



# FINANCIAL REPORT

**2023**  
**Half year**



## **Preliminary remarks:**

This financial report and the condensed financial statements for the half year ended June 30<sup>th</sup>, 2023 were approved by the Management Board on July 13<sup>th</sup>, 2023, and reviewed by the Audit Committee at its meeting on July 24<sup>th</sup>, 2023.

This report should be read in conjunction with the Management Board's report for the year ended December 31, 2022 as published in Registration Document as filed with the Securities Regulator (AMF) on March 29<sup>th</sup>, 2023 ("2022 universal registration document").

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# Highlights

## January 2023

- In Morocco, enhancement of the credit financing method for Mobile handsets with new 18-month and 24-month plans;
- In Morocco, launch of the new games and e-Sport portal “Playzone”, replacing the “Playweez” service, and integration of additional services;
- From January 1, 2023, national Mobile call termination rates decreased in Gabon (from FCFA 6/min to FCFA 5/min), in Mali (from FCFA 2.5/min to FCFA 2.0/min), in Niger (from FCFA 3.5/min to FCFA 2.7/min), in Chad (from FCFA 14/min to FCFA 12/min) and in the Central African Republic (from FCFA 35/min to FCFA 12/min for incoming and FCFA 10/min for outgoing);
- In Niger, elimination, through the 2023 Finance Law, of the Tax on the Termination of Incoming International Traffic;
- In the Central African Republic, introduction, following the promulgation of the 2023 Finance Law, of a “Tax on intervention and technical control of electronic communications” at 7% of the amount excluding tax invoiced (national Voice, Data and SMS traffic).

## February 2023

- In Morocco, launch of the Shahid service, the world leader in Premium Arab VOD content;
- In Morocco, exclusive launch of a new \*88 Pass dedicated to young Mobile gamers. This new Pass offers Internet access to the most popular games (Free Fire, PUBG, League of Legends, etc.) as well as Discord, the popular social network for gamers;
- In Morocco, enhancement of the \*7 Roaming Pass by increasing the Data volume from MAD 100 and adding new destinations;
- In Morocco, launch, by the ANRT and the DGSSI, of a consultation for the implementation, management and turnkey administration of an Internet exchange point (IXP) in Morocco;
- In Mali, relaunch, by the regulator, of the process to identify subscribers with requirements, for subscriptions from February 1, 2023, an identification exclusively on the basis of the National Identification Number (NINA);
- In Togo, 5G frequencies were assigned by the regulator to the subsidiary, following its request, for testing over a period of 12 months.

## March 2023

- In Morocco, introduction of the plan for the provision of Fiber Optic routers, for an average cost of MAD 200 for Wi-Fi 5 and MAD 400 for Wi-Fi 6, for better accessibility to Fiber Optic offers;
- In Morocco, launch of “Backup as a Service”, a managed backup solution that allows B2B customers to recover data automatically and periodically and secure them on the sovereign Cloud, hosted in the Maroc Telecom Datacenter. The service is offered through monthly subscription plans starting at MAD 590 excluding tax/month, for 250 GB of backup volume;
- In Morocco, extension of the \*6 Pass to the Discord social network, one of the most popular online communication platforms for gamers;
- In Burkina Faso, creation, by decision of the Council of Ministers, of the Patriotic Support Fund (FSP) providing for a contribution of 5% borne by customers.

## April 2023

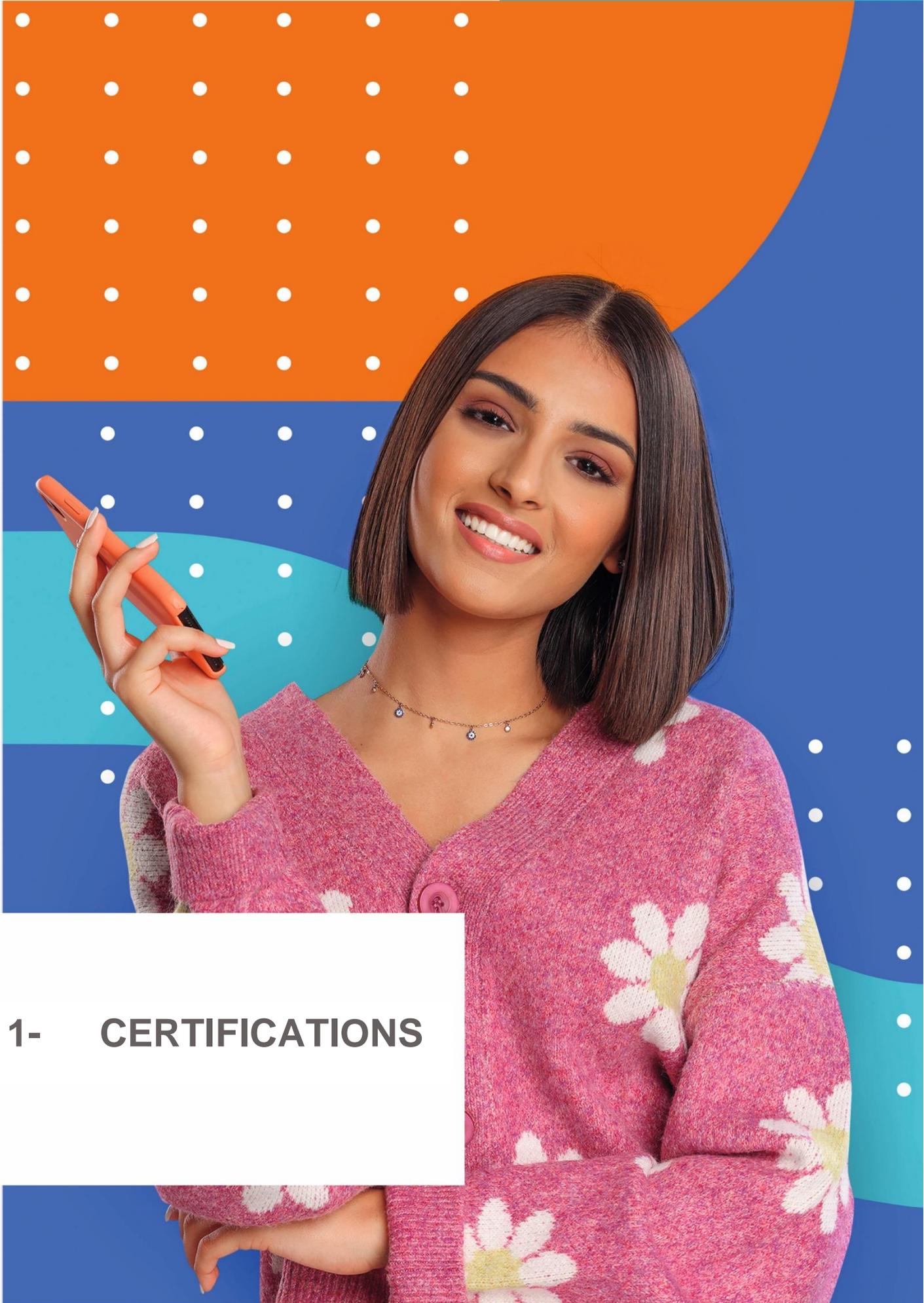
- In Morocco, expansion of the current Internet Pass range with the addition of new Passes: 3 GB for MAD 30 and 10 GB for MAD 100;
- In Morocco, launch of the \*77 Africa Roaming Pass, valid in 38 destinations, in order to strengthen the position as leader in roaming offers on the African continent. The Pass offers 3GB + 20min + 20SMS, for MAD 300 and is valid for 14 days;
- In Morocco, enrichment of the Gaming offer with the launch of the new Disney Club games service, bringing together more than 100 games from major studios such as Disney, Marvel, Pixar and Star Wars;
- In Mauritania, decision of the Regulatory Authority introducing new measures for sales of SIM cards, including the limitation of sales to the operator's own branches and the biometric identification of all customers within six months.
- In Togo, launch of the number portability project with the target of being operational from October 2023.

## May 2023

- In Morocco, launch of the new Azure Public Cloud service of the Microsoft hyperscaler, one of the world's leaders in hosting solutions;
- In Morocco, launch of the SaaS (Software as a Service) e-learning version hosted in a sovereign national cloud and installed in a highly secure Maroc Telecom's Datacenter, in addition to the On-Premise version;
- In Morocco, lowering of the subscription price of the Premium OSN+ offer to MAD 60/month instead of MAD 89/month and enhancement of the range with the new OSN+ Standard plan at a price of MAD 35/month, reserved for individual use on Mobile;
- In Benin, decision on the guidelines for national roaming, considering the latter an obligation for operators and with a scope covering the national territory.

## June 2023

- In Morocco, increase in FTTH upload speeds and their alignment with download speeds. The upload speed of the 100 Mega plan will increase from 50 Mega to 100 Mega and that of the 200 Mega plan will increase from 100 Mega to 200 Mega. This upgrade is valid for new and old Fiber Optic customers;
- In Burkina Faso, signature, on June 30, 2023, of a decree establishing a special contribution of 5% on the purchase of credit for prepaid Mobile services;
- In Mauritania, publication of the Moov Mauritel interconnection and access catalog for 2023-2024. This mainly resulted in a decrease in Mobile call termination from MRU 0.16 to MRU 0.15/min from July 1, 2023;
- In Mauritania, two new provisions were introduced by the 2023 Amending Finance Law passed in June 2023: an increase in the VAT rate on telecom services from 16% to 18% and the introduction of a new 5% tax on the revenue of telecom operators.



**1- CERTIFICATIONS**

# 1- CERTIFICATIONS

In this document, "Maroc Telecom" or "the Company" refers to the company Itissalat Al-Maghrib, and "the Group" refers to the group constituted by the Company and all of its directly and indirectly owned subsidiaries.

## 1.1 PERSON RESPONSIBLE FOR THE INTERIM REPORT

Mr. Abdeslam Ahizoune

Chairman of the Management Board

## 1.2 CERTIFICATION OF THE INTERIM REPORT

I hereby attest, to my knowledge, that the condensed interim financial statements are established in accordance with applicable accounting standards and give a true and fair view of the income and financial position and results of the company and all of the consolidated companies, and that the interim management report gives a true and fair view of the significant events having occurred during the first six months of the year, and their impact on the condensed interim financial statements, the main related-party transactions as well as a description of the principal risks and uncertainties for the remaining six months of the year.

Mr. Abdeslam Ahizoune

Chairman of the Management Board

## 1.3 PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Statutory Auditors

**Deloitte Audit, represented by M. Adnane FAOUZI**

Boulevard Sidi Mohammed Ben Abdellah, Tour Ivoire III, 3<sup>ème</sup> étage, La Marina Casablanca, Maroc

First appointed by the general meeting of 26 April 2016, his mandate was renewed at the general meeting of 29 April 2022 for a period of three financial years, i.e. until the end of the ordinary general meeting called to approve the accounts for the financial year ending 31 December 2024.

**BDO Audit, Tax & Advisory, represented by M. Abderrahim GRINE**

Rue Al Maysse AC9 Secteur 15 Hay Riad Rabat, Maroc

First appointed by the Annual General Meeting of March 31, 2023, for a term of three years, i.e. until the close of the Annual General Meeting called to approve the financial statements for the year ending December 31, 2025.

To shareholders

**ITISSALAT AL-MAGHRIB (IAM) S.A**

**Avenue Annakhil, Rabat**

**Maroc**

This is a free translation into English of the statutory auditor's limited review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users.

**LIMITED REVIEW REPORT ON THE INTERIM CONSOLIDATED FINANCIAL  
SITUATION OF ITISSALAT AL MAGHRIB (IAM) S.A**

**PERIOD FROM JANUARY 1<sup>st</sup> TO JUNE 30<sup>th</sup>, 2023**

We have conducted a limited review of the interim consolidated financial situation of Itissalat Al Maghrib (IAM) S.A and its subsidiaries (Itissalat Al Maghrib Group) which comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidation perimeter and a selection of explanatory information related to the period from 1st to June 30th June 2023. These interim consolidated financial statements show an amount of consolidated equity of MMAD 18.162 including a consolidated net profit of MMAD 3.345.

We conducted our review in accordance with professional standards applicable in Morocco. Those standards require that a limited review should be planned and executed in order to obtain a moderate assurance that the interim consolidated financial situation referred to in the preceding first paragraph are free from material misstatement. A limited review includes mainly making inquiries of the company's staff and analytical review to financial data; thus, it provides a lower level of assurance than an audit. We have not conducted an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the approved accompanying consolidated financial situation, do not give a true and fair view of financial performance of the Group Itissalat Al Maghrib S.A. at June 30th, 2023, and its financial position and assets according to International Accounting Standards IAS/IFRS, as adopted by the European Union.

Casablanca, 25<sup>th</sup> July 2023

**The Statutory Auditors**

**Deloitte Audit**

**Adnane FAOUZI**

**Partener**

**BDO Audit, Tax & Advisory**

**Abderrahim GRINE**

**Partener**

To Shareholders

**ITISSALAT AL-MAGHRIB (IAM) S.A**

**Annakhil Avenue, Rabat**

**Morocco**

This is a free translation into English of our limited review report on the half-year individual financial statements issued in French and it is provided solely for the convenience of English-speaking users.

**REPORT ON THE LIMITED REVIEW OF INTERIM FINANCIAL STATEMENTS of  
ITISSALAT AL-MAGHRIB (IAM) S.A. (Statutory Financial Statement)**

**PERIOD FROM JANUARY 1<sup>st</sup> TO JUNE 30<sup>th</sup>, 2023**

In application of provisions of the Dahir carrying Law No. 1-93-212 of 21 September 1993, as modified and completed, we have reviewed the interim financial statements of ITISSALAT AL MAGHRIB (IAM) S.A. which comprise the statement of financial position, the statement of profit and loss and a selection of additional disclosures (ETIC), related to the period from January 1st to June 30th, 2023. Those interim financial statements, which show a total equity of MAD 16.854.674 thousand including a net profit of MAD 3.480.994 thousand, are the responsibility of management of ITISSALAT AL MAGHRIB (IAM) S.A.

We conducted our review in accordance with professional Standards applicable in Morocco related to limited review engagements. Those standards require that we plan and perform the review in order to obtain a moderate assurance that financial statements are free from material misstatement. A review includes mainly making inquiries of the company's staff and analytical review of financial data; thus, it provides a lower level of assurance than an audit. We have not conducted an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the approved accompanying interim financial statements, do not present fairly the result of the period's transactions of ITISSALAT AL MAGHRIB (IAM) S.A., the financial position and its assets as at June 30<sup>th</sup>, 2023, in accordance with Generally Accepted Accounting Principles in Morocco.

Casablanca, July 25<sup>th</sup>, 2023

**The Statutory Auditors**

**Deloitte Audit**

**Adnane FAOUZI**

**Partner**

**BDO Audit, Tax & Advisory**

**Abderrahim GRINE**

**Partner**



**2. HALF YEAR ACTIVITY  
REPORT**

## 2- HALF YEAR ACTIVITY REPORT

### 2.1 Description of activities

Details of the financial indicator adjustments for "Morocco" and "International" are provided in Appendix 1.

#### Adjusted consolidated results of the Group:

(IFRS in MAD millions)	Q2 2022	Q2 2023	Change	Change at constant exchange rates <sup>(1)</sup>	H1 2022	H1 2023	Change	Change at constant exchange rates <sup>(1)</sup>
<b>Revenues</b>	8,798	<b>9,306</b>	<b>5.8%</b>	<b>3.4%</b>	17,568	<b>18,399</b>	<b>4.7%</b>	<b>2.2%</b>
<b>Adjusted EBITDA</b>	4,655	<b>4,943</b>	<b>6.2%</b>	<b>4.1%</b>	9,171	<b>9,580</b>	<b>4.5%</b>	<b>2.3%</b>
Margin (%)	52.9%	53.1%	0.2 pt	0.4 pt	52.2%	52.1%	-0.1 pt	0.0 pt
<b>Adjusted EBITA</b>	2,928	<b>3,161</b>	<b>8.0%</b>	<b>6.1%</b>	5,740	<b>6,052</b>	<b>5.4%</b>	<b>3.4%</b>
Margin (%)	33.3%	34.0%	0.7 pt	0.9 pt	32.7%	32.9%	0.2 pt	0.4 pt
<b>Adjusted net income - Group share</b>	1,371	<b>1,408</b>	<b>2.6%</b>	<b>1.3%</b>	2,869	<b>2,935</b>	<b>2.3%</b>	<b>1.2%</b>
Margin (%)	15.6%	15.1%	-0.5 pt	-0.3 pt	16.3%	16.0%	-0.4 pt	-0.2 pt
<b>CAPEX<sup>(2)</sup></b>	2,583	<b>2,091</b>	<b>-19.1%</b>	<b>-21.1%</b>	3,720	<b>2,945</b>	<b>-20.8%</b>	<b>-22.9%</b>
Of which frequencies and licenses	0	0			0	0		
CAPEX/Revenues (excluding frequencies and licenses)	29.4%	22.5%	-6.9 pt	-6.9 pt	21.2%	16.0%	-5.2 pt	-5.2 pt
<b>Adjusted CFFO</b>	2,175	<b>1,637</b>	<b>-24.7%</b>	<b>-26.7%</b>	5,326	<b>5,037</b>	<b>-5.4%</b>	<b>-7.5%</b>
<b>Net debt</b>	12,166	<b>15,733</b>	<b>29.3%</b>	<b>27.1%</b>	12,166	<b>15,733</b>	<b>29.3%</b>	<b>27.1%</b>
<b>Net debt/EBITDA<sup>(3)</sup></b>	0.6x	<b>0.7x</b>			0.6x	<b>0.8x</b>		

#### Customer base

At June 30, 2023, the Group's customer base was nearly **75** million, a modest **0.5%** decrease year-on-year.

#### Revenues

At end-June 2023, Maroc Telecom Group achieved consolidated revenues<sup>(4)</sup> of MAD **18,399** million, an increase of **4.7%** (**+2.2%** at constant exchange rates<sup>(1)</sup>) driven by increases in both international business up **8.5%** (**+3.3%** at constant exchange rates<sup>(1)</sup>) and business in Morocco (**+1.2%**).

#### Earnings from operations before depreciation and amortization

In the first half of 2023, consolidated adjusted earnings from operations before depreciation and amortization (EBITDA) for the Maroc Telecom Group came to MAD **9,580** million, up **4.5%** (**+2.3%** at constant exchange rates<sup>(1)</sup>), thanks to improved revenues, the favorable impact of lower Mobile termination rates in some subsidiaries, and tight control of operating costs.

Adjusted EBITDA margin stand stable at the high level of **52.1%**, stable year-on-year.

## Earnings from operations

Consolidated adjusted earnings from operations (EBITA)<sup>(5)</sup> for the first six months of 2023 totaled MAD **6,052** million, up **5.4%** (**+3.4%** at constant exchange rates<sup>(1)</sup>). The adjusted EBITA margin was **32.9%**, up by **0.4** pt at constant exchange rates<sup>(1)</sup>.

## Net income Group share

Adjusted net income Group share for first half 2023 amounted to MAD **2,935** million, up **2.3%** (**+1.2%** at constant exchange rates<sup>(1)</sup>).

## Investments

CAPEX<sup>(2)</sup> excluding frequencies and licenses amounted to MAD **2,945** million representing **16.0%** of Group revenues, in line with its annual outlook.

## Cash flow

Adjusted net cash flows from operations (CFFO)<sup>(6)</sup> amounted to MAD **5,037** million, down **5.4%** versus the first half of 2022 (**-7.5%** at constant exchange rates<sup>(1)</sup>).

As of June 30, 2023, Group consolidated net debt<sup>(7)</sup> was MAD **15,733** million, representing **0.8** times annualized EBITDA<sup>(3)</sup>.

## Review of the Group's activities:

### 2.1.1 MOROCCO

<i>(IFRS in MAD millions)</i>	Q2 2022	Q2 2023	Change	H1 2022	H1 2023	Change
<b>Revenues</b>	4,805	<b>4,897</b>	<b>1.9%</b>	9,561	<b>9,680</b>	<b>1.2%</b>
<b>Mobile</b>	2,868	<b>2,905</b>	<b>1.3%</b>	5,684	<b>5,738</b>	<b>0.9%</b>
<i>Services</i>	2,795	2,679	-4.1%	5,497	5,370	-2.3%
<i>Equipments and other revenues</i>	73	226	207.7%	187	368	97.0%
<b>Fixed</b>	2,383	<b>2,439</b>	<b>2.3%</b>	4,778	<b>4,825</b>	<b>1.0%</b>
<i>Of which Fixed Data*</i>	987	1,080	9.4%	1,973	2,136	8.3%
<i>Elimination and other income</i>	-446	-447		-901	-883	
<b>Adjusted EBITDA</b>	2,753	<b>2,791</b>	<b>1.4%</b>	5,363	<b>5,417</b>	<b>1.0%</b>
<i>Margin (%)</i>	57.3%	57.0%	-0.3 pt	56.1%	56.0%	-0.1 pt
<b>Adjusted EBITA</b>	1,887	<b>1,931</b>	<b>2.3%</b>	3,626	<b>3,684</b>	<b>1.6%</b>
<i>Margin (%)</i>	39.3%	39.4%	0.2 pt	37.9%	38.1%	0.1 pt
<b>CAPEX<sup>(2)</sup></b>	1,032	<b>1,012</b>	<b>-2.0%</b>	1,758	<b>1,428</b>	<b>-18.8%</b>
<i>Of which frequencies and licenses</i>	0	0		0	0	
<i>CAPEX/Revenues (excluding frequencies and licenses)</i>	21.5%	20.7%	-0.8 pt	18.4%	14.7%	-3.6 pt
<b>Adjusted CFFO</b>	1,271	<b>749</b>	<b>-41.1%</b>	3,190	<b>2,810</b>	<b>-11.9%</b>
<b>Net debt</b>	6,522	<b>8,730</b>	<b>33.9%</b>	6,522	<b>8,730</b>	<b>33.9%</b>
<b>Net debt/EBITDA<sup>(3)</sup></b>	0.5x	<b>0.7x</b>		0.6x	<b>0.8x</b>	

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

In the first half of 2023, revenues in Morocco rose by **1.2%** versus the same period in 2022, to MAD **9,680** million. Fixed Data revenues continue to benefit from the FTTH boom, offsetting the decline in the Mobile services and ADSL.

Adjusted earnings from operations before depreciation and amortization (EBITDA) came to MAD **5,417** million, up **1.0%** from the first half of 2022. The adjusted EBITDA margin remains high at **56.0%**.

Adjusted earnings from operations (EBITA)<sup>(5)</sup> amounted to MAD **3,684** million, up **1.6%** year-on-year. The adjusted EBITA margin came to **38.1%**.

First half 2023 adjusted cash flows from operations (CFFO)<sup>(6)</sup> decreased by **11.9%** to MAD **2,810** million.

### 2.1.1.1 Mobile

	Unit	6/30/2022	6/30/2023	Change
<b>Customer base<sup>(8)</sup></b>	<b>(000)</b>	19,682	<b>19,581</b>	<b>-0.5%</b>
Prepaid	(000)	17,285	17,121	-1.0%
Postpaid	(000)	2,397	2,460	2.6%
<b>Of which Internet 3G/4G+<sup>(9)</sup></b>	<b>(000)</b>	10,334	<b>11,084</b>	<b>7.3%</b>
<b>ARPU<sup>(10)</sup></b>	<b>(MAD/month)</b>	45.5	<b>45.6</b>	<b>0.1%</b>

During the first half of 2023, the Mobile customer base<sup>(8)</sup> was **19.6** million customers, driven by the postpaid segment, which expanded by **2.6%**.

Mobile revenues increased **0.9%** versus first half 2022 to MAD **5,738** million.

Blended ARPU<sup>(10)</sup> was MAD **45.6** for the first six months of 2023, up slightly year-on-year (**+0.1%**).

### 2.1.1.2 Fixed-line and Internet

	Unit	6/30/2022	6/30/2023	Change
<b>Fixed-line</b>	<b>(000)</b>	1,942	<b>1,853</b>	<b>-4.6%</b>
<b>Broadband access<sup>(11)</sup></b>	<b>(000)</b>	1,709	<b>1,632</b>	<b>-4.5%</b>

The Fixed-line customer base stand at almost **1.9** million lines as of June 30, 2023. The Broadband<sup>(11)</sup> customer base represents **1.6** million subscribers, with a substantial increase in the FTTH customer base (**+43%**).

Revenues from Fixed-line & Internet increased **1.0%** in the first half of 2023, driven by **8.3%** growth in the Data revenues offsetting decrease in Voice activities.

## 2.1.2 INTERNATIONAL

### 2.1.2.1 Financial indicators

<i>(IFRS in MAD millions)</i>	Q2 2022	Q2 2023	Change	Change at constant exchange rates <sup>(1)</sup>	H1 2022	H1 2023	Change	Change at constant exchange rates <sup>(1)</sup>
<b>Revenues</b>	4,271	<b>4,686</b>	<b>9.7%</b>	<b>4.8%</b>	8,552	<b>9,280</b>	<b>8.5%</b>	<b>3.3%</b>
<i>Of which Mobile services</i>	3,954	4,336	9.7%	4.7%	7,914	8,574	8.3%	3.1%
<b>Adjusted EBITDA</b>	1,902	<b>2,151</b>	<b>13.1%</b>	<b>8.1%</b>	3,808	<b>4,163</b>	<b>9.3%</b>	<b>4.1%</b>
<i>Margin (%)</i>	44.5%	45.9%	1.4 pt	1.4 pt	44.5%	44.9%	0.3 pt	0.3 pt
<b>Adjusted EBITA</b>	1,041	<b>1,230</b>	<b>18.2%</b>	<b>12.8%</b>	2,115	<b>2,368</b>	<b>12.0%</b>	<b>6.5%</b>
<i>Margin (%)</i>	24.4%	26.3%	1.9 pt	1.9 pt	24.7%	25.5%	0.8 pt	0.8 pt
<b>CAPEX<sup>(2)</sup></b>	1,551	<b>1,079</b>	<b>-30.4%</b>	<b>-33.8%</b>	1,962	<b>1,517</b>	<b>-22.7%</b>	<b>-26.5%</b>
<i>Of which frequencies and licenses</i>	0	0			0	0		
<i>CAPEX/Revenues (excluding frequencies and licenses)</i>	36.3%	23.0%	-13.3 pt	-13.4 pt	22.9%	16.3%	-6.6 pt	-6.6 pt
<b>Adjusted CFFO</b>	905	<b>888</b>	<b>-1.8%</b>	<b>-6.5%</b>	2,136	<b>2,227</b>	<b>4.2%</b>	<b>-0.9%</b>
<b>Net debt</b>	6,013	<b>7,251</b>	<b>20.6%</b>	<b>16.1%</b>	6,013	<b>7,251</b>	<b>20.6%</b>	<b>16.1%</b>
<b>Net debt/EBITDA<sup>(3)</sup></b>	0.7x	<b>0.8x</b>			0.7x	<b>0.8x</b>		

First half 2023, International revenues rose **8.5%** to MAD **9,280** million (**+3.3%** at constant exchange rates<sup>(1)</sup>), driven by strong performances from Mobile Data up **28.3%** (**+22.1%** at constant exchange rates<sup>(1)</sup>) and Mobile Money up **11.8%** (**+7.1%** at constant exchange rates<sup>(1)</sup>). Excluding the decrease in termination rates, subsidiaries' revenues were up **3.5%** at constant exchange rates<sup>(1)</sup>.

First half 2023 adjusted earnings from operations before depreciation and amortization (EBITDA) came to MAD **4,163** million, up **9.3%** (**+4.1%** at constant exchange rates<sup>(1)</sup>). The adjusted EBITDA margin was **44.9%**, up by **0.3 pt** due to continuous improvement in the gross margin rate and tight control of operating expenses.

First half 2023 adjusted earnings from operations (EBITA)<sup>(5)</sup> amounted to MAD **2,368** million, up **12.0%** (**+6.5%** at constant exchange rates<sup>(1)</sup>), mainly due to the increase in adjusted EBITDA. Boosted by this performance, the adjusted EBITA margin rose **0.8 pt** to **25.5%**.

Adjusted cash flows from operations (CFFO)<sup>(6)</sup> increased **4.2%** (**-0.9%** at constant exchange rates<sup>(1)</sup>), to MAD **2,227** million.

### 2.1.2.2 Operational indicators

	Unit	6/30/2022	6/30/2023	Change
<b>Mobile Customer base<sup>(8)</sup></b>	<b>(000)</b>	51,101	<b>50,966</b>	
Mauritania		2,726	<b>2,692</b>	<b>-1.2%</b>
Burkina Faso		10,870	<b>11,148</b>	<b>2.6%</b>
Gabon		1,484	<b>1,450</b>	<b>-2.3%</b>
Mali		9,157	<b>8,730</b>	<b>-4.7%</b>
Côte d'Ivoire		10,247	<b>9,511</b>	<b>-7.2%</b>
Benin		5,367	<b>5,475</b>	<b>2.0%</b>
Togo		2,666	<b>2,855</b>	<b>7.1%</b>
Niger		2,975	<b>2,968</b>	<b>-0.2%</b>
Central African Republic		215	<b>198</b>	<b>-7.8%</b>
Chad		5,394	<b>5,939</b>	<b>10.1%</b>
<b>Fixed-line customer base</b>	<b>(000)</b>	358	<b>372</b>	
Mauritania		57	<b>44</b>	<b>-22.9%</b>
Burkina Faso		76	<b>75</b>	<b>-1.2%</b>
Gabon		36	<b>50</b>	<b>40.1%</b>
Mali		189	<b>204</b>	<b>7.4%</b>
<b>Fixed Broadband customer base<sup>(11)</sup></b>	<b>(000)</b>	150	<b>177</b>	
Mauritania		19	<b>22</b>	<b>18.5%</b>
Burkina Faso		16	<b>18</b>	<b>13.2%</b>
Gabon		32	<b>47</b>	<b>45.6%</b>
Mali		83	<b>90</b>	<b>8.8%</b>

## Notes:

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

### **Important Warning:**

*Forward-looking statements. This press release contains forward-looking statements and items of a forward-looking nature relating to the financial position, results of operations, strategy and outlook of Maroc Telecom and the impacts of certain operations. Although Maroc Telecom believes that these forward-looking statements are based on reasonable assumptions, they do not constitute guarantees as to the future performance of the company. Actual results may be very different from forward-looking statements due to a number of known or unknown risks and uncertainties, most of which are beyond our control, including the risks described in public documents filed by Maroc Telecom with the Moroccan Capital Market Authority ([www.ammc.ma](http://www.ammc.ma)) and the French Financial Markets Authority ([www.amf-france.org](http://www.amf-france.org)), also available in French on our website ([www.iam.ma](http://www.iam.ma)). This press release contains forward-looking information that can only be assessed on the day it is distributed. Maroc Telecom makes no commitment to supplement, update or modify these forward-looking statements due to new information, a future event or any other reason, subject to applicable regulations, in particular Articles 2.19 et seq. of the circular of the Moroccan Capital Market Authority and 223-1 et seq. of the general regulation of the French Financial Markets Authority.*

**Maroc Telecom is a global telecommunications operator in Morocco, a leader in all its business segments, fixed, mobile and internet. It has grown internationally and is now present in eleven countries in Africa. Maroc Telecom is listed simultaneously in Casablanca and Paris and its reference shareholders are the Société de Participation dans les Télécommunications (SPT)\* (53%) and the Kingdom of Morocco (22%).**

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

## Contacts

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### Appendix 1: Transition from adjusted financial indicators to published financial indicators

Adjusted EBITDA, adjusted EBITA, Group share of adjusted net income and adjusted CFFO are not strictly accounting measures and should be considered as additional information. They better illustrate the Group's performance by excluding exceptional items.

(MAD millions)	H1 2022			H1 2023		
	Morocco	International	Group	Morocco	International	Group
<b>Adjusted EBITDA</b>	5,363	3,808	9,171	<b>5,417</b>	<b>4,163</b>	<b>9,580</b>
<b>Published EBITDA</b>	5,363	3,808	9,171	<b>5,417</b>	<b>4,163</b>	<b>9,580</b>
<b>Adjusted EBITA</b>	3,626	2,115	5,740	<b>3,684</b>	<b>2,368</b>	<b>6,052</b>
Restructuring costs		-2	-2			
ANRT decision	-2,451		-2,451			
<b>Published EBITA</b>	1,175	2,112	3,287	<b>3,684</b>	<b>2,368</b>	<b>6,052</b>
<b>Adjusted net income - Group share</b>			2,869			<b>2,935</b>
Restructuring costs			-1			
ANRT decision			-2,451			
Corporate tax revision						-50
<b>Published net income - Group share</b>			417			<b>2,885</b>
<b>Adjusted CFFO</b>	3,190	2,136	5,326	<b>2,810</b>	<b>2,227</b>	<b>5,037</b>
Payment of license		-26	-26			
Restructuring costs		-2	-2			
<b>Published CFFO</b>	3,190	2,108	5,297	<b>2,810</b>	<b>2,227</b>	<b>5,037</b>

### Appendix 2: Impact of the IFRS 16

At the end of June 2023, the impacts of the application of IFRS 16 on the main consolidated aggregates of the Maroc Telecom Group were as follows:

(MAD millions)	H1 2022			H1 2023		
	Morocco	International	Group	Morocco	International	Group
<b>Adjusted EBITDA</b>	129	131	<b>261</b>	134	157	<b>291</b>
<b>Adjusted EBITA</b>	8	21	<b>29</b>	10	25	<b>35</b>
<b>Adjusted net income - Group share</b>			<b>-4</b>			<b>-4</b>
<b>Adjusted CFFO</b>	129	131	<b>261</b>	134	157	<b>291</b>
<b>Net debt</b>	737	651	<b>1,387</b>	781	818	<b>1,599</b>

## 2.2 RELATED-PARTY TRANSACTIONS

Under the terms of Article 95 et seq. of Moroccan Law no. 17-95 concerning stock 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 Management 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 Management 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 Management Board or of the Supervisory Board, of the said entity.

The regulated agreements entered into or authorized during the first half of 2023 fiscal year, as well as the agreements entered into in prior years which continued to be executed during first half of 2023, are presented below. These agreements are not, however, the only parent-subsidary flows existing between Maroc Telecom and its subsidiaries.

### 2.2.1 REGULATED AGREEMENTS SIGNED OR AUTHORIZED IN THE FIRST HALF OF 2023

None.

### 2.2.2 AGREEMENTS CONCLUDED IN PREVIOUS FINANCIAL YEARS AND WHICH CONTINUED TO BE EXECUTED DURING THE FIRST HALF OF THE FINANCIAL YEAR 2023

#### ▪ Brand licensing agreements

Since January 26, 2015, Maroc Telecom has become the majority shareholder of Atlantique Telecom Côte d'Ivoire (currently "Moov Africa Côte d'Ivoire"), Etisalat Benin (currently "Moov Africa Benin"), Atlantique Telecom Togo (currently "Moov Africa Togo"), Atlantique Telecom Niger (currently "Moov Africa Niger"), Atlantique Telecom Gabon (absorbed by Gabon Telecom on June 29, 2016 with effect from January 1, 2016) and Atlantique Telecom Centrafrique (currently "Moov Africa 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 BOUDAUD is also a member of the joint management bodies.

#### ▪ Technical support agreement

Since January 26, 2015, Maroc Telecom has become the majority shareholder of Atlantique Telecom Côte d'Ivoire (currently "Moov Africa Côte d'Ivoire"), Etisalat Benin (currently "Moov Africa Benin"), Atlantique Telecom Togo (currently "Moov Africa Togo"), Atlantique Telecom Niger (currently "Moov Africa Niger"), Atlantique Telecom Gabon (absorbed by Gabon Telecom on June 29, 2016 with effect from January 1, 2016) and Atlantique Telecom Centrafrique (currently "Moov Africa 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 BOUDAUD 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.

As of May 14, 2014, Etisalat became the reference shareholder of Maroc Telecom via SPT and the members of the joint management bodies are Messrs. Jassem Mohamed ALZAABI, Hatem DOWIDAR, Luis ENRIQUEZ, Kamal SHEHADI, Hesham Abdulla AL QASSIM and Mohamed Karim BENNIS.

- **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 SA and the member of the joint management bodies is Mr. Hassan RACHAD.

- **Services agreement with Sotelma**

In 2009, Sotelma signed an agreement with Maroc Telecom for the latter to provide it with technical support 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 regulatory compliance.

These services are performed mainly by expatriate personnel.

Maroc Telecom is the majority shareholder of Onatel.

- **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 the majority shareholder of Gabon Telecom and the member of the joint management bodies is Mr. Brahim BOUDAUD.

- **Agreement with Casanet**

Since fiscal year 2003, Maroc Telecom has entered into several agreements with its subsidiary Casanet, the purpose of which is, to provide development and hosting services for Maroc Telecom's Mobile portal and Internet sites.

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.

- **Service agreement with MT Cash S.A.**

On July 22, 2020, Maroc Telecom's Supervisory Board authorized the conclusion of a service agreement with the subsidiary MT CASH S.A.

Maroc Telecom is the majority shareholder of MT CASH and the joint management members are Messrs. Brahim BOUDAUD, Hassan RACHAD, François VITTE and Abdelkader MAAMAR.

- **Trade mark license agreement with Onatel**

On February 18, 2021, Maroc Telecom's Supervisory Board authorized the conclusion of license agreements for the "Moov Africa" trade mark between Maroc Telecom and the Group's subsidiaries.

In this respect, Maroc Telecom and its subsidiary Onatel signed a trade mark license agreement in 2021.

#### ▪ **Trade mark license agreement with Gabon Telecom**

On February 18, 2021, Maroc Telecom's Supervisory Board authorized the conclusion of license agreements for the "Moov Africa" trade mark between Maroc Telecom and the Group's subsidiaries.

As such, Maroc Telecom and its subsidiary Gabon Telecom signed a trade mark license agreement in 2021. The member of the joint management bodies between the two companies is Mr. Brahim BOUDAUD.

#### ▪ **Trade mark license agreement with Sotelma**

On February 18, 2021, Maroc Telecom's Supervisory Board authorized the conclusion of license agreements for the "Moov Africa" trade mark between Maroc Telecom and the Group's subsidiaries.

In this respect, Maroc Telecom and its subsidiary Sotelma signed a trade mark license agreement in 2021. The member of the joint management bodies between the two companies is Mr. Abdelkader MAAMAR.

#### ▪ **Trade mark license agreement with Moov Africa Chad**

On February 18, 2021, Maroc Telecom's Supervisory Board authorized the conclusion of license agreements for the "Moov Africa" trade mark between Maroc Telecom and the Group's subsidiaries.

As such, Maroc Telecom and its subsidiary Moov Africa Chad signed a trade mark license agreement in 2021. The member of the joint management bodies between the two companies is Mr Hassan RACHAD.

#### ▪ **Sponsorship agreement with the Royal Moroccan Athletics Federation (FRMA)**

The agreement between Maroc Telecom and FRMA, of which Mr. Abdeslam AHIZOUNE is also Chairman, expired in October 2021.

At its meeting of October 25, 2021, the Supervisory Board renewed the agreement for a maximum period of three (3) years and a maximum amount of MAD 3,000,000 a year.

#### ▪ **Partnership agreement with Maroc Cultures Association**

On December 6, 2021, the Supervisory Board authorized the partnership agreement for a period of three (3) years between Maroc Telecom and the Maroc Cultures Association, which Mr. Abdeslam AHIZOUNE also chairs.

## 2.3 GROWTH OUTLOOK

This section contains information regarding the Company's objectives for fiscal-year 2023.

The Company warns potential investors that these forward-looking statements are dependent on circumstances and events that are expected to occur in the future. These statements do not reflect historical Data and should not be considered as guarantees that the facts and Data mentioned will occur or that the objectives will be achieved. Because of their uncertain nature, these objectives may not be achieved, and the assumptions on which they are based may prove to be erroneous. Investors are encouraged to consider that some of the risks described in section 2.1 « Risks factors » the 2022 Universal Registration Document may affect the Company's business and its ability to achieve its objectives.

Based on recent market developments and provided that no new major exceptional event disrupts the Group's business, Maroc Telecom maintains its outlook for 2023, at constant scope and exchange rates:

- Stable revenues;
- Stable EBITDA;
- CAPEX excluding frequencies and licenses of approximately 20% of revenues.



### **3. FINANCIAL REPORT**

## 3- FINANCIAL REPORT

### 3.1 CONSOLIDATED FINANCIAL DATA

Maroc Telecom Group's consolidated financial data is summarized in the following table. This selected financial data is drawn from the Group's consolidated financial statements prepared according to IFRS international standards (International Financial Reporting Standards), after a limited review by the statutory auditors: the firm BDO Audit, Tax & Advisory represented by Mr. Abderrahim GRINE and the firm Deloitte Maroc, represented by Mr. Adnane FAOUZI.

#### CONSOLIDATED FINANCIAL DATA IN MOROCCAN DIRHAMS

##### Balance sheet

<b>ASSETS (in MAD million)</b>	<b>12/31/2022</b>	<b>06/30/2023</b>
Non-current assets	49,857	49,906
Current assets	15,673	16,257
<b>Total assets</b>	<b>65,530</b>	<b>66,163</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES (in MAD million)</b>	<b>12/31/2022</b>	<b>06/30/2023</b>
Share capital	5,275	5,275
Shareholders' equity, attributable to equity holders of the parent	<b>13,895</b>	<b>14,621</b>
Non-controlling interests	4,107	3,540
<b>Shareholders' equity</b>	<b>18,002</b>	<b>18,162</b>
Non-current liabilities	4,992	4,906
Current liabilities	42,535	43,095
<b>Total Shareholders' equity and liabilities</b>	<b>65,530</b>	<b>66,163</b>

##### Income statement for the first-halves of 2023 and 2022

<b>(In millions of MAD)</b>	<b>H1-2022</b>	<b>H1-2023</b>
<b>Consolidated revenues</b>	<b>17,568</b>	<b>18,399</b>
Operating expenses*	14,281	12,516
<b>Earnings from operations</b>	<b>3,287</b>	<b>5,883</b>
Earnings from continuing operations	3,287	5,883
<b>Earnings for the period</b>	<b>894</b>	<b>3,345</b>
<b>Earnings attributable to equity holders of the parents</b>	<b>417</b>	<b>2,885</b>
Earnings per share (in MAD)	0.47	3.28
Diluted earnings per share (in MAD)	0.47	3.28

\*The June 2022 amount includes the provision for the fine applied by the Moroccan regulator (MMAD 2,451)

## Scope of consolidation

### Mauritel

Maroc Telecom holds 52% 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 S.A. is owned by the holding company Compagnie Mauritanienne de Communications (CMC), in which Maroc Telecom holds an 80% equity stake. Consequently, Maroc Telecom holds a 41.2% interest in Mauritania's incumbent operator. Mauritel has been fully consolidated by Maroc Telecom since July 1, 2004.

### Onatel

On December 29, 2006, Maroc Telecom acquired 51% of the capital of the incumbent Burkinabe operator Onatel. The Group increases its stake in Onatel to 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 the incumbent operator in Gabon. Gabon Telecom has been fully consolidated by Maroc Telecom since March 1, 2007.

Gabon Telecom acquires, from Maroc Telecom, 100% of Atlantique Telecom Gabon capital. This 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.

### Moov Africa Côte d'Ivoire

On January 26, 2015, Maroc Telecom acquired an 85% stake in the capital of Ivoirian Mobile operator. Moov Africa Côte d'Ivoire has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

### Moov Africa Benin

On January 26, 2015, Maroc Telecom acquired 100% of the capital of Benin's Mobile operator. Moov Africa Benin has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

### Moov Africa Togo

On January 26, 2015, Maroc Telecom acquired a 95% stake in the capital of Togo's Mobile operator. Moov Africa Togo has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

### Moov Africa Niger

On January 26, 2015, Maroc Telecom acquired 100% of the capital of Niger's Mobile operator. Moov Africa Niger has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

### Moov Africa Centrafrique

On January 26, 2015, Maroc Telecom acquired 100% of the capital of the Central African Republic's Mobile operator. Moov Africa Centrafrique has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

## Moov Africa Chad

On June 26, 2019, Maroc Telecom acquired 100% of the share capital of the Chadian operator Moov Africa Chad. Moov Africa Chad has been fully consolidated in Maroc Telecom's financial statements since July 1, 2019.

## Casanet

Casanet is a Moroccan internet provider established in 1995. In 2008, it became a wholly-owned subsidiary of Maroc Telecom and expanded its field of operations by specializing in information engineering. Casanet has been fully consolidated by Maroc Telecom since January 1, 2011.

## Other nonconsolidated investments

Investments whose significance in relation to the consolidated financial statements is not material or in which Maroc Telecom does not directly or indirectly exercise exclusive control, joint control or significant influence are not consolidated and are recorded under "Non-current financial assets".

This is the case for MT Cash and MT Fly as well as minority interests held in RASCOM, Autoroutes du Maroc, Arabsat and other investments.

## 3.2 INCOME STATEMENT AND FINANCIAL POSITION

The following table sets out data regarding Maroc Telecom's consolidated income statement for the first-halves of 2023 and 2022:

<i>(In millions of MAD)</i>	Note	H1-2022	H1-2023
<b>Revenues</b>	7	<b>17,568</b>	<b>18,399</b>
Cost of purchases		-2,373	-2,576
Payroll costs		-1,539	-1,607
Taxes and duties		-1,670	-1,783
Other operating income and expenses		-2,712	-2,956
Net depreciation, amortization and provisions*		-5,988	-3,595
<b>Earnings from operations</b>		<b>3,287</b>	<b>5,883</b>
Other income and charges from ordinary activities		0	0
<b>Earnings from continuing operations</b>		<b>3,287</b>	<b>5,883</b>
Income from cash and cash equivalents		9	21
Gross borrowings costs		-317	-408
<b>Net borrowing costs</b>		<b>-308</b>	<b>-387</b>
Other financial income (expense)		-13	-3
<b>Net financial income (expense)</b>		<b>-321</b>	<b>-391</b>
Income tax expense	6	-2,072	-2,148
<b>Net earnings</b>		<b>894</b>	<b>3,345</b>
Exchange gain or loss from foreign activities		61	-330
Other income and expenses		0	0
<b>Total comprehensive income for the period</b>		<b>955</b>	<b>3,015</b>
<b>Net earnings</b>		<b>894</b>	<b>3,345</b>
Attributable to equity holders of the parents		417	2,885
Minority interests		477	460
<b>Total comprehensive income for the period</b>		<b>955</b>	<b>3,015</b>
Attributable to equity holders of the parents		436	2,655
Minority interests		519	360
<b>EARNINGS PER SHARE</b>		<b>H1-2022</b>	<b>H1-2023</b>
Net earnings - group share (in millions of MAD)		417	2,885
Numbers of shares at June 30		879,095,340	879,095,340
<b>Earnings per share (in MAD)</b>		<b>0.47</b>	<b>3.28</b>
<b>Diluted earnings per share (in MAD)</b>		<b>0.47</b>	<b>3.28</b>

\*The June 2022 amount includes the provision for the fine applied by the Moroccan regulator (-MAD 2,451)

The analysis below presents the various items in Maroc Telecom's consolidated income statement and details their changes over the periods considered.

## COMPARAISON OF THE FIRST-HALVES OF 2023 and 2022

### Revenues

The following table shows the breakdown of revenues for the first-halves of 2023 and 2022.

<i>(In millions of MAD)</i>	H1-2022	H1-2023
Morocco	9,561	9,680
<i>o/w Mobile</i>	5,497	5,370
International	8,552	9,280
<i>o/w Mobile</i>	7,914	8,574
Eliminations	-545	-560
<b>Total consolidated revenues</b>	<b>17,568</b>	<b>18,399</b>

At the end of June 2023, Maroc Telecom Group had consolidated sales of MAD 18,399 million, up 4.7%. Revenues growth was achieved in both the Moroccan and International segments.

### Operating expenses

The table below shows Maroc Telecom's operating expenses for the first six-month periods of 2023 and 2022.

<i>(In millions of MAD)</i>	H1-2022	H1-2023
Revenues	<b>17,568</b>	<b>18,399</b>
Cost of purchases	2,373	2,576
% of revenues	13.5%	14.0%
Payroll costs	1,539	1,607
% of revenues	8.8%	8.7%
Taxes and duties	1,670	1,783
% of revenues	9.5%	9.7%
Other operating income (expenses)	2,712	2,956
% of revenues	15.4%	16.1%
Net depreciation, amortization, impairment and provisions*	5,988	3,595
% of revenues	34.1%	19.5%
<b>Total operating expenses</b>	<b>14,281</b>	<b>12,516</b>
<b>% of revenues</b>	<b>81.3%</b>	<b>68.0%</b>

\*The June 2022 amount includes the provision for the fine applied by the Moroccan regulator (-MAD 2,451)

#### ➤ Cost of purchases

Between the first half of 2022 and the first half of 2023, the Group's purchases rose by 8.6%, mainly due to an increase in the cost of goods purchased.

#### ➤ Personnel expenses

In the first half of 2023, Group personnel costs represented 8.7% of sales, at the same level as in the first half of 2022.

### ➤ Taxes and duties

Taxes amounted to MAD 1,783 million, up 6.7% on 2022. The increase in regulatory fees is consistent with the rise in sales, and mainly concerns international subsidiaries.

### ➤ Other operating income and expenses

Other operating income and expenses rose from MAD 2,712 million in H1 2022 to MAD 2,956 million in H1 2023, an increase of 9.0% explained in particular by the resolution of disputes and increase in rental and commission expenses.

### Operating profit

The Group's consolidated operating income at June 30, 2023 was 5,883, up 79% on the first half of 2022. This increase is due to the provisioning of the ANRT penalty of MAD 2,451 million in H1 2022. On a comparable basis\*, operating income was up 2.6% vs first-half 2022.

### Net financial income

In the first half of 2023, financial income decreased by 22% in line with the increase in the cost of net financial debt.

### Tax expense

The tax charge is up 4% compared with the first half of 2022, consistent with the increase in pre-tax income in the first half of 2023 (excluding the impact of the ANRT penalty provision in 2022) and the increase in the corporate income tax rate in Morocco.

### Net income

At the end of June 2023, the Group recorded net income of MAD 3,345 million, virtually unchanged from the first half of 2022 on a comparable basis\*.

### Minority interests

Minority interests, reflecting the rights of shareholders other than Maroc Telecom in the earnings of consolidated entities, amounted to MAD460 million in the first half of 2023, compared with MAD477 million in the first half of 2022.

### Net income (Group share)

At the end of June 2023, net income, Group share amounted to MAD 2,885 million.

### Earnings per share

Earnings per share reached MAD 3.28 in the first half of 2023, compared with MAD 0.47 in the first half of 2022 (including the provision for the ANRT penalty impact).

### Cash and cash equivalents

The Group's main resource is the cash generated by its operating activities.

\*Comparable basis means the cancellation of the impact of the provision for the exceptional penalty imposed by the Moroccan regulator recorded in the H1-2022 accounts.

## ➤ Cash flows

The following table summarizes Maroc Telecom's consolidated cash flow for the specific periods.

<i>(In millions of MAD)</i>	H1-2022	H1-2023
Net cash from operating activities (a)	6,351	5,560
Net cash used in investing activities (b)	-2,925	-3,529
Net cash used in financing activities (c)	-3,082	-1,866
Foreign currency translation adjustments (d)	-80	-751
Change in cash and cash equivalents (a)+(b)+(c)+(d)	264	-586
<b>Cash and cash equivalents at beginning of period</b>	<b>2,024</b>	<b>1,872</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,288</b>	<b>1,286</b>

### ➤ Net cash flow from operating activities

At June 30, 2023, net cash provided by operating activities amounted to MAD 5,560 million, compared with MAD 6,351 million at June 30, 2022, down 12% mainly due to the increase in taxes paid.

### ➤ Net cash flow from investing activities

Net cash used in investing activities rose by 21% as a result of accelerated payments to suppliers of fixed assets and investment in the international Mobile Money business.

### ➤ Net cash flow from financing activities

At June 30, 2023, net cash used in financing activities decreased by MAD 1,217 million thanks to the continuous optimization of cash management.

## Tangible and intangible fixed assets

The table below sets out fixed assets acquired by Maroc Telecom Group by geographical area in the relevant periods.

<i>(In millions of MAD)</i>	H1-2022	H1-2023
Morocco	1,758	1,428
International	1,962	1,517
<b>Total</b>	<b>3,720</b>	<b>2,945</b>

### ➤ Investments in Morocco

Investments in Morocco fell by 19% to end-June 2023, from MAD 1,758 million to MAD 1,428 million. The MT Group continues to roll out its national investment policy for wider coverage and better quality of service.

### ➤ International investments

Capital expenditure by Group subsidiaries in the first half of 2023 was 23% lower than in the first half of 2022. Sustained pace of international investments.

## Financial resources

In the first half of 2023, Maroc Telecom's net debt amounted to MAD 15,733 million compared with MAD 16,355 million at the end of December 2022, down 4%.

<i>(In millions of MAD)</i>	<b>12/31/2022</b>	<b>06/30/2023</b>
Outstanding debt and accrued interests (a)	18,245	17,046
Cash*(b)	1,872	1,286
Cash held for repayment of bank loans (c)	18	27
<b>Net debt (a) - (b) - (c)</b>	<b>16,355</b>	<b>15,733</b>

\* Marketable securities are considered as cash equivalents when their investment period does not exceed three months

### 3.3 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

#### Consolidated statement of financial position at June 30, 2023 and at December 31, 2022

ASSETS (in millions of MAD)	Note	12/31/2022	06/30/2023
Goodwill		9 389	9 169
Other intangible assets		7 696	7 450
Property, plant and equipment		29 283	28 897
Right to use the asset		1 387	1 528
Noncurrent financial assets		1 656	2 450
Deferred tax assets		445	412
<b>Noncurrent assets</b>		<b>49 857</b>	<b>49 906</b>
Inventories		484	562
Trade accounts receivable and other		13 160	14 304
Short-term financial assets		103	106
Cash and cash equivalents	4	1 872	1 286
Assets available for sale		54	-
<b>Current assets</b>		<b>15 673</b>	<b>16 257</b>
<b>TOTAL ASSETS</b>		<b>65 530</b>	<b>66 163</b>
SHAREHOLDERS' EQUITY AND LIABILITIES (in millions of MAD)		12/31/2022	06/30/2023
Share capital		5 275	5 275
Retained earnings		5 870	6 462
Net earnings		2 750	2 885
Equity attributable to equity holders of the parents		<b>13 895</b>	<b>14 621</b>
Minority interests		4 107	3 540
<b>Total shareholders' equity</b>		<b>18 002</b>	<b>18 162</b>
Noncurrent provisions		585	584
Borrowings and other long-term financial liabilities	4	4 325	4 133
Deferred tax liabilities		83	189
Other noncurrent liabilities		-	-
<b>Noncurrent liabilities</b>		<b>4 992</b>	<b>4 906</b>
Trade accounts payable		26 228	28 266
Current tax liabilities		1 179	807
Current provisions		1 209	1 110
Borrowings and other short-term financial liabilities		13 920	12 913
<b>Current liabilities</b>		<b>42 535</b>	<b>43 095</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>65 530</b>	<b>66 163</b>

## Statement of comprehensive income for the first half of 2023 and 2022

<i>(In millions of MAD)</i>	Note	H1-2022	H1-2023
<b>Revenues</b>	7	<b>17,568</b>	<b>18,399</b>
Cost of purchases		-2,373	-2,576
Payroll costs		-1,539	-1,607
Taxes and duties		-1,670	-1,783
Other operating income and expenses		-2,712	-2,956
Net depreciation, amortization and provisions*		-5,988	-3,595
<b>Earnings from operations</b>		<b>3,287</b>	<b>5,883</b>
Other income and charges from ordinary activities		0	0
<b>Earnings from continuing operations</b>		<b>3,287</b>	<b>5,883</b>
Income from cash and cash equivalents		9	21
Gross borrowings costs		-317	-408
<b>Net borrowing costs</b>		<b>-308</b>	<b>-387</b>
Other financial income (expense)		-13	-3
<b>Net financial income (expense)</b>		<b>-321</b>	<b>-391</b>
Income tax expense	6	-2,072	-2,148
<b>Net earnings</b>		<b>894</b>	<b>3,345</b>
Exchange gain or loss from foreign activities		61	-330
Other income and expenses		0	0
<b>Total comprehensive income for the period</b>		<b>955</b>	<b>3,015</b>
<b>Net earnings</b>		<b>894</b>	<b>3,345</b>
Attributable to equity holders of the parents		417	2,885
Minority interests		477	460
<b>Total comprehensive income for the period</b>		<b>955</b>	<b>3,015</b>
Attributable to equity holders of the parents		436	2,655
Minority interests		519	360
<b>EARNINGS PER SHARE</b>		<b>H1-2022</b>	<b>H1-2023</b>
Net earnings - group share (in millions of MAD)		417	2,885
Numbers of shares at June 30		879,095,340	879,095,340
<b>Earnings per share (in MAD)</b>		<b>0.47</b>	<b>3.28</b>
<b>Diluted earnings per share (in MAD)</b>		<b>0.47</b>	<b>3.28</b>

\*The June 2022 amount includes the provision for the penalty applied by the Moroccan regulator (-MAD 2,451)

## Consolidated statement of cash flows for the first half of 2023 and 2022

(In millions of MAD)	Note	H1-2022	H1-2023
Earnings from operations*		3,287	5,883
Depreciations, depreciation and other adjustments*		5,988	3,593
<b>Gross cash from operating activities</b>		<b>9,276</b>	<b>9,477</b>
Other changes in net working capital		-1,018	-1,400
<b>Net cash from operating activities before taxes</b>		<b>8,257</b>	<b>8,077</b>
Tax paid		-1,906	-2,517
<b>Net cash from operating activities (a)</b>		<b>6,351</b>	<b>5,560</b>
Purchase of PP&E and intangible assets		-2,961	-3,204
Increase in financial assets		0	-395
Disposals of PP&E and intangible assets		0	2
Decrease in financial assets		35	68
Dividends received from nonconsolidated investments		1	0
<b>Net cash used in investing activities (b)</b>		<b>-2,925</b>	<b>-3,529</b>
Capital increase			
Dividends paid to shareholders	3	0	0
Dividends paid by subsidiaries to their noncontrolling interests		-766	-138
<b>Changes in equity</b>		<b>-766</b>	<b>-138</b>
Borrowings and increase in other long-term financial liabilities		673	343
Borrowings and increase in other long-term financial liabilities			
Changes in net current accounts		-2,620	-1,707
Changes in current accounts receivable/financial creditors			
Net interests paid (Cash only)		-481	-406
Other cash expenses (income) used in financing activities		112	42
<b>Changes in borrowings and other financial liabilities</b>		<b>-2,316</b>	<b>-1,728</b>
<b>Net cash used in financing activities (d)</b>		<b>-3,082</b>	<b>-1,866</b>
<b>Effect of foreign currency adjustments (g)</b>		<b>-80</b>	<b>-751</b>
<b>Total cash flows (a+b+d+g)</b>		<b>264</b>	<b>-586</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>2,024</b>	<b>1,872</b>
<b>Cash and cash equivalents at end of period</b>		<b>2,288</b>	<b>1,286</b>

\* Operating income and net depreciation, amortization and impairment of fixed assets in June 2022 include the provision for the penalty applied by the Moroccan regulator (-MAD 2,451)

## Statement of changes in consolidated equity at June 30, 2023 and December 31, 2022

(in MAD million)	Share capital	Other comprehensive income	Other comprehensive income	Total Group share	Non controlling interest	Total capitaux propres
<b>Position at January 1, 2022</b>	5,275	10,199	-561	14,914	3,887	18,800
<b>Total comprehensive income for the period</b>		417	19	436	519	955
<i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i>				-		-
Gains and losses on translation			19	19	42	61
<i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i>			0	0	-	0
Actuarial differences				-		-
Revaluation differences				-		-
Revaluation differences on hedging instruments				-		-
Revaluation differences on equity instruments			0	0	-	0
Capital increase				-		-
Capital decrease				-		-
Share-based compensation				-		-
Change in interest shares without takeover/loss of control				-		-
Change in interest shares with gain/loss of control				-		-
Dividends		-4,202	-	4,202	-757	-4,959
Treasury stock		-17	-	17	0	-17
Other adjustments		0		-	-1	-1
<b>Position at June 30, 2022</b>	5,275	6,397	-542	11,130	3,648	14,778
<b>Total comprehensive income for the period</b>		2,333	435	2,768	634	3,403
<i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i>				-		-
Revaluation differences			445	445	226	671
<i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i>			-10	-10	4	-14
Actuarial differences			-10	-10	4	-14
Revaluation differences				-		-
Revaluation differences on hedging instruments				-		-
Revaluation differences on equity instruments			0	0	-	0
Capital increase				-		-
Capital decrease				-		-
Share-based compensation				-		-
Change in ownership interest without gain/loss of control				-		-
Change in ownership interest with gain/loss of control				-		-
Dividends		1		1	-176	-175
Treasury stock		-4		-4	0	-4
Other adjustments		0		-	0	0
<b>Position at December 31, 2022</b>	5,275	8,727	-107	13,895	4,107	18,002
<b>Total comprehensive income for the period</b>		2,885	-229	2,655	360	3,015
<i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i>				-		-
Revaluation differences			-230	-230	-100	-330
<i>Change in gains and losses recognized directly in equity and recyclable in profit or loss</i>			0	0	-	0
Actuarial differences				-		-
Revaluation differences				-		-
Revaluation differences on hedging instruments				-		-
Revaluation differences on equity instruments			0	0		0
Capital increase				-		-
Capital decrease				-		-
Share-based compensation				-		-
Change in ownership interest without gain/loss of control				-		-
Change in ownership interest with gain/loss of control				-		-
Dividends		-1,925		-1,925	-932	-2,858
Treasury stock		10		10		10
Other adjustments		-14		-14	6	-8
<b>Position at June 30, 2023</b>	5,275	9,682	-335	14,622	3,540	18,162

At June 30, 2023, Maroc Telecom's share capital comprised 879,095,340 ordinary shares. Ownership of the shares was as follows:

- SPT\*: 53%;
- Kingdom of Morocco: 22%;
- Other: 25%.

\* SPT is a Moroccan company controlled by Etisalat

## Note 1. Accounting principles and valuation methods

The highlights of the semester are described on page 4 and 5 of this financial report.

### 1.1 HIGHLIGHTS

- Consolidated revenues growth accelerated by 4.7% driven mainly by activities in Moov Africa subsidiaries (+8.5%);
- Strong growth in revenues from Mobile Data (+28.3%) and Mobile Money (+11.8%) at Moov Africa subsidiaries;
- Decline in ADSL revenues (-12.4%) due to the decrease in the ADSL customer base, offset by growth in FTTH revenues in Morocco;
- Decline in Mobile Data revenues (-2.5%) in Morocco due to competitive pressures;
- Group EBITDA up 4.5%, driven by a 9.3% improvement in EBITDA at Moov Africa subsidiaries;
- Adjusted net income Group share up 2.3%.

### 1.2 ACCOUNTING PRINCIPLES AND VALUATION METHODS

The accounting principles used to prepare the interim consolidated financial statements for the six months ended June, 30<sup>th</sup> 2023 are identical to those used for the year ended on the 31<sup>th</sup> December 2022, in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union as of today.

The interim consolidated financial statements at June 30<sup>th</sup>, 2023 have been prepared in accordance with IAS 34 "Interim Financial Reporting", which permits the presentation of selected explanatory notes. These consolidated financial statements should be read in conjunction with the 2022 consolidated financial statements.

The interim consolidated financial statements at June 30<sup>th</sup>, 2023, together with the notes thereto, were approved by Maroc Telecom's Executive Board on July 13<sup>th</sup>, 2023.

## Note 2. Scope of consolidation at June 30, 2023 and December 31, 2022

Company	Legal form	% Group interest	% Capital held	Consolidation method
<b>Maroc Telecom</b> Avenue Annakhil Hay Riad Rabat-Maroc	SA	100%	100%	IG
<b>Compagnie Mauritanienne de Communication (CMC)</b> June 30, 2023 Dec 31, 2022 563, Avenue Roi Fayçal Nouakchott-Mauritanie	SA	80% 80%	80% 80%	IG IG
<b>Mauritel SA</b> June 30, 2023 Dec 31, 2022 Avenue Roi Fayçal Nouakchott-Mauritanie	SA	41% 41%	52% 52%	IG IG
<b>Onatel</b> June 30, 2023 Dec 31, 2022 705, AV. de la nation 01BP 10000 Ouagadougou – Burkina Faso	SA	61% 61%	61% 61%	IG IG
<b>Gabon Telecom</b> June 30, 2023 Dec 31, 2022 Immeuble 9 étages, BP 40 000 Libreville-Gabon	SA	51% 51%	51% 51%	IG IG
<b>Sotelma</b> June 30, 2023 Dec 31, 2022 ACI2000 près du palais de sport BP-740, Bamako - Mali	SA	51% 51%	51% 51%	IG IG
<b>Casnet</b> June 30, 2023 Dec 31, 2022 Imm Riad I, RDC, Avenue Annakhil Hay Riad Rabat-Maroc	SA	100% 100%	100% 100%	IG IG
<b>Moov Africa Côte d'Ivoire</b> June 30, 2023 Dec 31, 2022 Plateau, Immeuble KARRAT, Avenue Botreau Roussel, Abidjan- Côte d'Ivoire	SA	85% 85%	85% 85%	IG IG
<b>Moov Africa Bénin</b> June 30, 2023 Dec 31, 2022 lot 553, quartier Zongo Ehuzu, zone résidentielle, avenue Jean Paul 2, immeuble Etisalat, Cotonou- Bénin	SA	100% 100%	100% 100%	IG IG
<b>Moov Africa Togo</b> June 30, 2023 Dec 31, 2022 Boulevard de la Paix, Route de l'Aviation, Immeuble Moov-Etisalat, Lomé-Togo	SA	95% 95%	95% 95%	IG IG
<b>Moov Africa Niger</b> June 30, 2023 Dec 31, 2022 720 Boulevard du 15 avril Zone Industrielle, BP 13 379, Niamey-Niger	SA	100% 100%	100% 100%	IG IG
<b>Moov Africa Centrafrique</b> June 30, 2023 Dec 31, 2022 BP 2439, PK0, Place de la République, Immeuble SOCIM, rez-de-chaussée, Bangui - Centrafrique	SA	100% 100%	100% 100%	IG IG
<b>Moov Africa Chad</b> June 30, 2023 Dec 31, 2022 BP 6505, Avenue Charles DE GAULLE, N'Djamena-Chad	SA	100% 100%	100% 100%	IG IG

### Note 3. Dividends

<i>(In millions of MAD)</i>	H1-2022	H1-2023
<b>Dividends received from equity affiliates to their minority shareholder (a)</b>		
<b>Total (a)</b>	<b>757</b>	<b>932</b>
<b>Dividends distributed by Maroc Telecom to its shareholders (b)</b>		
Kingdom of Morocco	925	424
Etisalat	2,227	1,020
Others	1,050	481
<b>Total (b)</b>	<b>4,202</b>	<b>1,925</b>
<b>Total dividends distributed (a) + (b)</b>	<b>4,959</b>	<b>2,858</b>

At June 30, 2023, Maroc Telecom had not yet paid any dividends, which totaled MAD 1,925 million and were classified as current liabilities.

Dividends paid by subsidiaries to their minority shareholders amounted to MAD 932 million.

### Note 4. Borrowings and other financial liabilities at June 30, 2023 and December 31, 2022

<i>(In millions of MAD)</i>	12/31/2022	06/30/2023
Borrowings due more than one year	3,268	2,965
Rental obligation more than one year	1,057	1,168
Borrowings due less than one year	2,061	1,794
Rental obligation less than one year	411	431
Facilities and overdrafts	11,448	10,688
<b>Borrowings and financial liabilities</b>	<b>18,245</b>	<b>17,046</b>
Cash	1,872	1,286
Blocked cash	18	27
<b>Net debt</b>	<b>16,355</b>	<b>15,733</b>

Maroc Telecom's net debt fell from MAD 16,355 million at December 31, 2022 to MAD 15,733 million at June 30, 2023, due to the repayment of bank overdrafts.

#### 4.1. BREAKDOWN OF NET DEBT BY MATURITY

##### Half year ended June 30, 2023

<i>(In millions of MAD)</i>	Due less than 1 year	1 to 5 years	Due more than 5 years	TOTAL
Borrowings	1,794	2,511	454	4,758
Rental obligation	431	754	415	1,599
Facilities and overdrafts	10,688			10,688
<b>Borrowings and financial liabilities</b>	<b>12,913</b>	<b>3,264</b>	<b>869</b>	<b>17,046</b>
Cash	1,286			1,286
Blocked cash	27			27
<b>Net debt</b>	<b>11,600</b>	<b>3,264</b>	<b>869</b>	<b>15,733</b>

##### Full December 31, 2022

<i>(In millions of MAD)</i>	Due less than 1 year	1 to 5 years	Due more than 5 years	TOTAL
Borrowings	2,061	2,742	526	5,328
Rental obligation	411	813	244	1,468
Facilities and overdrafts	11,448			11,448
<b>Borrowings and financial liabilities</b>	<b>13,920</b>	<b>3,555</b>	<b>770</b>	<b>18,245</b>
Cash	1,872			1,872
Blocked cash	18			18
<b>Net debt</b>	<b>12,030</b>	<b>3,555</b>	<b>770</b>	<b>16,355</b>

The breakdown by maturity is made on the basis of contractual maturities for debts and on the basis of the enforceable term for rental obligations.

#### 4.2 BORROWING AND OTHER FINANCIAL LIABILITIES BY GEOGRAPHICAL AREA

<i>(In millions of MAD)</i>	12/31/2022	06/30/2023
<b>Morocco</b>	9,482	8,817
<b>International</b>	8,763	8,229
<b>Borrowings and other financial liabilities</b>	<b>18,245</b>	<b>17,046</b>

## Note 5. Restructuring expenses at June 30, 2023 and December 31, 2022

None.

## Note 6. Income tax payable for the first half of 2023 and 2022

<i>(In millions of MAD)</i>	H1-2022	H1-2023
Income tax	2,070	2,073
Deferred taxes	2	75
Tax provisions		
<b>Current tax</b>	<b>2,072</b>	<b>2,148</b>
<b>Consolidated effective tax rate *</b>	<b>69.9%</b>	<b>39.1%</b>

\* Income taxes / income before taxes

The tax charge at June 30, 2023 was 4% higher than in the first half of 2022 (excluding ANRT penalty impact). This change is due to the increase in pre-tax income and the change in the corporate income tax rate for the Moroccan segment, which was raised from 31% to 32% in accordance with the Finance Act.

The effective tax rate stood at 39.1% for the first half of 2023.

## Note 7. Segment data for the first six-month periods of 2023 and 2022

### Segment earnings by geographical area

#### First half of 2023

<i>(In millions MAD)</i>	Morocco	International	Eliminations	Total
Revenues	9,680	9,280	-560	<b>18,399</b>
Earnings from operations	3,684	2,199		<b>5,883</b>
Net depreciation and impairment of assets	1,785	1,810		<b>3,595</b>

#### First half of 2022

<i>(In millions MAD)</i>	Morocco	International	Eliminations	Total
Revenues	9,561	8,552	- 545	<b>17,568</b>
Earnings from operations*	1,175	2,112		<b>3,287</b>
Net depreciation and impairment of assets*	4,236	1,752		<b>5,988</b>
Voluntary redundancy plan		2		<b>2</b>

\* Operating income and net depreciation, amortization and impairment of fixed assets for June 2022 include the provision for the penalty applied by the Moroccan regulator (- MAD 2,451 million).

## Note 8. Contractual commitments and contingent assets and liabilities

### 8.1. CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS RECORDED IN THE BALANCE SHEET

Half year ended June 30, 2023

<i>(In millions of MAD)</i>	Total	< 1 year	1 to 5 years	> 5 years
Long-term debts	4,133		3,264	869
Capital lease obligations	-			
Operating leases *	36	36		
Irrevocable purchase obligations	-			
Other long-term commitments	-			
<b>Total</b>	<b>4,169</b>	<b>36</b>	<b>3,264</b>	<b>869</b>

\* Leases that do not fall within the scope of the new IFRS 16 standard.

### 8.2. CONTINGENT LIABILITIES

On December 16, 2021, Itissalat Al-Maghrib S.A. received a summons from the Rabat Commercial Court concerning a complaint from Wana concerning unbundling for an amount of MAD 6.85 million. The case is still pending, and the tribunal has appointed experts to present a report to the court.

As regards the REMACOTEM dispute, a memorandum of understanding has been signed closing this case and its impact has been fully integrated into the financial statements at end-June 2023.

### 8.3. OTHER COMMITMENT GIVEN AND RECEIVED IN THE COURSE OF ORDINARY BUSINESS

<i>(In millions of MAD)</i>	12/31/2022	06/30/2023
<b>Commitments given</b>	<b>2,728</b>	<b>5,019</b>
<i>Investment commitment</i>	1905	3624
<i>Downstream commitments and signature with banks</i>	655	1150
<i>Operating and financing lease commitments</i>	48	36
<i>Satellite rental commitments</i>	89	179
<b>Other commitments</b>	<b>30</b>	<b>29</b>
<i>Network maintenance contracts with Ericsson</i>	29	28
<i>Commitments on operating expenses</i>	2	2
<b>Other commitments</b>	<b>0</b>	<b>0</b>
<i>Recovery of guarantees given by Etisalat on the financing of the Atlantic subsidiaries</i>	0	0
<i>Forward sale commitment</i>	0	0

<i>(In millions of MAD)</i>	12/31/2022	06/30/2023
<b>Commitments received</b>	<b>1,541</b>	<b>1,609</b>
<i>Guarantees and endorsements</i>	1541	1,609
<i>Other commitments received</i>		
<i>Forward purchase commitment</i>		
<i>Commitment of the Moroccan State to contribute the assets of social works</i>		
<i>Investment agreement: exemption from customs duties on imports related to investments</i>		

Investment commitments increased in line with planned national and international investment projects.

Commitments by guarantee and signature with banks have increased, mainly on the international front, due to documentary credits relating to the acquisition of technical installations and network equipment, letters of credit linked to ongoing projects, and guarantees and endorsements.

Commitments received relate mainly to guarantees received from network equipment suppliers in connection with international Capex contracts and orders.

### Note 9. Events after the end of the reporting period

None.

## Note 10. IFRS 16

### 10.1- ASSET-CLASS-BASED USAGE RIGHTS AT JUNE 30, 2023:

(In millions MAD)	Carrying value	Asset entry	Depreciation/Amortization
Land	508	123	-83
Buildings	414	74	-69
Technical facilities	489	198	-79
Transportation equipment	117	23	-26
Office equipment			
Other assets			
<b>Total</b>	<b>1,528</b>	<b>419</b>	<b>-256</b>

### 10.2- IMPACT OF LEASE OBLIGATIONS :

	H1-2023
Interest expense	41
Lease-related payments	307

### 10.3- OCCUPANCY EXPENSES OUTSIDE THE SCOPE OF IFRS 16:

	H1-2023
Leases with term ≤12 months	258
Leases with low underlying asset value	2
Leases with variable payments	
Leases with no presumed control of occupancy right	
<b>Total</b>	<b>259</b>

## 3.4 STATUTORY FINANCIAL STATEMENTS

### BALANCE SHEET AT 06/30/2023

ASSETS (in MAD thousands)	Gross	Amortization and provisions	NET	PREVIOUS
				EXERCISE NET 12/31/2022
<b>CAPITALIZED COSTS (A)</b>	<b>1,500,000</b>	<b>1,048,767</b>	<b>451,233</b>	<b>600,000</b>
.Start-up costs	0	0	0	0
.Deferred costs	1,500,000	1,048,767	451,233	600,000
.Bond redemption premiums	0	0	0	0
<b>INTANGIBLE ASSETS (B)</b>	<b>12,805,829</b>	<b>10,968,566</b>	<b>1,837,264</b>	<b>1,931,428</b>
.Research and development costs	0	0	0	0
.Patents, trademarks, and similar rights	12,515,857	10,898,118	1,617,739	1,697,019
.Goodwill	70,447	70,447	0	0
.Other intangible assets	219,525	0	219,525	234,410
<b>PROPERTY, PLANT, AND EQUIPMENT (C)</b>	<b>77,857,858</b>	<b>63,085,782</b>	<b>14,772,076</b>	<b>14,901,229</b>
.Land	961,935	0	961,935	961,935
.Buildings	8,439,178	5,922,656	2,516,523	2,561,564
.Technical plant, machinery, and equipment	61,089,382	52,024,025	9,065,356	9,709,799
.Vehicles	278,685	117,880	160,805	166,233
.Office equipment, furniture, and fittings	5,127,624	4,849,172	278,452	301,327
.Other property, plant, and equipment	11,048	0	11,048	11,048
.Work in progress	1,950,007	172,049	1,777,957	1,189,324
<b>FINANCIAL ASSETS (D)</b>	<b>12,809,049</b>	<b>387,418</b>	<b>12,421,631</b>	<b>12,278,812</b>
.Long-term loans	147,018	0	147,018	150,998
.Other financial receivables	4,230	0	4,230	4,188
.Equity investments	12,657,802	387,418	12,270,384	12,123,626
.Other investments and securities	0	0	0	0
<b>UNREALISED FOREIGN EXCHANGE LOSSES (E)</b>	<b>5,463</b>	<b>0</b>	<b>5,463</b>	<b>1,455</b>
.Decrease in long-term receivables	5,463	0	5,463	1,455
.Increase in long-term debt	0	0	0	0
<b>TOTAL I (A+B+C+D+E)</b>	<b>104,978,200</b>	<b>75,490,533</b>	<b>29,487,667</b>	<b>29,712,924</b>
<b>INVENTORIES (F)</b>	<b>507,488</b>	<b>64,867</b>	<b>442,621</b>	<b>263,773</b>
.Merchandise	330,260	50,008	280,252	142,400
.Raw materials and supplies	177,229	14,859	162,369	121,374
.Work in progress	0	0	0	0
.Intermediary and residual goods	0	0	0	0
.Finished goods	0	0	0	0
<b>CURRENT RECEIVABLES (G)</b>	<b>18,953,821</b>	<b>9,321,956</b>	<b>9,631,865</b>	<b>7,148,432</b>
.Trade payables, advances and deposits	21,967	0	21,967	23,785
.Accounts receivable and related accounts	16,221,881	8,995,112	7,226,769	6,602,526
.Employees	4,627	0	4,627	3,814
.Tax receivable	414,218	0	414,218	288,155
.Shareholders' current accounts	0	0	0	0
.Other receivables	1,772,046	326,843	1,445,202	214,277
.Accruals	519,081	0	519,081	15,875
<b>MARKETABLE SECURITIES (H)</b>	<b>129,015</b>	<b>0</b>	<b>129,015</b>	<b>130,670</b>
<b>UNREALIZED FOREIGN EXCHANGE LOSSES (I)</b> (current items)	<b>53,537</b>	<b>0</b>	<b>53,537</b>	<b>53,723</b>
<b>TOTAL II (F+G+H+I)</b>	<b>19,643,861</b>	<b>9,386,823</b>	<b>10,257,038</b>	<b>7,596,599</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>147,830</b>	<b>0</b>	<b>147,830</b>	<b>229,306</b>
.Checks	0	0	0	-0
.Bank deposits	145,465	0	145,465	227,175
.Petty cash	2,364	0	2,364	2,132
<b>TOTAL III</b>	<b>147,830</b>	<b>0</b>	<b>147,830</b>	<b>229,306</b>
<b>TOTAL GENERAL I+II+III</b>	<b>124,769,891</b>	<b>84,877,356</b>	<b>39,892,535</b>	<b>37,538,829</b>

SHAREHOLDERS' EQUITY AND LIABILITIES (in MAD thousands)		EXERCICE	EXERCICE NET 12/31/2022
<b>SHAREHOLDERS' EQUITY</b>	<b>(A)</b>	<b>16,854,674</b>	<b>15,298,898</b>
Share capital		5,274,572	5,274,572
Less: capital subscribed and not paid-in		0	0
Paid-in capital		0	0
Additional paid-in capital		0	0
Revaluation difference		0	0
Statutory reserve		527,457	527,457
Other reserves		7,571,650	6,718,856
Retained earnings		0	0
Unallocated income		0	0
Net income of the year		3,480,994	2,778,013
<b>QUASI-EQUITY</b>	<b>(B)</b>	<b>0</b>	<b>0</b>
Investment subsidies		0	0
Regulated provisions		0	0
<b>DEBENTURE BONDS</b>	<b>(C)</b>	<b>1,494</b>	<b>1,494</b>
Debenture bonds		0	0
Other long-term debt		1,494	1,494
<b>PROVISIONS</b>	<b>(D)</b>	<b>16,165</b>	<b>12,157</b>
Provisions for contingencies		5,463	1,455
Provisions for losses		10,702	10,702
<b>UNREALIZED FOREIGN EXCHANGE GAINS</b>	<b>(E)</b>	<b>1,251</b>	<b>1,205</b>
Increase in long-term receivables		1,251	1,205
Decrease in long-term debt		0	0
<b>TOTAL I (A+B+C+D+E)</b>		<b>16,873,584</b>	<b>15,313,754</b>
<b>CURRENT LIABILITIES</b>	<b>(F)</b>	<b>14,452,624</b>	<b>12,871,856</b>
Accounts payable and related accounts		6,766,248	6,384,423
Trade receivables, advances and down payments		139,252	94,621
Payroll costs		879,804	1,009,315
Social security contributions		108,955	112,032
Tax payable		2,881,160	3,141,904
Shareholders' current accounts		1,861,687	1
Other payables		200,760	397,805
Accruals		1,614,759	1,731,755
<b>OTHER PROVISIONS FOR CONTINGENCIES AND LOSSES</b>	<b>(G)</b>	<b>446,054</b>	<b>557,853</b>
<b>UNREALIZED FOREIGN EXCHANGE GAINS (Current items)</b>	<b>(H)</b>	<b>84,920</b>	<b>77,704</b>
<b>Total II (F+G+H)</b>		<b>14,983,598</b>	<b>13,507,413</b>
<b>BANK OVERDRAFTS</b>		<b>8,035,352</b>	<b>8,717,662</b>
Discounted bills		0	0
Treasury loans		0	0
Bank loans and overdrafts		8,035,352	8,717,662
<b>Total III</b>		<b>8,035,352</b>	<b>8,717,662</b>
<b>TOTAL GENERAL I+II+III</b>		<b>39,892,535</b>	<b>37,538,829</b>

## INCOME STATEMENT AT 06/30/2023

(in MAD thousands)	OPERATIONS		Total of the year	Total at 06/30/2022
	Current year	Previous years		
<b>I- OPERATING INCOME</b>	9,407,300	0	9,407,300	9,545,896
Sales of goods	238,511	0	238,511	133,996
Sales of manufactured goods and services rendered	8,860,719	0	8,860,719	9,100,673
<b>Operating revenues</b>	9,099,230	0	9,099,230	9,234,669
Change in inventories	0	0	0	0
Company-constructed assets	0	0	0	0
Operating subsidies	0	0	0	0
Other operating income	13,907	0	13,907	14,163
Operating write-backs: expense transfers	294,162	0	294,162	297,064
<b>TOTAL I</b>	<b>9,407,300</b>	<b>0</b>	<b>9,407,300</b>	<b>9,545,896</b>
<b>II- OPERATING EXPENSES</b>	5,972,617	0	5,972,617	6,074,516
Cost of goods sold	173,276	0	173,276	156,108
Raw materials and supplies	1,526,890	0	1,526,890	1,515,685
Other external expenses	1,264,368	0	1,264,368	1,306,833
Taxes (except corporate income tax)	161,000	0	161,000	156,190
Payroll, costs	1,085,626	0	1,085,626	1,084,015
Other operating expenses	2,530	0	2,530	2,540
Operating allowances for amortization	1,537,646	0	1,537,646	1,569,530
Operating allowances for provisions	221,278	0	221,278	283,614
<b>TOTAL II</b>	<b>5,972,617</b>	<b>0</b>	<b>5,972,617</b>	<b>6,074,516</b>
<b>III- OPERATING INCOME I-II</b>	<b>3,434,683</b>	<b>0</b>	<b>3,434,683</b>	<b>3,471,380</b>
<b>IV- FINANCIAL INCOME</b>	1,531,890	0	1,531,890	1,531,631
Income from equity investments and other financial investments and other financial investments	1,308,086	0	1,308,086	1,228,689
Foreign exchange gains	162,034	0	162,034	191,798
Interest and other financial income	6,592	0	6,592	24,099
Financial write - backs: expense transfers	55,178	0	55,178	87,046
<b>TOTAL IV</b>	<b>1,531,890</b>	<b>0</b>	<b>1,531,890</b>	<b>1,531,631</b>
<b>V- FINANCIAL EXPENSES</b>	326,448	0	326,448	303,061
Interest and loans	127,195	0	127,195	109,784
Foreign exchange losses	137,446	0	137,446	134,964
Other financial expenses	2,807	0	2,807	562
Financial allowances	59,000	0	59,000	57,752
<b>TOTAL V</b>	<b>326,448</b>	<b>0</b>	<b>326,448</b>	<b>303,061</b>
<b>VI- FINANCIAL INCOME IV - V</b>	<b>1,205,441</b>	<b>0</b>	<b>1,205,441</b>	<b>1,228,570</b>
<b>VII- ORDINARY INCOME III + VI</b>	<b>4,640,124</b>	<b>0</b>	<b>4,640,124</b>	<b>4,699,950</b>
<b>VIII- EXTRAORDINARY INCOME</b>	246,660	0	246,660	81,200
Proceeds from disposal of fixed assets	1,840	0	1,840	67
Subsidies received	0	0	0	0
Write-backs of investment subsidies	0	0	0	0
Other extraordinary income	207,401	0	207,401	23,092
Extraordinary write-backs: expense transfers	37,419	0	37,419	58,041
<b>TOTAL VIII</b>	<b>246,660</b>	<b>0</b>	<b>246,660</b>	<b>81,200</b>
<b>IX- EXTRAORDINARY EXPENSES</b>	379,501	0	379,501	2,817,619
Net book value of disposed assets	89	0	89	0
Subsidies granted	0	0	0	0
Other extraordinary expenses	173,149	0	173,149	164,887
Regulated provisions	0	0	0	0
Extraordinary allowances for depreciation and provisions	206,263	0	206,263	2,652,732
<b>TOTAL IX</b>	<b>379,501</b>	<b>0</b>	<b>379,501</b>	<b>2,817,619</b>
<b>X- NON-CURRENT INCOME VIII - IX</b>	<b>-132,840</b>	<b>0</b>	<b>-132,840</b>	<b>-2,736,420</b>
<b>XI- PRE-TAX INCOME VII + X</b>	<b>4,507,284</b>	<b>0</b>	<b>4,507,284</b>	<b>1,963,531</b>
<b>XII- CORPORATE INCOME TAX</b>	<b>1,026,289</b>	<b>0</b>	<b>1,026,289</b>	<b>1,004,454</b>
<b>XIII- NET INCOME XI - XII</b>	<b>3,480,994</b>	<b>0</b>	<b>3,480,994</b>	<b>959,077</b>
<b>XIV- TOTAL REVENUES ( I+IV+VIII)</b>	<b>11,185,850</b>	<b>0</b>	<b>11,185,850</b>	<b>11,158,726</b>
<b>XV- TOTAL EXPENSES ( II+V+IX+XII)</b>	<b>7,704,855</b>	<b>0</b>	<b>7,704,855</b>	<b>10,199,650</b>
<b>XVI- NET INCOME (total income - total expenses)</b>	<b>3,480,994</b>	<b>0</b>	<b>3,480,994</b>	<b>959,077</b>

The presentation guidelines and valuation methods used in preparing these documents comply with the rules and regulations in force.

The table below summarizes the trends of the main financial indicators of Maroc Telecom over the last three halves year:

<i>In MAD million</i>	H1 2021	H1 2022	H1 2023	Change 22/21
<b>Revenues</b>	9,481	9,235	<b>9,099</b>	<b>-1.5%</b>
<b>Operating income</b>	3,417	3,471	<b>3,435</b>	<b>-1.1%</b>
<b>Financial income</b>	1,023	1,229	<b>1,205</b>	<b>-1.9%</b>
<b>Income tax expense</b>	-960	-1,004	<b>-1,026</b>	<b>2.2%</b>
<b>Non-current income</b>	-443	-2,736	<b>-133</b>	<b>95.1%</b>
<b>Net income</b>	3,037	959	<b>3,481</b>	<b>263%</b>
<b>Investments</b>	1,245	1,693	<b>1,334</b>	<b>-21.2%</b>

### Key elements of the income statement

#### Revenues

Maroc Telecom's sales for the first half of 2023 amounted to MAD 9.099 billion, down 1.5% compared with the first half of 2022.

#### Operating income and net income

Earnings from operations fell from MAD 3.471 billion to MAD 3.435 billion, down 1.1% on first-half 2022.

Financial income fell by 1.9% to MAD 1,205 million from MAD 1,229 million in first-half 2022. This change was mainly due to higher financial expenses in the first half of 2022.

With pre-tax income of MAD 4,507 million and corporate income tax of MAD 1,026 million, net income came to MAD 3,481 million, up 263% on first-half 2022.

It should be noted that earnings for 2022 include a provision for risks of MAD 2,451 million (following the decision of the Management Committee of the National Telecommunications Regulatory Agency relating to the liquidation of the penalty imposed on Maroc Telecom in the context of the January 17, 2020 decision relating to unbundling).

## Balance sheet

At June 30, 2023, the balance sheet total reached MAD 39,893 million, marking an increase of 6.3% compared to the previous year.

### Breakdown of assets

(Assets in MAD million)	NET			Change 23/22
	2021	2022	H1/2023	
Non-valued fixed assets	900	600	<b>451</b>	-24.8%
Intangible assets	1,977	1,931	<b>1,837</b>	-4.9%
Property, plant and equipment	15,042	14,901	<b>14,772</b>	-0.9%
Long-term investments	12,384	12,279	<b>12,422</b>	1.2%
Translation difference - loss	32	1	<b>5</b>	NA
<b>Total net non-current assets</b>	<b>30,335</b>	<b>29,713</b>	<b>29,488</b>	<b>-0.8%</b>
<b>Current assets</b>	<b>8,219</b>	<b>7,597</b>	<b>10,257</b>	<b>35%</b>
<b>Cash assets</b>	<b>174</b>	<b>229</b>	<b>148</b>	<b>-35.5%</b>
<b>Total assets</b>	<b>38,728</b>	<b>37,539</b>	<b>39,893</b>	<b>6.3%</b>

Net fixed assets stood at MAD 29,488 million at June 30, 2023, compared with MAD 29,713 million a year earlier. They represented 74% of total assets, down 0.8% on 2022.

Net intangible assets amounted to MAD 1,837 million in June 2023, compared with MAD 1,931 million in 2022.

Net property, plant and equipment decreased by 0.9%, from MAD 14,901 million in December 2022 to MAD 14,772 million in June 2023.

Net financial assets amounted to MAD 12,422 million in June 2023, compared with MAD 12,279 million in 2022 following the recapitalization of subsidiaries.

Current assets excluding investments (except for those relating to price adjustments) amounted to MAD 10,257 million in June 2023, compared with MAD 7,597 million in 2022, an increase of 35% due mainly to the recognition of dividends from subsidiaries whose payment dates coincide with the second half of the year.

Net cash and cash equivalents, including investments (excluding those related to price adjustments), amounted to MAD -7,888 million at June 30, 2023, compared with MAD -8,488 million at December 31, 2022.

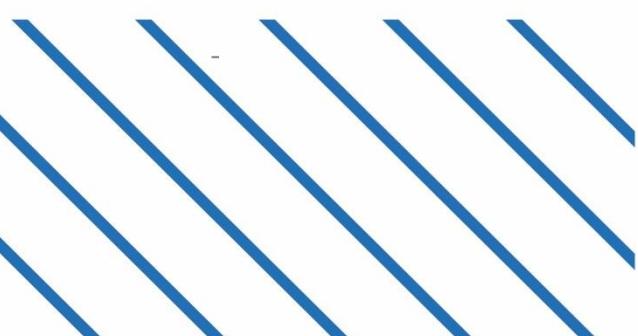
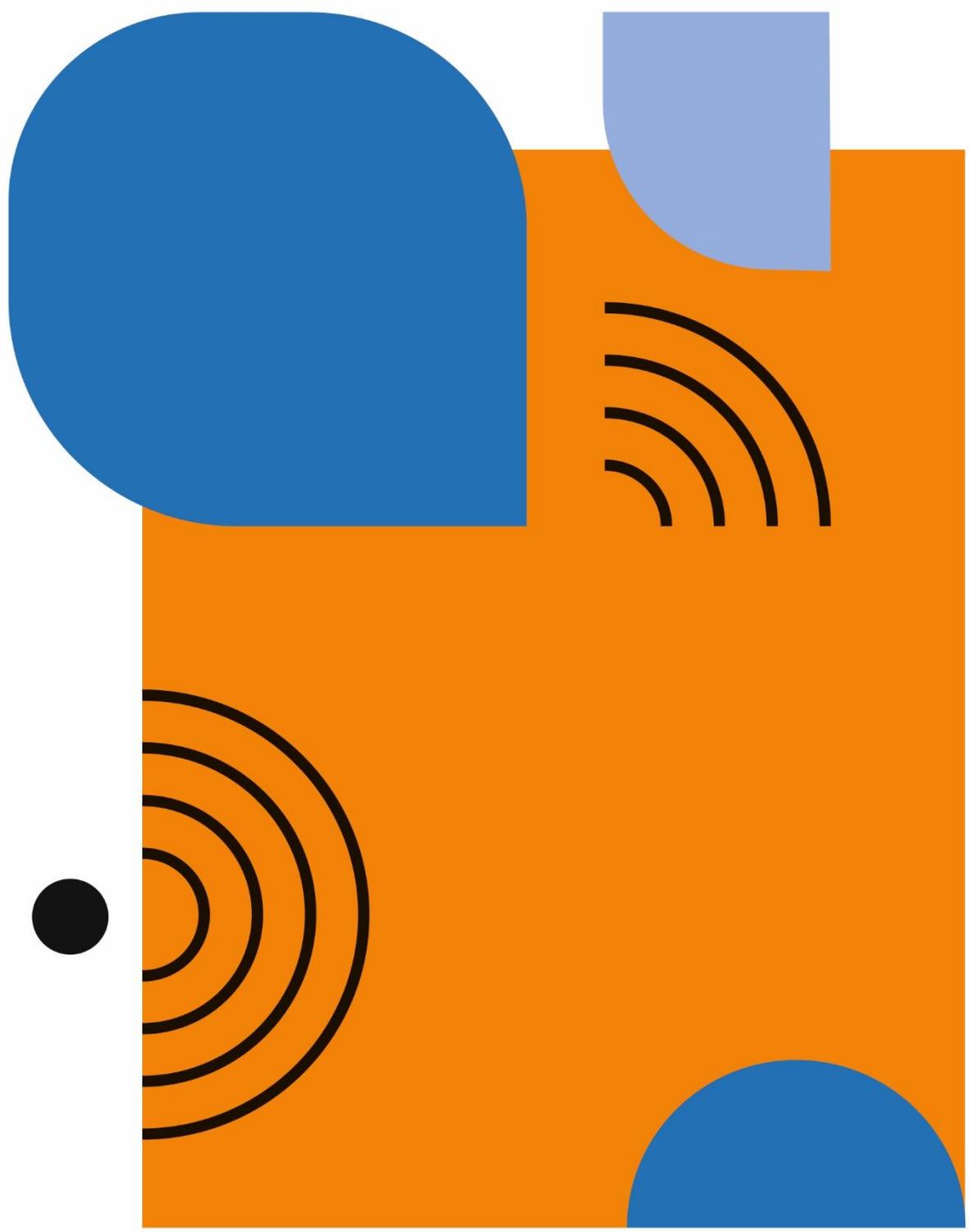
## Liabilities and their components

<i>(Liabilities in MAD million)</i>	NET			Change 23/22
	2021	2022	S1/2023	
Shareholders' Equity	16,722	15,299	16,855	10.2%
including net profit for the fiscal year	5,644	2,778	3,481	25.3%
Financial borrowings	1	1	1	0.0%
Long-term provisions for risks and losses	44	12	16	33.0%
Translation difference - profit	0	1	1	-
<b>Total permanent funds</b>	<b>16,768</b>	<b>15,314</b>	<b>16,874</b>	<b>10.2%</b>
<b>Current liabilities</b>	<b>13,382</b>	<b>13,507</b>	<b>14,984</b>	<b>10.9%</b>
<b>Cash liabilities</b>	<b>8,578</b>	<b>8,718</b>	<b>8,035</b>	<b>-7.8%</b>
<b>Total liabilities</b>	<b>38,728</b>	<b>37,539</b>	<b>39,893</b>	<b>6.3%</b>

Taking into account earnings for the period of MAD 3,481 million and the allocation of a dividend of MAD 1.9 billion, shareholders' equity at June 30, 2023 amounted to MAD 16,855 million, compared with MAD 15,299 million in 2022.

At June 30, 2023, current liabilities amounted to MAD 14,984 million, compared with MAD 13,507 million in 2022, an increase of 10.9% due mainly to the recognition of dividends payable during the second half of the year.

Cash and cash equivalents fell by 7.8% to MAD 8,035 million, compared with MAD 8,718 million in 2022.



**Maroc Telecom**  
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