.1% over one year.

Mobile revenues fell by 8.1% compared to the same period in 2020, to MAD 12,270 million due to the fall in outgoing revenues impacted by the unfavourable regulatory and competitive contexts and the decline in incoming revenues following the decrease in national call termination rates in December 2020.

The 2021 combined ARPU⁽¹⁰⁾ stood at MAD 48.7, down 10.2% over one year.

- **Fixed-line and Internet**

	Unit	2020	2021	Change
Fixed lines	(000)	2,008	1,974	-1.7%
Broadband Access⁽¹¹⁾	(000)	1,738	1,735	-0.2%

The Fixed customer base lost 1.7% and stood at nearly 2 million lines at the end of 2021. Broadband had 1.7 million subscribers and the expansion of the FTTH network (+47%) largely offset the losses of ADSL customers.

The Fixed and Internet activities generated revenues of MAD 9,474 million, relatively stable compared to 2020. The growth in Fixed Data offset the decline in voice.

5.2 International

Financial indicators

<i>(IFRS in MAD millions)</i>	Q4 2020	Q4 2021	Change	Change at constant exchange rates ⁽¹⁾	2020	2021	Change	Change at constant exchange rates ⁽¹⁾
Revenues	4,367	4,236	-3.0%	-0.7%	16,883	16,912	0.2%	1.5%
<i>Of which Mobile services</i>	4,031	3,928	-2.6%	-0.3%	15,507	15,626	0.8%	2.2%
Adjusted EBITDA	1,761	1,788	1.6%	3.8%	7,150	7,355	2.9%	4.2%
<i>Margin (%)</i>	40.3%	42.2%	1.9 pt	1.9 pt	42.4%	43.5%	1.1 pt	1.1 pt
Adjusted EBITA	861	972	12.9%	15.1%	3,520	3,988	13.3%	14.8%
<i>Margin (%)</i>	19.7%	23.0%	3.2 pt	3.2 pt	20.8%	23.6%	2.7 pt	2.7 pt
CAPEX⁽²⁾	832	1,174	41.0%	43.3%	1,982	2,984	50.6%	52.6%
<i>Of which frequencies and licences</i>	124	1	-	-	135	123	-	-
<i>CAPEX/revenues (excluding frequencies and licences)</i>	16.2%	27.7%	11.5 pt	11.3 pt	10.9%	16.9%	6.0 pt	6.0 pt
Adjusted CFFO	1,252	1,158	-7.5%	-5.3%	5,419	4,932	-9.0%	-7.8%
Net debt	7,517	5,983	-20.4%	-18.7%	7,517	5,983	-20.4%	-18.7%
Net debt/EBITDA⁽³⁾	1,0x	0.8x	-	-	1,0x	0.7x	-	-

The Group's international activities posted revenues of MAD 16,912 million, up 1.5% at constant exchange rates⁽¹⁾, explained by the continuous growth in Data Mobile (+18.8% at constant exchange rates⁽¹⁾) and Mobile Money services (+13.1% at constant exchange rates⁽¹⁾). Excluding the decrease in termination rates, subsidiaries' revenues rose by 3.4% at constant exchange rates⁽¹⁾.

In 2021, the adjusted earnings from operations before depreciation and amortization (EBITDA) stood at MAD 7,355 million, up 2.9% (+4.2% at constant exchange rates⁽¹⁾). The adjusted EBITDA margin was 43.5%, up 1.1 pt thanks to the improvement in the gross margin rate.

During the same period, adjusted earnings from operations (EBITA)⁽⁵⁾ improved by 13.3% (+14.8% at constant exchange rates⁽¹⁾) to MAD 3,988 million, due to the increase in EBITDA.

Adjusted cash flows from operations (CFFO)⁽⁶⁾ declined by 7.8% at constant exchange rates⁽¹⁾ reaching MAD 4,932 million due to the increase in investments.

Operating indicators

	Unit	2020	2021	Change
Mobile				
Customer base ⁽⁸⁾	(000)	49,226	50,130	
Mauritania		2,641	2,985	13.0%
Burkina Faso		9,388	10,457	11.4%
Gabon		1,632	1,656	1.5%
Mali		9,684	8,163	-15.7%
Côte d'Ivoire		10,050	10,489	4.4%
Benin		4,682	5,132	9.6%
Togo		3,380	2,687	-20.5%
Niger		3,005	3,212	6.9%
Central African Republic		189	210	11.5%
Chad		4,577	5,138	12.3%
Fixed-line				
Customer base	(000)	337	350	
Mauritanie		57	57	0.0%
Burkina Faso		75	76	0.8%
Gabon		25	32	24.7%
Mali		180	186	3.5%
Fixed Broadband				
Customer base ⁽¹¹⁾	(000)	131	141	
Mauritanie		18	19	2.9%
Burkina Faso		14	15	7.8%
Gabon		22	28	29.5%
Mali		77	79	2.7%

6. Change from adjusted financial indicators to published financial indicators

Adjusted EBITDA, adjusted EBITA, Group share of adjusted Net Income, and adjusted CFFO are not strictly accounting measures, and should be considered as additional information. They are a better indicator of the Group's performance as they exclude non-recurring items.

<i>(in MAD millions)</i>	2020			2021		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	11,950	7,150	19,100	11,234	7,355	18,589
Dispute resolution	420		420			
Published EBITDA	12,370	7,150	19,520	11,234	7,355	18,589
Adjusted EBITA	8,079	3,520	11,598	7,599	3,988	11,586
Restructuring costs					-14	-14
Dispute resolution	420		420			
Published EBITA	8,499	3,520	12,018	7,599	3,974	11,573
Group share of adjusted Net Income			6,001			6,014
Restructuring costs						-6
Dispute resolution			469			
Contribution to the COVID-19 fund			-1,047			
Group share of published Net Income			5,423			6,008
Adjusted CFFO	10,300	5,419	15,719	7,179	4,932	12,110
Payment of licence		-143	-143		-172	-172
ANRT (National Telecommunications Regulatory Agency) fine	-3,300		-3,300			
Published CFFO	7,000	5,277	12,276	7,179	4,759	11,938

7. Impact of the adoption of IFRS 16

As at end-December 2021, the impacts of this standard on Maroc Telecom's key indicators were as follows:

<i>(in MAD millions)</i>	2020			2021		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	266	292	557	253	294	547
Adjusted EBITA	33	29	62	11	39	50
Group share of adjusted Net Income			-17			-21
Adjusted CFO	266	292	557	253	294	547
Net Debt	838	801	1,639	766	694	1,460



8. Consolidated Financial statements

8.1 Comparability of the financial statements

The consolidated financial statements of Maroc Telecom S.A. 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, 2021 and which, in the published financial statements, show no significant difference with the accounting standards published by the International Accounting Standards Board (IASB). All the new standards, interpretations or amendments established by the IASB and that must be applied in the European Union as from January 1, 2021, were applied.

8.2 Consolidated Statement of Financial Position

ASSETS (in MAD millions)	2020	2021
Goodwill	9,315	8,976
Other intangible assets	8,120	7,521
Property, plant and equipment	28,319	27,400
Right to use assets	1,592	1,371
Investments in associates	0	0
Non-current financial assets	654	784
Deferred tax assets	580	508
Non-current assets	48,579	46,560
Inventories	271	318
Operating and other receivables	11,816	12,699
Short-term financial assets	130	126
Cash and cash equivalents	2,690	2,024
Assets available for sale	54	54
Current assets	14,960	15,222
TOTAL ASSETS	63,540	61,782

LIABILITIES & EQUITY (in MAD millions)	2020	2021
Capital	5,275	5,275
Consolidated reserves	2,023	3,631
Consolidated results for the year	5,423	6,008
Equity attributable to owners of the parent	12,721	14,914
Non-controlling interests	3,968	3,887
Equity	16,688	18,800
Non-current provisions	521	503
Long-term borrowings and other financial liabilities	4,748	3,767
Deferred tax liabilities	45	50
Other non-current liabilities	0	0
Non-current liabilities	5,314	4,321
Operating payables	24,007	23,865
Current tax liabilities	671	787
Current provisions	1,247	1,332
Short-term borrowings and other financial liabilities	15,612	12,677
Current liabilities	41,538	38,661
TOTAL LIABILITIES & EQUITY	63,540	61,782

8.3 Consolidated Income Statement

(In MAD million)	2020	2021
Revenues	36,769	35,790
Cost of purchases	-5,416	-5,123
Payroll costs	-3,005	-2,868
Taxes, royalties and dues	-3,344	-3,447
Other operating income and expenses	-8,746	-5,303
Net depreciation, amortization, and provisions	-4,240	-7,477
Earnings from operations	12,018	11,573
Other income and expenses from ordinary activities	-1,513	-88
Income from equity affiliates	0	0
Income from ordinary activities	10,505	11,485
Income from cash and cash equivalents	17	27
Gross cost of financial debt	-888	-826
Net cost of financial debt	-871	-800
Other financial income and expenses	26	-77
Financial income	-844	-876
Income tax	-3,372	-3,680
Net Income	6,289	6,928
Translation difference resulting from foreign business activities	134	-378
Other comprehensive income and expenses	-14	34
Total comprehensive income for the period	6,409	6,584
Net Income	6,289	6,928
Earnings attributable to equity holders of the parents	5,423	6,008
Non-controlling interests	866	920
Earnings per share	2020	2021
Earnings attributable to equity holders of the parents (in MAD million)	5,423	6,008
Number of stocks at December 31	879,095,340	879,095,340
<i>Net earnings per share (in MAD)</i>	6.17	6.83
Diluted net earnings per share (in MAD)	6.17	6.83

8.4 Consolidated Cash Flow Statement

(in MAD millions)	2020	2021
Operating income	12,018	11,573
Depreciation, amortisation and other adjustments	2,719	7,487
Gross self-financing margin	14,738	19,060
Other components of net change in working capital requirements	139	-1,847
Net cash flows from operating activities before taxes	14,877	17,213
Taxes paid	-3,789	-3,659
Net cash flows from operating activities (a)	11,088	13,554
Acquisitions of property, plant and equipment and intangible assets	-4,141	-5,289
Acquisitions of consolidated companies, net of cash acquired	0	5
Increase in financial assets	-249	-41
Disposals of property, plant and equipment and intangible assets	14	14
Decrease in financial assets	144	3
Dividends received from non-consolidated equity interests	14	6
Net cash used in investing activities (b)	-4,219	-5,303
Capital increase	0	0
Dividends paid to shareholders	-4,870	-3,525
Dividends paid by subsidiaries to their minority shareholders	-855	-687
Equity transactions	-5,725	-4,212
New borrowings and increase in other long-term financial liabilities	2,307	694
New borrowings and increase in other long-term financial liabilities	1,167	1,536
Repayment of borrowings and decrease in other short-term financial liabilities	-2,687	-6,145
Net interest paid	-626	-695
Other cash items related to financing activities	-35	-47
Transactions on borrowings and other financial liabilities	125	-4,657
Net cash flows from/(used in) financing activities (d)	-5,600	-8,869
Currency effect and other non-cash items (g)	-62	-47
Total cash flows (a)+(b)+(d)+(g)	1,207	-666
Cash and cash equivalents at beginning of period	1,483	2,690
Cash and cash equivalents at end of period	2,690	2,024

9. Statutory financial statements

The presentation rules and valuation methods used to prepare these documents comply with prevailing regulations.

The table below summarizes the changes in Maroc Telecom's main financial indicators over the last three financial years:

<i>In MAD million</i>	2019	2020	2021	Change 2021/2020
Revenues	20,979	20,289	19,133	-5.7%
Operating income	8,131	8,249	7,265	-11.9%
Financial income	943	750	951	26.9%
Corporate income tax	-2,389	-2,296	-1,954	-14.9%
Non-current income	-3,426	-454	-618	-36.0%
Net income	3,259	6,248	5,644	-9.7%
Investments	2,903	1,353	2,524	86.5%

9.1 Main items in the income and expenses account

► Revenues

Maroc Telecom's revenues in 2021 was MAD 19,133 million, down 5.7% compared with 2020.

► Operating income and net income

Operating income at 31 December 2021 was MAD 7,265 million, down 11.9% compared with 2020, mainly due to the fall in revenues.

Financial income grew by 26.9% to MAD 951 million compared with MAD 750 million in 2020. This change was mainly due to higher revenues from subsidiaries.

Non-current income fell by 36% to MAD -618 million compared with MAD -454 million in 2020. This change was due mainly to the recognition of the exit of the Médi 1 SAT shares.

With a pre-tax profit of MAD 7,598 million and corporate income tax expense of MAD 1,954 million, net income was MAD 5,644 million, down 9.7%.

9.2 Balance sheet

As at 31 December 2021, the balance sheet total was MAD 38,728 million, a 2.8% fall compared with the previous financial year.

► Assets and their components

(Assets in MAD million)	NET			Change 2021/2020
	2019	2020	2021	
Nil-value assets	0	1,200	900	-25.0%
Intangible assets	2,305	2,081	1,977	-5.0%
Property, plant and equipment	17,688	15,738	15,042	-4.4%
Long-term investments	13,422	12,216	12,384	1.4%
Translation difference - assets	21	1	32	NS
Total net non-current assets	33,436	31,236	30,335	-2.9%
Current assets	7,856	8,052	8,219	2.1%
Cash - assets	214	554	174	-68.7%
Total assets	41,505	39,842	38,728	-2.8%

Net non-current assets were MAD 30,335 million at 31 December 2021, compared with MAD 31,236 million the previous financial year. They represented 78% of total assets and fell by 2.9% compared with 2020.

Intangible assets were MAD 1,977 million in 2021, compared with MAD 2,081 million in 2020.

Net property, plant and equipment fell by 4.4%, from MAD 15,738 million in 2020 to MAD 15,042 million in 2021.

Long-term investments assets were MAD 12,384 million in 2021, compared with MAD 12,216 million in 2020.

Current assets excluding investments (except assets relating to price adjustments) were MAD 8,219 million in 2021, compared with MAD 8,052 million in 2020, an increase of 2.1% mainly due to the increase in receivables.

Net cash, including investments (except cash relating to price adjustments), was MAD -8,404 million at 31 December 2021, compared with MAD -10,497 million at 31 December 2020.

► Liabilities and their components

<i>(Liabilities in MAD million)</i>	NET			Change 2021/2020
	2019	2020	2021	
Shareholders' Equity	13,225	14,603	16,722	14.5%
of which net profit for the fiscal year	3,259	6,248	5,644	-9.7%
Financing borrowings	7	7	1	-78.3%
Long Term provisions for risks and losses	35	15	44	N/A
Translation difference - liabilities	0	4	0	-
Total Permanent Funds	13,267	14,629	16,768	14.6%
Current liabilities	18,000	14,163	13,382	-5.5%
Cash and cash equivalents - liabilities	10,238	11,051	8,578	-22.4%
Total liabilities	41,505	39,842	38,728	-2.8%

Given the net profit for the financial year of MAD 5,644 million and nil-value of fixed assets of MAD 900 million, the net assets at 31 December 2021 was MAD 15,822 million, compared with MAD 13,403 million in 2020.

At 31 December 2021, current liabilities stood at MAD 13,382 million, compared with MAD 14,163 million in 2020. This change was mainly due to the fall in debts.

9.3 Equity investments

At 31 December 2021, Maroc Telecom held the following equity investments:

	Gross values (in thousands of dirhams)	Equity interest (%)
SOTELMA	3,143,911	51
ONATEL	2,928,777	61
GABON TELECOM	696,641	51
MAURITANIAN COMMUNICATIONS COMPANY (CMC)*	399,469	80
MOOV AFRICA BENIN	1,203,458	100
MOOV AFRICA CÔTE D'IVOIRE	890,932	85
MOOV AFRICA TOGO	596,672	95
MOOV AFRICA NIGER	507,165	100
MOOV AFRICA CENTRAFRIQUE	358,755	100
MOOV AFRICA TCHAD	1,104,125	100
CASANET	18,174	100
AUTOROUTES DU MAROC ADM	20,000	NS
THURAYA	9,872	NS
ARABSAT	6,454	NS
MT CASH	50,000	100
MT FLY SA	20,300	100

*CMC, holding company controlling 51.5% of Mauritel

9.4 Breakdown of local supplier invoices by due date

	(A) Supplier payables amount A=B+C+D+E+F	(B) Amount of debts not yet due	Amount of debts overdue			
			(C) Amount of debts overdue by less than 30 days	(D) Amount of debts overdue by 31 to 60 days	(E) Amount of debts overdue by 61 to 90 days	(F) Amount of debts overdue by more than 90 days
31/12/2021	582,473 540	582,473 540	0	0	0	0
31/12/2020	1,272,733 744	1,272,733 744	0	0	0	0

Les échéances ont été calculées sur la base de la réception des prestations ou la livraison des marchandises comme stipulé par la loi 32-10.

10. Proposed appropriation of earnings

We propose that you approve the following appropriation:

Appropriation of 2021 income (in MAD)

Net income of the year:	5 644 052 498,70
Withdrawal from reserves:	-
Distributable result:	5 644 052 498,70
Legal reserve :	-
Optional reserve (*):	1 441 976 773,50
Ordinary dividend :	4 202 075 725,20

* These amounts must be adjusted to take into account the number of treasury shares held on the dividend payment date.

The dividend is therefore set at MAD 4.78 for each share comprising the share capital.

The following dividends were paid over the previous three years:

	2018	2019	2020
Number of shares	879,095,340	879,095,340	879,095,340
Dividend/share (dirhams)	6.83	5.54	4.01
Total distribution* (in MAD thousands)	6,003,058	4,870,025	3,524,970

* This amount takes into account the number of treasury shares held on the dividend payment date

11. Human Resources

The performance of Maroc Telecom is mainly based on the expertise, know-how and commitment of its employees. As such, Maroc Telecom regularly invests in the continuous development of employees' skills and enhances their professional experience while ensuring fairness and equal opportunities.

Every year, Maroc Telecom offers training that is increasingly varied, targeted and adapted to the various changes in the sector and its environment.

At the end of 2021, more than 1,100 training sessions were completed, 71% of which were delivered remotely in the form of virtual classes and in e-learning mode. Nearly 5,500 employees (80% of the workforce) benefited from this training.

Furthermore, the company grants employees who wish to do so the possibility of benefiting from diploma-based training with the best higher education institutions in Morocco by financing 80% of the costs of this training.

In terms of transfers, the strengthening of the sales force and technical teams continued in 2021. International transfers also occur between the various subsidiaries in order to provide them with the necessary expertise in the various business areas.

In 2021, Maroc Telecom maintained the measures put in place since the start of the pandemic with a view to reducing the risks associated with COVID-19 and preserving the health of its employees, while ensuring the continuity of services under the best conditions.

The Maroc Telecom Group had 9,689 employees at the end of December 2021.

12. Report on the share buyback program

The share buyback program aimed at regulating the market was approved by the Shareholders' Meeting of 30 April 2021, after the Company obtained the approval of the AMMC on 13 April 2021 under reference VI/EM/005/2021 for the Information Notice on the said program.

The Shareholders' Meeting held on 30 April 2021 resolved:

- to revoke, as of 17 May 2021, the share buyback program with a view to regulating the market as authorized by the Ordinary Shareholders' Meeting of 29 April 2020 and which should expire on 12 November 2021.
- to authorize the Management Board, with effect from this Meeting, in accordance with the provisions of Article 281 of the Public Limited Companies Act, for a period of 18 months, i.e. from 17 May 2021 to 16 November 2022, to purchase, on one or more occasions, in Morocco or abroad, the Company's shares on the stock market, with a view to adjusting prices and to put in place a liquidity agreement on the Casablanca stock exchange backing this buyback program. The number of shares covered by the liquidity agreement may under no circumstances exceed 300,000 shares, i.e. 20% of the total number of shares covered by the buyback program.

The characteristics of this buyback program are as follows:

- Program schedule: from 17 May 2021 to 16 November 2022
- Spread between sell and buy trades price: 95 - 195 dirhams or the counter value in Euro
 - ▶ *Maximum purchase price: 195 dirhams corresponding to 135% of the average price calculated between the highest closing price and the average closing price over the last six months (from 28 July 2020 to 27 January 2021);*
 - ▶ *Minimum sale price: 95 dirhams corresponding to 70% of the average price calculated between the lowest closing price and the average closing price over the last six months (from 28 July 2020 to 27 January 2021).*
- Maximum percentage of capital to be held, including shares covered by the liquidity agreement: 0.17%, i.e. 1.5 million shares
- Liquidity contract backing this buyback program, representing 20% of the total, i.e. a maximum of 300,000 shares.

In respect of the price adjustment and liquidity contracts entrusted to Rothschild Martin Maurel, the following resources were included in the audit accounts:

	31/12/2019	31/12/2020	31/12/2021
Casablanca - liquidity portion	15,000 shares MAD 34,297,144.63	3,500 shares MAD 36,848,523.63	7,525 shares MAD 36,623,790.91
Casablanca - excluding liquidity portion	5,000 shares MAD 32,663,487.06	10,000 shares MAD 32,774,725.83	15,000 shares MAD 32,467,547.46
Paris – liquidity account	75,326 shares €4,116,065.00	42,687 shares €4,596,618.00	62,100 shares €4,311,447.00

The outcome of the share buyback program for the period from 1 January to 31 December 2021 is as follows:

	Casablanca - liquidity portion	Casablanca - excluding liquidity portion	Paris	Total
Number of shares purchased	512,557	353,299	345,317	1,211,173
Average purchase price	MAD 140.57	MAD 140.17	€13.18	-
Number of shares sold	508,532	348,299	325,904	1,182,735
Average sale price	MAD 140.55	MAD 140.35	€13.17	-
Shares held at 31 December 2021	7,525	15,000	62,100	84,625

Details of the buyback program will be available in the information notice to be proposed to the Shareholders' meeting scheduled for 29 April 2022.

13. Related-party agreements under article 95 of Law 17-95

We also ask that you approve the transactions that took place during the financial year ended 31 December 2021, in connection with the execution of the agreements referred to in Article 95 of Law 17-95 on Public Limited Companies as amended and supplemented, duly authorised by your Supervisory Board, and which continued and/or were concluded during the past financial year.

The Statutory Auditors have been informed of the continuation and/or impact of these agreements, which they describe in their special report.

14. Draft resolutions on the agenda of the Mixed Shareholders' Meeting of April 29, 2022:

The Management Board proposes the adoption of thirteen resolutions by the Mixed Shareholder's Meeting of 29 April 2022:

On an ordinary basis:

1. Approval of the reports and summary annual financial statements for the year ended December 31, 2021;
2. Approval of the consolidated financial statements for the year ended December 31, 2021;
3. Approval of the related-party agreements reviewed in the statutory auditors' special report;
4. Appropriation of earnings for 2021 - Dividend;
5. Ratification of the co-optation of Mrs. Nadia FETTAH ALAOUI as a member of the Supervisory Board;
6. Ratification of the co-optation of Mr. Jassem AL ZAABI as a member of the Supervisory Board;
7. Ratification of the co-optation and renewal of the term of office of Mr. Kamal SHEHADI as a member of the Supervisory Board;
8. Ratification of the co-optation of Mr. Hesham Abdulla AL QASSIM as a member of the Supervisory Board;
9. Ratification of the co-option of Mr. Karim BENNIS as a member of the Supervisory Board;
10. Renewal of the term of office of the Statutory Auditor;
11. Abrogation of the current share-buyback program and authorization for the management board to carry out additional transactions on company shares and to implement a liquidity agreement in Casablanca stock exchange;

On an extraordinary basis:

12. Recast of the Company's Articles of Association;
13. Powers to carry out formalities.

Notes

- (1) Maintaining a constant exchange rate among the Moroccan dirham (MAD), the Mauritanian ouguiya (MRU) and the CFA franc.
- (2) Capital expenditure corresponds to acquisitions of property, plant and equipment and intangible assets recognised during the period.
- (3) The net debt/EBITDA ratio excludes the impact of IFRS 16.
- (4) Maroc Telecom consolidates in its financial statements Casanet and the Moov Africa subsidiaries in Mauritania, Burkina Faso, Gabon, Mali, Côte d'Ivoire, Benin, Togo, Niger, Central African Republic and Chad.
- (5) EBITA corresponds to operating profit before amortisation of intangible assets related to business combinations, impairment of goodwill and other intangible assets related to business combinations and other income and expenses related to financial investment transactions and transactions with shareholders (except when they are recognised directly in equity).
- (6) CFFO comprises the net cash flows from operating activities before taxes as presented in the cash flow statement, as well as dividends received from associates and non-consolidated equity interests. It also includes net capital expenditure, which corresponds to net cash outflows on acquisitions and disposals of property, plant and equipment and intangible assets.
- (7) Borrowings and other current and non-current liabilities less cash (and cash equivalents) including cash blocked for bank loans.
- (8) The active customer base consists of prepaid customers who have made or received a voice call (excluding calls from the public telecommunication network operator concerned or its Customer Relations Centres) or sent an SMS/MMS or who have used the Data services (excluding exchanges of technical data with the public telecommunication network operator concerned) in the past three months, and non-terminated postpaid customers.
- (9) The active customer base of the 3G and 4G+ Mobile Internet includes holders of a postpaid subscription contract (whether or not coupled with a voice offer) and holders of a prepaid subscription to the Internet service who have carried out at least one recharge during the past three months or whose credit is valid and who have used the service during this period.
- (10) ARPU (average revenue per user) is defined as revenue generated by incoming and outgoing calls and data services net of promotions, excluding roaming and equipment sales, divided by the average number of users in the period. This is the mixed ARPU of the prepaid and postpaid segments.
- (11) The broadband customer base includes ADSL, FTTH and leased connections and also includes CDMA in Mali.