Maroc Telecom

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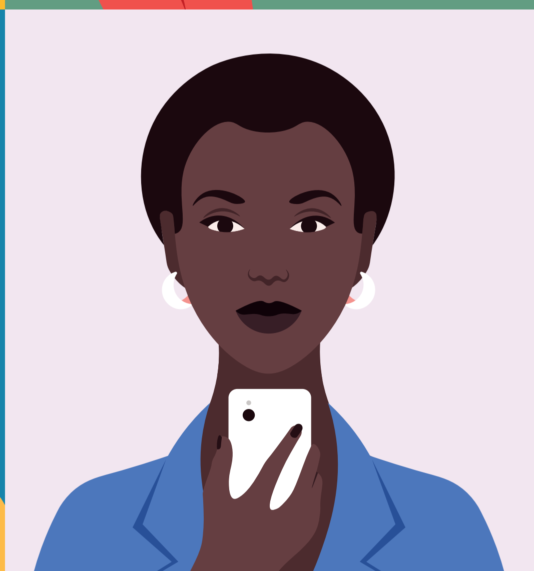

2020 UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report

CONTENT

Maroc Telecom

2020

UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document was submitted on April 28, 2021 to the AMF in its capacity as the French financial regulator under Regulation (EU) 2017/1129 without prior approval pursuant to Article 9 of said regulation.

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

This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer.

MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD

ABDESLAM AHIZOUNE

> **Since the outbreak of the health crisis triggered by the Covid-19 pandemic in 2020, Maroc Telecom has been working hard to navigate the unprecedented circumstances.**

Maroc Telecom firstly ensured that as many people as possible had access to the information technology required to remain connected with their loved ones, to obtain information and to carry out their work, thus guaranteeing the continuity of economic, social, educational and cultural life. As a result, our customers have been able to count on the reliability of our networks during this period of peak connectivity, and the bandwidth has been extended to meet the strong growth in uses and maintain quality of service whilst also addressing new requirements.

Maroc Telecom also ensured the complete safety of its employees, by switching to remote working and implementing protective health measures, as well as the safety of its customers by maintaining business continuity under the best conditions; accelerated digitization has made it possible to improve the customer experience as well as access to various services such as the e-shop, thus facilitating the online subscription, purchasing and payment of Mobile and Internet services.

Coping with the economic recession was another challenge that has prompted the Group to adopt a widespread cost optimization plan which enabled it to maintain good performance throughout 2020 and in particular to maintain its margins, thus demonstrating its resilience and strong ability to adapt to the conditions imposed by this unprecedented health and economic crisis.

Maroc Telecom, as a socially responsible company, also helped strengthen the collective effort through numerous initiatives in Morocco and in the countries of its subsidiaries, notably through contributions to COVID funds set up by the authorities. In Morocco, to guarantee the learning continuum, Maroc Telecom set up a service offering free Internet access for digital educational resources and free access to this content for pupils, students and teaching staff via its 4G and Wi-Fi (through ADSL and Fiber Optic) networks.

The still uncertain nature of this crisis, in terms of its duration and its impact on the economy, means the Group must remain vigilant and fully mobilized in order to overcome it.

CORPORATE GOVERNANCE

MANAGEMENT BOARD

Abdelkader MAAMAR
Managing Director Services

Brahim BOUDAOUD
Managing Director, Legal and Regulatory Aff airs

Abdeslam AHIZOUNE
Chairman of the Management Board

Hassan RACHAD
Managing Director Networks and Systems

François VITTE
Managing Director Administration & Finance (CFO)

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

SUPERVISORY BOARD

CHAIRMAN

Mohamed BENCHÂABOUN
Ministry of the Economy, Finances and Administration Reform

VICE-CHAIRMAN

Obaid BIN HAMAID AL TAYER
Chairman of the Board of Directors of Etisalat Group

MEMBERS

Abdelouafi LAFTIT
Minister of the Interior

Abderrahmane SEMMAR
Director of Public Enterprises and Privatization, Ministry of the Economy Economy, Finance and Administration Reform

Mohamed HADI AL HUSSAINI
Member of the Board of Directors of Etisalat Group

Saleh AL ABDOOLI
Managing Director of Etisalat Group

Mohamed Saif AL SUWAIDI
Managing Director of Abu Dhabi Fund for Development

Hatem DOWIDAR
Chief Executive Officer of Etisalat International

Louis ENRIQUEZ
Partner, Grafine Capital Partners


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GROUP OVERVIEW

CONSOLIDATED REVENUES OF

MAD **36.8** billion

GROUP ADJUSTED EBITDA* MARGIN OF

51.9%

OF REVENUES

GROUP CAPITAL EXPENDITURE OF

MAD **3.4** billion

GROUP EMPLOYEES

10,123

ADJUSTED NET INCOME ** GROUP SHARE OF

MAD **6** billion

CUSTOMERS

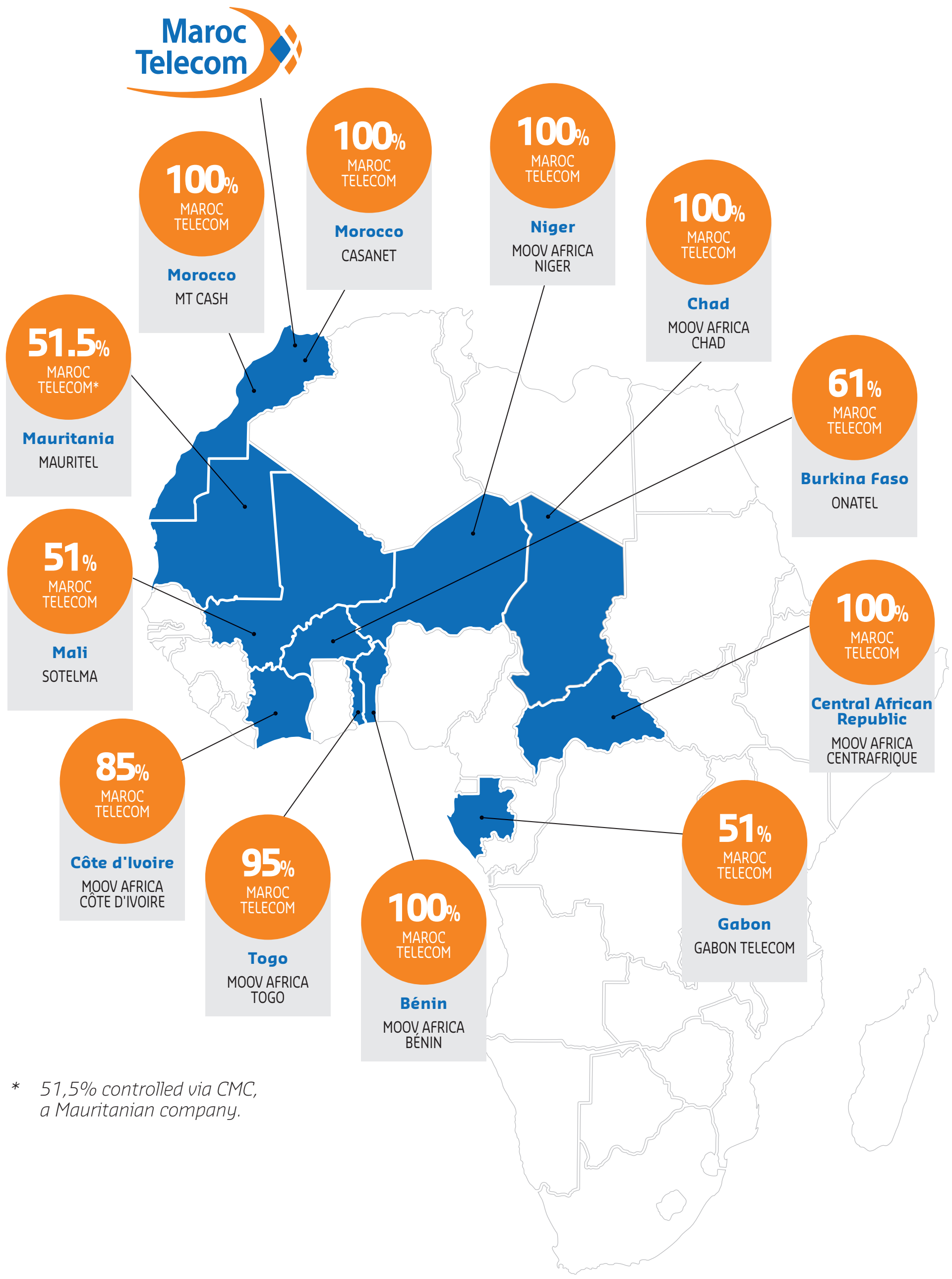
73 million

* *The defi nition of EBITDA is detailed in section 5.2*

** *Net income adjustements are defi ned in the table on page 144.*

1.1 Maroc Telecom in brief

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



* *51,5% controlled via CMC, a Mauritanian company.*

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History

Maroc Telecom is the incumbent telecommuni-cations operator in the Kingdom of Morocco.

It operates in the Fixed-Line telephony, Mobile telephony and Internet segments.

2020

Lauch of the mobile payment solution "MT Cash".

2019

Acquisition of Tigo Chad.

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

Liquidation of the Prestige Telecom subsidiary.

2018

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

2016

Merger of Gabon Telecom and Moov Gabon

2015

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

2014

Etisalat acquires a stake in Maroc Telecom.

2009

Acquisition of a 51% stake in Sotelma.

2007

Acquisition of 51% of Gabon Telecom

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

2006

Acquisition of a 51% stake in Onatel

2004

IPO in Casablanca and Paris Stock Exchanges

2001

Acquisition of 54% of Mauritel SA.

Vivendi's entry into Maroc Telecom's capital.

1998

Creation of Maroc Telecom SA.

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

1984

Creation of the ONPT (National Postal and Telecommunications Office)

1.2 Highlights of 2020

JANUARY 2020

- In Morocco, the ANRT decision on the referral from Wana on unbundling imposing financial penalty and injunctions.
- Maroc Telecom is launching the "All-in-One" *5 pass which adapts to customer use and habits and can be used to make domestic and international calls, send SMSs and connect to the Internet.
- Maroc Telecom is adding Snapchat and YouTube to the MT-Talk Data Pass.
- Maroc Telecom is making reductions of up to 50% on the Data tariff for segments 1A, 1B, Nomadis, Golf, 2 & 3.
- In Burkina Faso, the 2020 budget bill introduced an increase in the tax rate on Mobile revenues from 5% to 7% from January 1, 2020, including the revenue from Mobile Money in its basis of calculation.
- In Chad, abolishment of the excise duty of 18% on Data revenues and impact of this measure on retail prices.

FEBRUARY 2020

- In Morocco, Wana has withdrawn the unbundling petition brought before Rabat Commercial Court.
- Maroc Telecom includes Fixed-line and Internet products in the "Mon espace MT" (My MT space) web portal giving the customer an overview of its Mobile, Fixed-line and Internet lines in real time.

MARCH 2020

- As part of measures to stem the spread of Coronavirus, Maroc Telecom is offering free access to all websites and remote teaching and training platforms put in place by the Education Ministry. Pupils, students and teachers were connected for free via the Maroc Telecom 3G and 4G Mobile Internet network.
- Launch of the SMS 1919 Covid 19 fundraising appeal.
- Maroc Telecom is opening the two-way LTE/4G roaming service with Group subsidiary Malitel: with IAM subscribers on the Malitel network and vice versa.
- In Gabon, operators have six months to comply with the new measures on identifying subscribers and two years in which to rectify any issues with minors. Failure to comply with the provisions of the ruling opens operators up to sanctions.
- In Benin, the scope of operations of the Société Béninoise d'Infrastructures Numérique (SBIN) was extended turning it into a global operator, making it the third biggest Mobile operator in the Benin market.

APRIL 2020

- Maroc Telecom is increasing the validity period of the 5DH and 10DH *5 "All-in-One" passes to 7 days instead of 1 and 3 days respectively.
- Addition of TikTok to enhance the MT-Talk Data Pass.
- Maroc Telecom is launching the 4G+ Internet Box offer for businesses, including more generous volumes of up to 90Go and more call time, up to 3 hours of international and domestic calls.
- Launch of the "5 hours for €5" and "10 hours for €10" offer from Orange France networks to IAM's Fixed-line and Mobile networks.
- In Niger, adoption of two draft decrees granting a 4G license and renewing the 2G/3G license of the operator Orange Niger for 15-year period. The financial counterpart of the two licenses amounted to MAD 656 million.
- Covid-19: BCEAO decision entered into force on April 3, 2020, aimed at promoting digital payments through a range of measures, including free domestic transfers, free bill payments and the removal of fees by payment merchants.

MAY 2020

- In Morocco, launch of an online store offering Mobile, Fixed-line and Internet subscriptions without needing to go in-store.
- Maroc Telecom launches a new online reading service, Maktabati, for children and teens aged 3 to 15 giving access to more than 6,000 books.
- In Togo, the payment of the last tranche of the license (extension to 4G) on May 28, 2020, amounting to MAD 107 million.

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JUNE 2020

- Maroc Telecom is overhauling its Corporate Fiber Optic offer, permanently reducing the 100M and 200M tariffs and incorporating a Fixed-line which will now be double-play.
- In Benin, notification of a decree detailing the conditions for identifying the users of electronic communication services applicable to all operators.

JULY 2020

- Maroc Telecom launches customer support via WhatsApp for fixed-line and Internet customers, enabling automated management of their fixed lines and/or Internet.

AUGUST 2020

- Maroc Telecom opens the WhatsApp helpdesk to professional customers and adds the Arabic as a language.

SEPTEMBER 2020

- In Mauritania, response to a call for tenders for the acquisition of a 4G license for an amount of MAD 126 billion.
- In Côte d'Ivoire, notification of a decision on the regulation of service offers in the mobile telephony market (limited promotional offers, bonus capped at 100%, floor rate of FCFA 1 per mega, etc.)

OCTOBER 2020

- Maroc Telecom increases the fiber optic upload speed. Thus, 100M Fiber Optic connections have an upload speed of 50M rather than 10M and the 200M Fiber Optic connections have an upload speed of 100M rather than 20M.
- As part of its technological improvements and securing voice communications with its subsidiaries, Maroc Telecom has set up a new VOIP link with Gabon Telecom.

NOVEMBER 2020

- In Morocco, adoption of decision no. ANRT/DG/No. 14/2020 on a multi-year framework for mobile and fixed-call termination rates.
- In Morocco, adoption of decision no. ANRT/DG/No. 18/2020 relating to the terms and conditions for implementing portability.
- In Morocco, adoption of decision No. ANRT/DG/No. 17/2020 to determine the elements of the basis for calculating contributions to the State's general commitments and variable financial compensation for the licenses of public telecommunications network operators.
- Maroc Telecom launches the Internet Security Pass service, in partnership with Kaspersky Lab, providing Maroc Telecom's customers with optimal and comprehensive protection of their devices against malware, viruses and theft of personal and banking information.
- Maroc Telecom launches Parental Control Passes, in partnership with Kaspersky Lab, enabling parents to protect and support their children in their various digital habits (Internet browsing, social media, etc.)
- Maroc Telecom launches the new gaming service, MT Game, which offers thousands of Android games for unlimited download, starting at MAD2 per day.
- In Mauritania, 4G licenses awarded to the three national operators for a ten-year period.

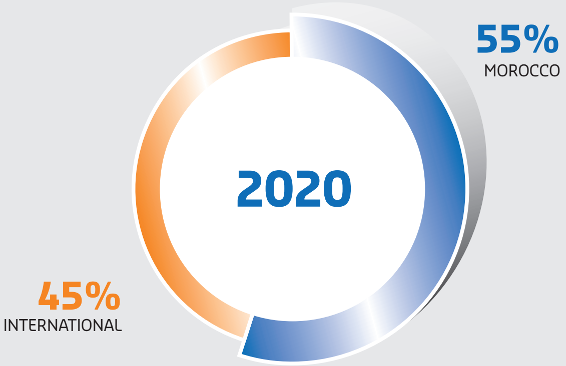
DECEMBER 2020

- Maroc Telecom has set up a new VOIP link with Mauritel.
- In Mauritania, launch of a public consultation on the renewal of Chinguitel's 2G and 3G and Mauritel's 3G licenses.
- In Burkina Faso, Finance Act 2021 enacted, establishing a new tax on financial activities.

1.3 Key figures for 2020

REVENUES BY GEOGRAPHICAL SEGMENT

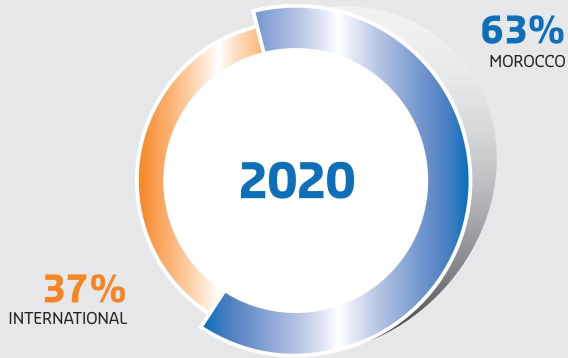
(in MAD million)



	2020	2019	2018
Morocco	20,881	21,690	21,414
International	16,883	16,095	16,041
TOTAL	**36,769**	**36,517**	**36,032**

ADJUSTED EBITDA* BY GEOGRAPHICAL SEGMENT

(in MAD million)

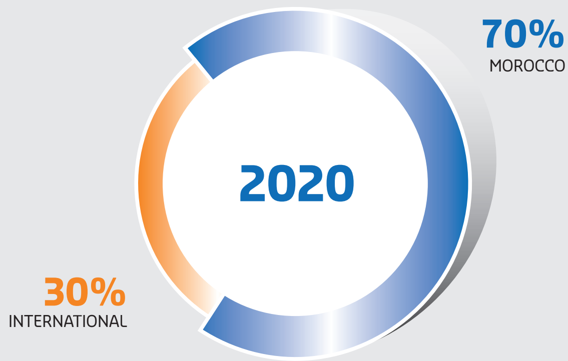


	2020	2019	2018
Morocco	11,950	12,294	11,460
International	7,150	6,629	6,397
TOTAL	**19,100**	**18,922**	**17,856**

* *EBITDA adjustments are detailed in section 5.2.*
** *EBITA adjustments are defined in section 5.2.*

ADJUSTED EBITA** BY GEOGRAPHICAL SEGMENT

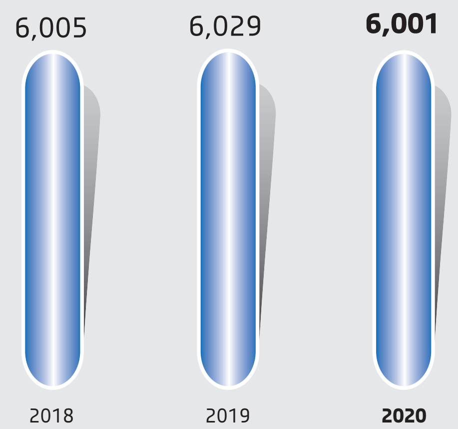
(in MAD million)



	2020	2019	2018
Morocco	8,079	8,294	7,620
International	3,520	3,246	3,431
TOTAL	**11,598**	**11,540**	**11,052**

GROUP SHARE OF ADJUSTED NET INCOME

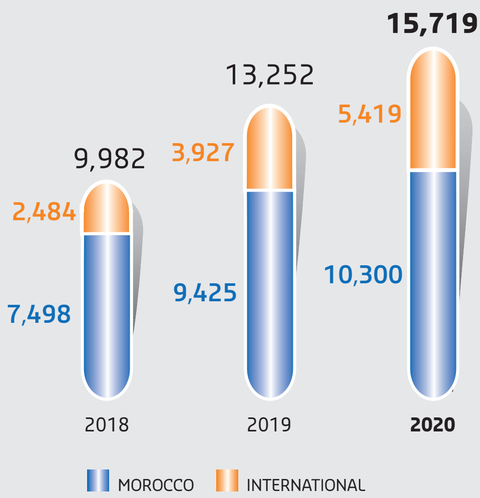
(in MAD million)



Net income adjustments are defined in section 5.2

ADJUSTED CFFO BY GEOGRAPHIC SEGMENT

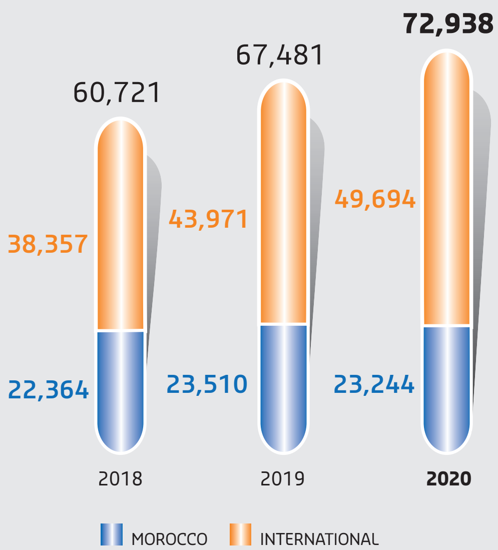
(in MAD million)



CFFO adjustments are defined in section 5.2.

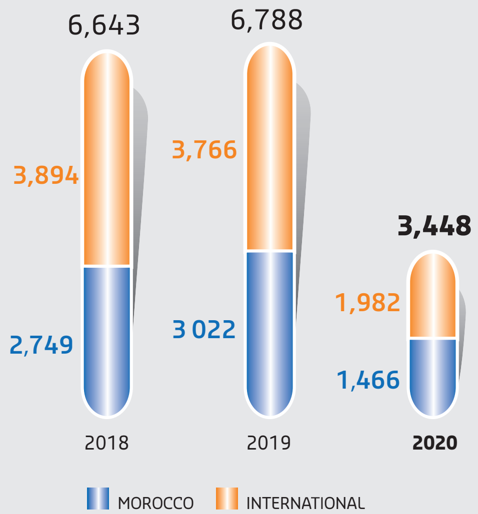
GLOBAL CUSTOMER BASE BY GEOGRAPHICAL SEGMENT

(in thousands of customers)



CAPITAL EXPENDITURE BY GEOGRAPHICAL SEGMENT

(in MAD million)



1.4 Group guidelines and strategy

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

The prospects for growth are promising in all of the countries in which Maroc Telecom Group operates (Morocco and countries in sub-Saharan Africa). Despite an unprecedented economic and health context in 2020, African economies are set to return to growth in 2021. Morocco's 2021 Finance Act forecasts 4.8% growth in GDP, while the International Monetary Fund expects average GDP growth of 5% in 2021 for all ten sub-Saharan countries in which Maroc Telecom operates. In terms of the growth prospects of the telecom markets in particular, Morocco should be distinguished from other Group entities since that market presents a different set of challenges.

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

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

Morocco benefits from several positive factors, namely:

- a favorable economic environment in 2021: Gross Domestic Product is expected to grow by 4.8% (source: Ministry of Finance); the International Monetary Fund also anticipates growth of around 4.9%;
- a population that is growing at an annual rate of 1.25% and which is increasingly urban: 63.9% of the population lives in urban centers in 2021 (source: latest census of the High Commission for Planning, 2014);
- a new dynamic of investment and corporate support;
- Continuation of the 3rd NIHD phase for the 2019-2023 period, at a total cost of 18 billion dirhams to fight poverty and social exclusion (National Initiative for Human Development, launched in 2005).

The Moroccan Mobile market is mature, with a Mobile penetration level approaching that of European countries.

In 2020 the Moroccan telecoms regulator kept the regulatory framework ("the new guidelines") established in 2016 to foster competition. The current regulatory framework established by the ANRT includes:

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

In order to maintain its position in the mobile market, while complying with the guidelines set by the regulator, Maroc Telecom intends to continue its investment program to deploy and increase the density of the largest very high-speed mobile network in the Kingdom of Morocco with the best standards of service for its customers, allowing it to stand out from its competitors. Nearly five years after its commercial launch, the Maroc Telecom 4G+ network covers 99% of the population, as does its 3G network, allowing the Company to support throughout the Kingdom of Morocco the customer excitement about mobile Internet. In order to take full advantage of this trend, the priority is to monetize data through the development of special predominantly data offers and by maintaining a fair-use policy (maintaining data consumption ceilings + data options to be added), while coupling data services with voice services in order to support the usages of its customers, who are increasingly using their voice services through Voice over IP applications. As a market leader, Maroc Telecom is fully committed to the national effort to digitize the economy with end-to-end offerings designed to improve the customer experience, both for individuals and businesses. The marketing of several content platform offers (ICFlix, Netflix, etc.) in the Moroccan market, as well as the explosion of connected uses in households, should continue to sharpen the Moroccan market's interest in High Speed Broadband. All the operators in the market offer FTTH access.

Maroc Telecom continues to stand out with its very competitive Fixed-line, and Internet offers and its recognized quality. In addition, Maroc Telecom is continually expanding a range of innovative value-added services (home automation, Cloud, M2M) as a response to new uses (connected objects, etc.).

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

Despite the instability of the international environment due to the COVID-19 pandemic, 2021 should bring a return to a level of economic growth in sub-Saharan Africa of around 5% (source: International Monetary Fund).

All countries in which the Group is present saw significant growth in their Mobile penetration (on average +3 points in between 2019 and 2020), thus demonstrating the dynamism of those Mobile markets despite the strict customer identification requirement that applies to all operators. The increase in competitive pressure should also result in lower prices in those markets and a democratization of uses of Mobile data and other features.

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

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

Subsidiaries can also count on the forthcoming installation of a Group-wide underseas cable that will enable them to democratize Mobile data usage, as they will benefit from international bandwidth capacity at a very competitive price. The Pan-African network will thus strengthen connectivity with the rest of the world and help to open up the most remote regions.

Maroc Telecom strives to support all of the Group's subsidiaries, now united around a new common identity, "Moov Africa," by sharing the benefit of the experience and know-how of Maroc Telecom in Morocco and Africa with local teams. The marketing and sales efforts of all the subsidiaries have borne fruit, with each subsidiary increasing its share of the Mobile market. Significant investments have also contributed to these encouraging results thanks to the extension of networks and the continuous improvement in service quality. Significant cost rationalization efforts have also improved margins for all subsidiaries, even though they are under pressure from taxes and fees in a fiscal and regulatory environment that does not offer any favorable levers for challenger operators. To meet the challenge of developing Mobile data, substantial network investments are planned for the period 2021-2022. These investments should enable the subsidiaries to extend their coverage, improve their service quality and above all support growing customer demand for Mobile data and all the innovative products stemming from it (M-payment, Cloud, M2M).

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

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

1.4.3 Maroc Telecom's sustainable development strategy

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

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

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

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2

RISK FACTORS AND MANAGEMENT FRAMEWORK FOR THE ACTIVITY

2.1 Risk factors

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

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

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

These risks can be divided into three categories:

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

In each of the three categories, the residual risks remaining after the implementation of management measures are ranked by criticality (combination of likelihood of occurrence and estimated impact) assessed during the risk-mapping process. Only the risks assessed as having a "material" level of criticality are detailed in this chapter and ranked in each category by reverse order of impact on the Group (the first being those with the greatest impact). It should be noted that the updated risk factors take into account the impacts of the health crisis on the various risks (customer and employee health, continuity of the network activity and the information systems, and interruptions to the supply chain, see details in Chapter 6, Impact of the Coronavirus).

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

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

RANKING OF RISKS

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

2.1.1 Regulatory and legal risks

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

Identification and description of risk

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

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

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

Maroc Telecom was notified of the General Telecommunications Guidance Note for 2023 in August 2020. This note describes the objectives for the sector during this period. To this end, the regulator will publish decisions to implement the levers and actions it deems necessary.

Lastly, the ANRT Management Committee's decision no. ANRT/CG/no.01/2020 of January 17, 2020, on local loop unbundling relates, in particular, to injunctions relating to the technical and pricing aspects of Maroc Telecom's local loop unbundling offerings.

Potential effect on the group

Major impending regulations, as set out by Law 121-12, published in February 2019, amending and extending Law 24-96, the General Policy Document on the development of the telecommunications sector in the run up to 2023, decision ANRT/CG/no. 01/2020, guidelines for approving retail products, which came into effect in May 2016, and related amendments could have an impact on the profitability of some services, and Maroc Telecom's business more generally, especially with regard to Maroc Telecom's business, in particular:

- tougher sanctions (increase in fines of up to 2% of revenues, or 5% in the case of repeat offenses, and assigning greater powers to the regulator, which will have both investigative and punitive powers);
- boosting of national roaming and possibility of its extension to the areas designated by the ANRT, in addition to areas with universal service;
- the strengthening of operator obligations in terms of identifying customers. Operators are, in particular, responsible for identifying the subscriber accounts opened by any subcontractors, distributors, resellers or retailers;
- the intensification of price controls over Maroc Telecom's retail offers and promotions (owing to its position as the dominant operator in all markets), and communication and service quality monitoring introduced by the regulator;
- maintaining the economic space (of 20%) in the case of Fixed and Mobile voice and strengthening of the gross margin for fixed broadband (from 30% currently to 60%), in favor of competitors;
- the rules applicable to the occupation of the public domain contain uncertainties, particularly in terms of royalties and dues;
- rules on access to new residential developments, yet to be approved;
- changes in Net neutrality regulations encourage more intense competition from Over the Top (OTT) operators;
- the strengthening of regulatory levers in terms of access to the wired local loop, in general, and to passive and active IAM infrastructures, including for the Business segment.

Risk mitigation or control measures

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

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

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

Identification and description of risk

Maroc Telecom subsidiaries are subject to continual regulatory oversight.

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

Potential effect on the group

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

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

Any non-compliance with regulatory obligations relating to coverage and quality of service could lead to the imposition of financial and/or administrative penalties on subsidiaries.

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

Risk mitigation or control measures

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

POTENTIAL HEALTH RISKS FROM NETWORKS, MOBILE TELEPHONY DEVICES OR WIFI TERMINALS

Identification and description of risk

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

Maroc Telecom ensures compliance with the Minister of Health's circular no. 21 of May 22, 2003, setting limits on exposure to electromagnetic fields emitted by equipment used in telecommunication networks or by radio installations.

Potential effect on the group

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

Risk mitigation or control measures

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

2.1.2 Business and operational risks

MAROC TELECOM'S FUTURE REVENUES AND RESULTS DEPEND SIGNIFICANTLY ON THE ECONOMIC PERFORMANCE OF THE COUNTRIES IN WHICH MAROC TELECOM OPERATES

Identification and description of risk

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

Potential effect on the group

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

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

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

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

Risk mitigation or control measures

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

MAROC TELECOM FACES INCREASED COMPETITION IN THE MAIN MARKETS IN WHICH IT OPERATES, WHICH COULD LEAD TO A LOSS OF MARKET SHARE AND A REDUCTION IN MAROC TELECOM'S REVENUES

Identification and description of risk

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

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

In addition, in certain markets, Maroc Telecom's subsidiaries are designated as operators exercising significant influence and are therefore subject to binding regulatory decisions on mobile and fixed-line services (voice and data).

Potential effect on the group

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

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

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

Risk mitigation or control measures

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

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

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

Identification and description of risk

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

Potential effect on the group

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

Risk mitigation or control measures

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

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

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

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

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

TECHNICAL NETWORK DISRUPTIONS COULD RESULT IN LOSS OF CUSTOMERS AND REDUCED REVENUES

Identification and description of risk

The Maroc Telecom Group can only provide services to the extent that it is able to protect its telecommunication networks from damages caused by disruptions, power failures, computer viruses, natural disasters, theft and unauthorized access.

Potential effect on the group

Any disruption of the system, accident or breach of security measures that would cause interruptions in the Group's operations might affect its ability to provide services to its customers and adversely affect revenues and results from operations. Such disruptions may also result in harming the image and reputation of the Company and/or its subsidiaries, which, in particular, could lead to a loss of customers. In addition, the Group may have to incur additional costs to repair the losses or harm caused by these disruptions.

Risk mitigation or control measures

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

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

Identification and description of risk

Maroc Telecom has an extensive distribution network consisting of a direct network of branches and an indirect network consisting of resellers and partners, and an independent network (see Section 4.2.1.6 "Distribution, advertising").

Potential effect on the group

If Maroc Telecom were unable to maintain its close relationships, or to renew its distribution agreements, with its indirect network participants, or if its indirect distribution network were jeopardized for other reasons, including the action of competitors, the distribution network could be weakened and the activity and results of the Company could be significantly affected.

Risk mitigation or control measures

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

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

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

Identification and description of risk

The Company was exposed to the phenomenon of fraudulent traffic diversion, as were other telecoms operators. However, Maroc Telecom cannot predict if new means of fraud will develop, nor the sectors that will possibly be targeted by offenders, nor the impact that any such fraud might have.

Potential effect on the group

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

Risk mitigation or control measures

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

THE RISKS INHERENT TO ANY POTENTIAL ACQUISITIONS OF TELECOMMUNICATIONS COMPANIES OR LICENSES BY MAROC TELECOM COULD HAVE AN IMPACT ON MAROC TELECOM'S ACTIVITIES

Identification and description of risk

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

Potential effect on the group

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

- make acquisitions on financial or operational terms and conditions which prove to be unfavorable;
- have difficulty absorbing the acquired companies, their networks, products or services;
- fail to retain the key talent in the acquired companies or to recruit skilled employees as needed;
- fail to achieve the expected synergies or economies of scale;
- make investments in countries where the political, economic or legal situation poses specific risks, such as civil or military unrest, the lack of real or comprehensive protection of shareholders' rights, or disagreements with other leading shareholders, including the public authorities, over management of the acquired companies;
- incur major changes in the tax and regulatory environment of the countries where it operates, including the introduction of new taxes, contributions or regulatory duties, an increase in existing contributions, or the adoption of new legislation undermining the economic model or resulting in possible financial or administrative penalties for companies;
- fail to adapt to the specific characteristics of the countries in which companies may possibly be acquired.

Risk mitigation or control measures

- Maroc Telecom draws on renowned international advisers to estimate the fair value of the asset, anticipate and take into account any risks in the acquisition process;
- the Group capitalizes on the international experience gained in order to adapt to local contexts.

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

Identification and description of risk

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

Potential effect on the group

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

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

Risk mitigation or control measures

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

ALTERNATIVE MEANS OF COMMUNICATION COULD REPLACE THE GROUP'S LEGACY FIXED AND MOBILE VOICE SERVICES, WHICH COULD RESULT IN A SIGNIFICANT DECLINE IN THE COMPANY'S REVENUES

Identification and description of risk

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

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

Potential effect on the group

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

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

Risk mitigation or control measures

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

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

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

2.1.3 Market risks

Identification and description of risk

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

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

- Credit risk: Maroc Telecom only contracts with solid banks and institutions and spreads its transactions across these institutions;
- Currency risk: Maroc Telecom Group results may be sensitive to fluctuations in exchange rates, particularly in terms of dirham, US dollars or euros. The level of this sensitivity is detailed in Note 32 of the consolidated financial statements for the fiscal year ended December 31, 2020;
- Liquidity risk: short term cash balances and lines of credit available to IAM are used to control liquidity risk;
- Interest rate risk: the Maroc Telecom Group's debt is mainly at a fixed rate or has low sensitivity to variations in interest rates.

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

Potential effect on the group

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

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

Risk mitigation or control measures

Controls and measures implemented to manage risk are set out in Note 32 of the consolidated financial statements for the fiscal year ended December 31, 2020 included in the financial report.

2.2 Risk management framework

2.2.1 Audit and control

INTERNAL CONTROL

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

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

One of the objectives of the internal control system is to prevent and control the risks resulting from the Company's activity on the one hand, and the risks of error or fraud on the other. Like any control system, however, it cannot provide an absolute guarantee that these risks will be completely eliminated.

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

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

INTERNAL AUDIT, RISK MANAGEMENT AND INSPECTION

Internal audit

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

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

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

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

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

- financial audit (6 auditors at December 31, 2020), for processes with an accounting and financial impact;
- operational audit (9 auditors at December 31, 2020), for matters regarding operational units (Retail branches, technical centers, stores, regions, etc.). Operational audits consist of analyzing procedures for the management of resources, networks and customer services.

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

These engagements have the following main objectives:

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

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

Internal audits performed in 2020 involved the main items of the balance sheet and income statement, i.e., revenues, fixed assets, inventories, and liquidity, as well as other key corporate processes.

Risk management

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

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

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

Inspection

In conjunction with the Internal Audit Department, the Inspection Department (13 inspectors at December 31, 2020) is also responsible for assessing the Company's internal control system and reports to the General Control Department.

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

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

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

IIA CERTIFICATION OF MAROC TELECOM'S INTERNAL AUDIT ACTIVITIES

Maroc Telecom has renewed its IIA (Institute of Internal Auditors) certification for its internal audit activities, awarded by the IFACI (French Institute of Audit and Internal Control) Certification Committee.

This international recognition follows a certification renewal audit based on the Professional Standards of Internal Audit (version 2020).

The rate of compliance of Maroc Telecom's audit and control activities with the requirements of this standard is close to 100%. According to the Certification Committee, it represents a commitment to a high-level approach that allows for better integration of the requirements for standardized processes as part of a drive towards continuous improvement.

The Committee also noted the "high professionalism" of the Company's internal audit team.

As a reminder, in 2017, Maroc Telecom was the first company listed on the Casablanca Stock Exchange to obtain this certification, evidence that the company's internal audit activities meet strict criteria of independence and competence.

2.2.2 Code of Ethics, compliance & anti-corruption measures

CODE OF ETHICS & COMPLIANCE

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

In order to adapt to changes and new requirements, the Code of Ethics was updated in 2020 to take into account changes in legal texts and to incorporate new aspects related to the values and ethics of the Group, while further strengthening the "compliance with the code of ethics" component.

The main changes are:

- Promotion and reinforcement of IAM values;
- Insertion of IAM's commitments to its stakeholders (customers, employees, shareholders, suppliers, society and the environment);
- Extension of ethical principles to include cyber-ethics, money laundering, competition and foreign trade,
- Reinforcement of the following components: "conflict of interest," "compliance with the principles of social responsibility and sustainable development," "fight against corruption" and "personal data protection".

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

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

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

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

Issuance of a copy of the Code of Ethics to all employees who sign a document stating that they have reviewed them (operation started in 2006, ongoing for new recruits);

Induction seminars by the Ethics Officer for new recruits to raise awareness about the provisions of the Code of Ethics with exposure, for educational purposes, to some situations involving conflicts of interest that employees may face;

Ongoing awareness campaigns for compliance with the Code of Ethics;

Invitation issued to all insiders (internal and external) to sign confidentiality agreements for privileged information acquired in the exercise of their functions/terms of office, in accordance with AMMC provisions.

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

ANTI-CORRUPTION MEASURES

Measures taken to prevent corruption

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

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

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

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

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

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

The prevention of corruption is part of an overall company-wide process and the associated risk is monitored at several levels of the company: the governance body as well as the three lines of defense in accordance with the laws and regulations to which Itissalat Al Maghrib is subject.

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

Measures taken in response to incidents of corruption

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

2.2.3 ISO certification

Our company has been:

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

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

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

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

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

In 2020, Maroc Telecom passed the audit to renew the Quality and Information Security certifications.

PERSONAL DATA PROTECTION

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

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

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

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

To inform its employees of the scope of Law 09-08, Maroc Telecom rolled out instructional videos.

2.2.4 Insurance

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

In 2020, Maroc Telecom and its subsidiaries continued to benefit from an international Group insurance policy guaranteeing the best coverage available on the market. The program consists of property & business interruption insurance, civil liability insurance and Directors & officers liability insurance.

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

In 2020, Maroc Telecom also renewed insurance policies including cover for employees, in particular occupational accident and illness insurance which, in accordance with applicable legislation, guaratantees a pay-out in the event of an accident at work or occupational disease, as well as supplementary health cover in addition to that provided by the mutual health insurance scheme. A death and incapacity insurance policy guaranteeing a payout in the event of death or total and permanent incapacity as well as a medical transportation policy for IAM employees whether in Morocco or expatriate, have also been taken out.

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

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

Along with these insurance policies, for more than a decade Maroc Telecom has been committed to a major prevention program to protect its sites against property risks. This program is conducted in close collaboration with Maroc Telecom's insurance partners. In this sense, an international risk management and prevention firm visited the main Maroc Telecom sites. Diagnostics were carried out by this firm in order to evaluate the security system as well as the protection and prevention measures put in place to address risks to which these sites may be exposed. Following these visits, the experts prepared reports that were then distributed to the Maroc Telecom services who were to study the recommendations issued in order to improve site protection.

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

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3

INFORMATION ABOUT THE COMPANY

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

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

3.1.1 Person responsible for the Universal Registration Document

Mr. Abdeslam AHIZOUNE

Chairman of the Management Board

3.1.2 Certification of the Universal Registration Document

I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, consistent with the facts and does not contain any omissions that could alter its scope.

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

Chairman of the Management Board

Abdeslam AHIZOUNE

3.1.3 Persons responsible for the audit of the financial statements

STATUTORY AUDITORS

Deloitte Audit, represented by Mrs Sakina BENSOUDA KORACHI

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

She was first appointed by the Shareholders' Meeting of April 26, 2016 and, at the Shareholders' Meeting of April 23, 2019, was reappointed for a three-year term, ending at the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2021.

Coopers Audit Maroc, represented by Mr. Abdelaziz ALMECHATT

83, avenue Hassan II – 20,100 Casablanca, Morocco

Abdelaziz Almechatt was first appointed in 1998 in accordance with the Company articles. His current term of office, renewed for three years in 2020, expires at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2022.

3.1.4 Information policy

PERSON RESPONSIBLE FOR INFORMATION

Mr. François VITTE

Managing Director Administration & Finance (CFO)

Maroc Telecom - Avenue Annakhil - Hay Riad

Rabat, Morocco

Telephone: 00 212 (0) 537 28 50 84

Fax: 00 212 (0) 537 71 69 69

E-mail: relations.investisseurs@iam.ma

SCHEDULE OF FINANCIAL REPORTING

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

Maroc Telecom's 2021 financial reporting schedule (subject to change) is as follows:

Date [(a)]	Event
February 19, 2021	Q4 and full-year results for 2020
April 23, 2021	Q1-2021 Results
April 30, 2021	Shareholders' Meeting
July 27, 2021	Q2 and H1 2021 results
October 26, 2021	Q3-2021 Results

(a) Before trading.

SHAREHOLDER INFORMATION

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

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

3.2 Information about the Company and corporate governance

3.2.1 General information about the Company

3.2.1.1 COMPANY NAME

Itissalat Al-Maghrib.

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

3.2.1.2 HEAD OFFICE

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

Telephone: +212 537 71 21 21

3.2.1.3 LEGAL FORM

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

3.2.1.4 APPLICABLE LEGISLATION

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

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

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

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

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

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

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

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

- update names and details of the persons responsible for information in France;
- provide the AMF with any information it may require in accordance with its mission and with the laws and regulations applicable to the Company;
- comply with the provisions of the AMF General Regulations relating to mandatory public disclosure;
- comply with the various procedures described in the AMF General Regulations for publishing disclosures;
- post all available regulated information on Maroc Telecom's website and keep a record of such information for at least ten years;
- inform the AMF and Euronext Paris of any proposed amendment to the company Bylaws.

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

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

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

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

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

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

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

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

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

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

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

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

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

3.2.1.6 INCORPORATION - REGISTRATION

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

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

LEI code: 254900LH0G1ZIZ78Y462

3.2.1.7 TERM

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

3.2.1.8 CORPORATE PURPOSE

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

- to provide all electronic communication services for domestic and international relations, and in particular to provide universal telecommunications service;
- to establish, develop and operate all electronic communications networks necessary for the provision of these services and to ensure their interconnection with other networks open to the Moroccan and foreign public;

- to provide all other services, facilities, equipment, terminals, electronic communications networks, as well as to establish and operate all networks distributing audiovisual services, and in particular audio broadcasting, television or multimedia services.

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

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

3.2.1.9 CONSULTATION OF LEGAL DOCUMENTS

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

3.2.1.10 FINANCIAL YEAR

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

3.2.1.11 STATUTORY DISTRIBUTION OF PROFITS

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

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

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

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

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

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

Payment of dividends

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

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

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

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

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

3.2.1.12 SHAREHOLDERS' MEETINGS

3.2.1.12.1 Shareholders' Meetings

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

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

3.2.1.12.2 Notice of meetings

Shareholders' Meetings are convened by the Management Board.

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

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

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

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

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

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

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

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

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

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

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

Meetings are held either at the registered office or at another location specified in the call to meeting.

Any Shareholder's Meeting convened illegally may be canceled. However, the action for nullity shall be inadmissible if all the shareholders were present or represented.

3.2.1.12.3 Agenda

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

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

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

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

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

3.2.1.12.4 Composition

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

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

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

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

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

3.2.1.12.5 Committee - Attendance register

COMMITTEE

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

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

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

ATTENDANCE REGISTER

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

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

3.2.1.12.6 Voting

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

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

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

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

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

3.2.1.12.7 Minutes

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

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

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

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

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

3.2.1.12.8 Ordinary Shareholders' Meetings

POWERS AND RESPONSIBILITIES

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

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

In particular, this meeting hears the report of the Management Board and that of the Statutory Auditor(s); It discusses, corrects and approves or rejects the financial statements; it decides on the distribution and allocation of profits.

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

QUORUM AND MAJORITY

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

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

3.2.1.12.9 Extraordinary Shareholders' Meetings

POWERS AND RESPONSIBILITIES

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

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

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

QUORUM AND MAJORITY

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

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

3.2.1.13 STATUTORY AUDITORS

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

3.2.1.13.1 Appointment – Disqualification – Ineligibility

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

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

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

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

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

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

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

3.2.1.13.2 Duties of the Statutory Auditors

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

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

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

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

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

3.2.1.14 AUDIT COMMITTEE

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

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

The Audit Committee's main remit includes:

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

3.2.1.15 SALE OF SHARES

Disposals of shares take place as provided by law.

3.2.1.16 SHAREHOLDING DISCLOSURE THRESHOLDS

3.2.1.16.1 In Morocco

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

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

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

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

The above legal obligation is also applicable to any person or legal entity, acting alone or in concert, who owns more than one-twentieth (5%), one-tenth (10%), one-fifth (20%), one-third (33.33%), one-half (50%) or two-thirds (66.66%) of the Company's share capital or voting rights and who disposes of all or part of its shares or voting rights and therefore falls below one of these ownership thresholds.

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

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

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

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

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

3.2.1.16.2 In France

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

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

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

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

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

They may be transmitted electronically or in paper format to the AMF. The statements are then made available to the public by the AMF within a maximum of three trading days from receipt of the complete statement. It is drafted in French or another language commonly used in financial matters.

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

Declaration of intent:

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

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

3.2.1.17 PUBLIC OFFERS

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

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

3.2.1.17.1 Voluntary public offers

Any individual or legal entity, acting alone or in concert, wishing to make it known publicly that it intends to sell or purchase securities listed on the stock exchange may file a draft Public Offer for the purchase or sale of said securities.

Under French law, the provisions of the General Regulations of the AMF governing voluntary public offers are applicable to public offers for financial instruments issued by companies whose registered office is located outside a Member State of the European Union or a party to the agreement on the European Economic Area and which are admitted to trading on a French regulated market.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.2.1.17.2 Mandatory public offers

TAKE-OVER BIDS

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

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

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

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

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

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

PUBLIC BUYOUT OFFER

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

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

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

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

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

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

3.2.1.17.3 Competing public offers and overbidding

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

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

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

Where more than ten (10) weeks have passed since the publication of the opening of a public offer, the AMMC may, in order to expedite the competition between the public offers, set a deadline for the submission of overbids or of successive competing public offers.

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

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

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

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

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

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

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

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

3.2.1.17.5 AMMC Supervision and Monetary Penalties

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

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3.2.2 Additional information about the Company

3.2.2.1 SHARE CAPITAL

3.2.2.1.1 Amount of subscribed capital

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

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

3.2.2.1.2 Form of shares

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

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

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

INDIVISIBILITY OF SHARES

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

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

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

3.2.2.1.3 Rights and obligations attached to shares

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

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

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

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

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

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

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

3.2.2.1.4 Acquisition of treasury stock by the Company

MOROCCAN LAWS

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

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

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

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

FRENCH REGULATION

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

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

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

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

SHARE BUYBACK PROGRAM

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

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

The following table shows the summary of these contracts:

	12/31/2020	12/31/2019	12/31/2018
Casablanca – excl. liquidity pool	10,000 shares MAD 32,774,725.83	5,000 shares MAD 32,663,487.06	14,900 shares MAD 31,000,479.27
Casablanca – liquidity pool	3,500 shares MAD 36,848,523.63	15,000 shares MAD 34,297,144.63	14,000 shares MAD 34,047,316.10
Paris – liquidity account	42,687 shares EUR 4,596,618.00	75,326 shares EUR 4,116,065.00	67,250 shares EUR 4,241,633

The current buyback program to regulate the market was approved by the Shareholders' Meeting of April 29, 2020, after the Company had obtained approval from AMMC on April 9, 2020, under reference VI/EM/006/2020 for the Simplified Prospectus relating to said program.

The Shareholders' Meeting held on April 29, 2020, resolved:

- to revoke the buyback program on the stock exchange in order to boost market liquidity as authorized by the Ordinary Shareholders' Meeting of April 23, 2019, which was due to expire on November 6, 2020;
- to authorize the Management Board, as from this meeting, in accordance with the provisions of Article 281 of the Companies Act, for a period of eighteen months from May 13, 2020, to November 12, 2021, to purchase, in one or more stages on the stock exchange, in Morocco or abroad, shares of the Company in order to regularize prices and establish a liquidity contract backing this buyback program on the Casablanca Stock Exchange. The number of shares targeted by said liquidity contract may not under any circumstances exceed 300,000 shares, representing 20% of total number of shares covered by the buyback program.

The characteristics of this buyback program are as follows:

- program schedule: May 13, 2020, to November 12, 2021;
- range between buying and selling price: MAD 92 - 198;
- maximum share of capital to be held, including shares covered by the liquidity agreement: 0.17%, i.e., 1.5 million shares;
- maximum amount allocated to the program: MAD 297,000,000;
- liquidity contract backing this buyback program, representing 20% of the program, or a maximum of 300,000 shares.

The result of the share buyback program for the period extending from January 1 to December 31, 2020, is as follows:

	Casablanca – excl. liquidity pool	Casablanca – liquidity pool	Paris	Total
Number of shares bought	472,795	625,361	401,361	1,499,517
Average buy price	MAD 138.04	MAD 139.38	€12.81	-
Number of shares sold	467,795	636,861	434,000	1,538,656
Average sell price	MAD 138.41	MAD 139.81	€12.99	-
SHARES HELD AT DECEMBER 31, 2020	**10,000**	**3,500**	**42,687**	**56,187**

3.2.2.1.5 Changes in the Company's share capital since incorporation

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

Term	Transaction	Total number of shares	Nominal *(in MAD)*	Share capital *(in MAD)*
12/31/2018	None	879,095,340	6	5,274,572,040
12/31/2019	None	879,095,340	6	5,274,572,040
12/31/2020	None	879,095,340	6	5,274,572,040

3.2.2.2 CURRENT SHAREHOLDER STRUCTURE AND VOTING RIGHTS

3.2.2.2.1 Shareholder structure

At December 31, 2020, the share capital and voting rights of the Company were held as follows:

Shareholders	Total number of shares	% of share capital	Number of voting rights [(c)]	% of voting rights
Société de participation dans les télécommunications (SPT) [(a)]	465,940,477	53.00%	465,940,477	53.00%
Kingdom of Morocco	193,400,975	22.00%	193,400,975	22.00%
Senior managers	366,902	0.04%	366,902	0.04%
Public	219,330,799	24.95%	219,330,799	24.95%
Treasury shares [(b)]	56,187	0.01%	-	-
TOTAL	**879,095,340**	**100.00%**	**879,039,153**	**-**

(a) SPT is a Moroccan corporation controlled 91.3% by Etisalat and 8.7% by Abu Dhabi Development Fund.
(b) Maroc Telecom shares held directly or indirectly by the Company, on both the Casablanca and the Paris stock markets. These shares do not carry voting rights at Shareholders' Meetings.
(c) At December 31, 2020, the share capital consisted of ordinary shares with single voting rights.

3.2.2.2.2 Potential capital

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

3.2.2.2.3 Changes or modifications to the Company's share capital

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

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

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

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

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

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

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

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

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

	12/31/2020			
Shareholders	Total number of shares	% of share capital	Number of voting rights (c)	% of voting rights
Société de Participation dans les Télécommunications (SPT) [a]	465,940,477	53.00%	465,940,477	53.00%
Kingdom of Morocco	193,400,975	22.00%	193,400,975	22.00%
Senior managers	366,902	0.04%	366,902	0.04%
Public	219,330,799	24.95%	219,330,799	24.95%
Treasury shares [b]	56,187	0.01%	-	-
TOTAL	**879,095,340**	**100.00%**	**879,039,153**	**-**

(a) SPT is a Moroccan corporation controlled 91.3% by Etisalat and 8.7% by Abu Dhabi Development Fund.
(b) Maroc Telecom shares held directly or indirectly by the Company, on both the Casablanca and the Paris stock markets. These shares do not carry voting rights at Shareholders' Meetings.
(c) At December 31, 2020, the share capital consisted of ordinary shares with single voting rights.

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

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

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

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

3.2.2.2.4 Shareholders' agreements

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

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

ORGANIZATION OF POWERS IN THE MANAGEMENT BODIES OF MAROC TELECOM

Supervisory Board

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

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

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

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

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

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

Management Board

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

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

Audit Committee and Appointments and Compensation Committee

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

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

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

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

The stipulations with regard to the appointment of the Chairman and Deputy Chairman of the Supervisory Board and to the majority rules applicable to the Supervisory Board, as well as those applicable to the appointment of members of the Management Board, the Audit Committee, and the Appointments and Compensation Committee, will remain in force as long as

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the Kingdom of Morocco holds at least 5% of the share capital and voting rights of the Company and as long as Etisalat Group holds at least 20% of the share capital and voting rights of the Company.

TERMS AND CONDITIONS FOR THE DISPOSAL OR ACQUISITION OF SHARES OF THE PARTIES

Non-transfers of shares by the Kingdom of Morocco

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

Preemption right to the benefit of the Kingdom of Morocco

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

Call option held by the Kingdom of Morocco

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

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

Specific rights of the Kingdom of Morocco

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

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

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

Term of the Shareholders' Agreement

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

MAURITEL SA SHAREHOLDERS' AGREEMENT

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

GABON TELECOM SHAREHOLDERS' AGREEMENT

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

SOTELMA SHAREHOLDERS' AGREEMENT

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

AGREEMENT REGARDING ATLANTIQUE TELECOM CÔTE D'IVOIRE

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

3.2.2.3 PLEDGED ASSETS

The Company has not pledged any assets.

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

3.2.2.4 MARKET FOR THE COMPANY'S SHARES

3.2.2.4.1 Stock exchanges

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

3.2.2.4.2 Maroc Telecom share price

CASABLANCA STOCK EXCHANGE
MAIN MARKET, CODE 8001

	Average price [(a)] (in MAD)	Higher [(b)] (in MAD)	Lower [(b)] (in MAD)	Transactions [(c)] In number of shares *(in thousands)*	Transactions [(c)] In shareholders' equity *(in MAD million)*
January 2020	156.85	158.5	152.8	4,404.31	690.83
February 2020	144.68	151.4	137.8	5,572.03	806.15
March 2020	130.11	149	110	9,753.94	1,269.05
April 2020	126.14	131.3	121.6	2,073.46	261.54
May 2020	133.25	137	128	2,168.28	288.92
June 2020	136.86	145.95	132.5	2,771.73	379.35
July 2020	139.58	142.5	135.6	1,402.47	195.75
August 2020	135.70	139.5	131.95	740.68	100.51
September 2020	137.83	141.2	135.5	1,068.40	147.26
October 2020	138.68	141.5	136	1,135.04	157.40
November 2020	142.38	144.95	138.5	1,862.04	265.12
December 2020	144.90	147.95	142.25	2,944.14	426.61

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

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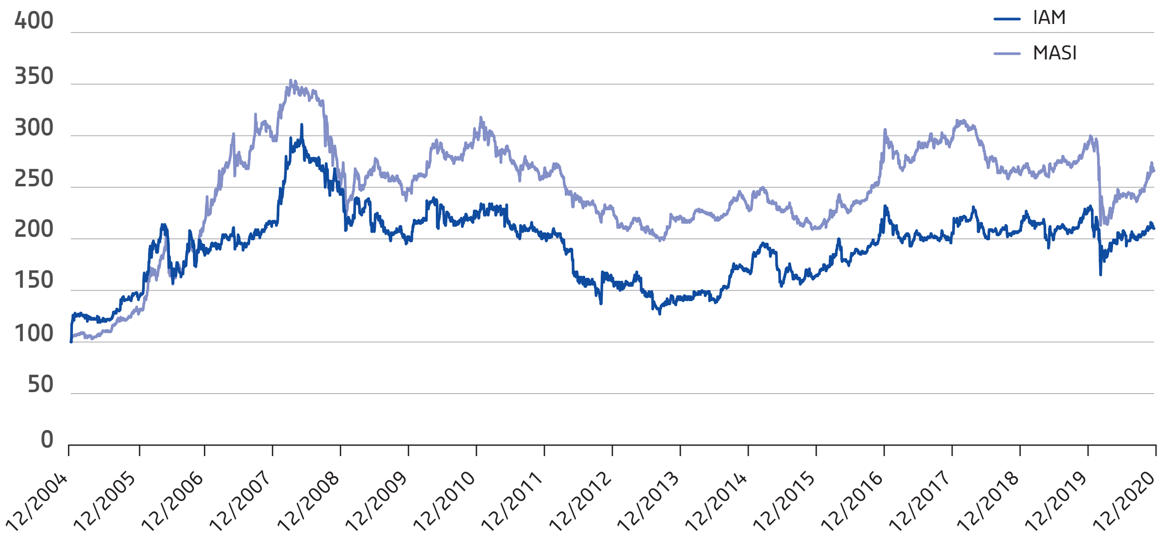
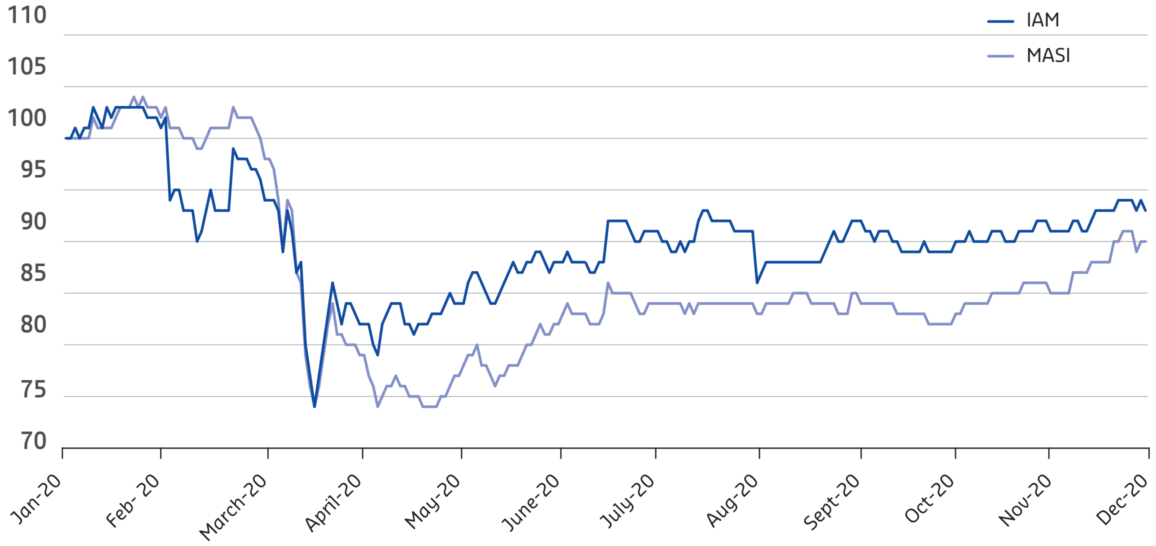
MAROC TELECOM SHARE PRICE PERFORMANCE ON THE CASABLANCA STOCK EXCHANGE
SINCE DECEMBER 2004 (BASE 100)



SINCE JANUARY 2020 (BASE 100)



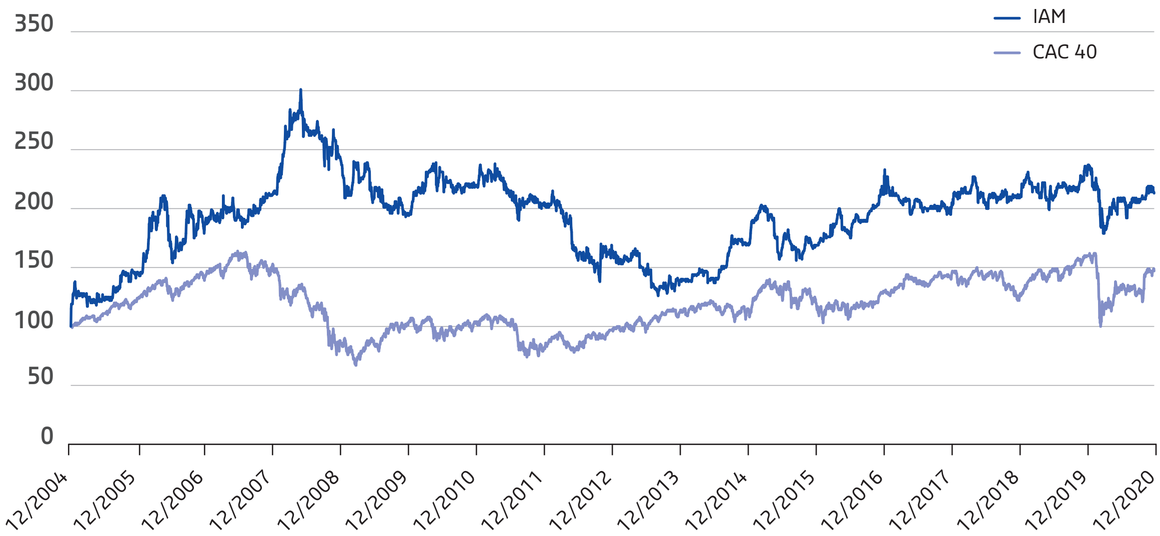
At the end of 2020, 98% of the float was outstanding on the Casablanca Stock Exchange.

EURONEXT PARIS
EUROLIST – FOREIGN SECURITIES, CODE MA0000011488, ELIGIBLE FOR EURONEXT'S SRD (DEFERRED SETTLEMENT SERVICE)

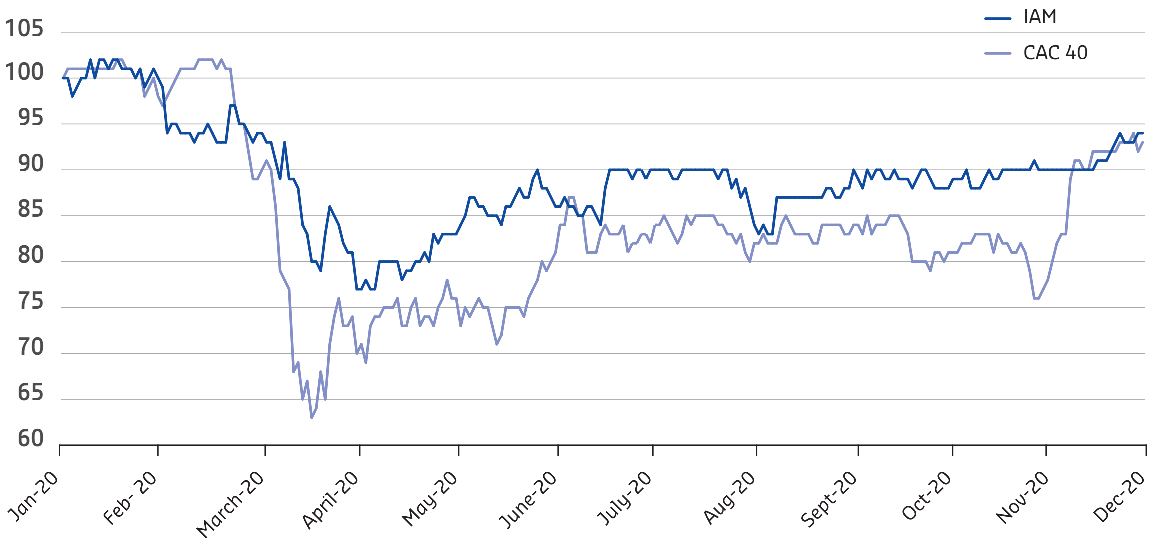
	Average price [(a)] (in EUR)	Higher [(b)] (in EUR)	Lower [(b)] (in EUR)	Transactions [(c)]	
				In number of shares *(in thousands)*	In capital *(in € millions)*
January 2020	14.35	14.8	13.45	86,463	1.26
February 2020	13.53	14.25	12.8	34,465	0.47
March 2020	12.58	13.9	10.3	87,529	1.12
April 2020	11.54	12.2	11.0	94,772	1.11
May 2020	12.30	13.4	11.7	58,328	0.73
June 2020	12.59	13.2	12.0	66,120	0.84
July 2020	12.75	13.2	12.2	105,422	1.36
August 2020	12.28	12.9	11.7	49,684	0.62
September 2020	12.71	13.1	12.4	96,702	1.24
October 2020	12.77	13.3	12.4	52,842	0.64
November 2020	12.99	13.8	12.5	80,957	1.10
December 2020	13.33	13.9	13.0	56,704	0.77

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

MAROC TELECOM SHARE PRICE PERFORMANCE ON THE PARIS STOCK EXCHANGE
SINCE DECEMBER 2004 (BASE 100)



SINCE JANUARY 2020 (BASE 100)



At the end of 2020, 2% of the float was outstanding on the Paris Stock Exchange.

3.2.2.5 DIVIDENDS AND DISTRIBUTION POLICY

3.2.2.5.1 Dividends paid in recent fiscal years

The following table shows the amounts of dividends (in MAD million) paid out by the Company for fiscal years 2004 to 2020:

Fiscal year	Payment date	Dividends
2004	05/04/2005	4,395
2005	05/02/2006	6,119
Extraordinary dividend	06/12/2006	3,516
2006	05/15/2007	6,927
2007	05/28/2008	8,088
2008	06/03/2009	9,517
2009	06/02/2010	9,063
2010	05/31/2011	9,301
2011	05/31/2012	8,137
2012	06/03/2013	6,501
2013	06/02/2014	5,275
2014	06/02/2015	6,065
2015	06/02/2016	5,591
2016	06/02/2017	5,590
2017	06/05/2018	5,697
2018	06/04/2019	6,004
2019	06/02/2020	4,870
2020	from 01/06/2021	3,525 [(a)]

(a) Amount proposed to the Ordinary Shareholders' Meeting of April 30, 2021. This amount is adjusted to reflect the number of treasury shares held on the dividend payment date.

At December 31, 2020, the Company's reserves totaled MAD 3,080 million (excluding the earnings at end-December 2020), of which MAD 7.7 million were available for distribution.

3.2.2.5.2 Future dividend policy

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

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

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

In addition, under the provisions of Article 331 in fine of the 17-95 Act as amended and supplemented by Act 20-05 and 78-12, it is prohibited to stipulate a fixed dividend for shareholders. Any clause to the contrary is deemed unwritten unless the State grants shareholders a guaranteed minimum dividend.

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

3.2.2.5.3 Tax treatment of dividends

MOROCCAN TAX TREATMENT

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

In Morocco the tax treatment of the distribution of dividends is governed by the General Tax Code: corporation tax (IS) for legal entity beneficiaries and income tax (IR) for individual beneficiaries.

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

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

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

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

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

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

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

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

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

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

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

FRENCH TAX TREATMENT

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

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

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

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

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

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

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

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

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

Subject to the application of international agreements providing for reduced tax, dividends distributed to individuals who are not residents of France are subject to the maximum rate of withholding tax of 12.8%. Dividends paid in a Non-Cooperative Country or Territory (NCCT - Anguilla, the Bahamas, the British Virgin Islands, the Seychelles, Vanuatu, Fiji, Guam, the US Virgin Islands, Oman, American Samoa, Samoa, Trinidad and Tobago and Panama (French ministerial decree of January 6, 2020) are subject to a mandatory withholding tax of 75%.

Legal entities subject to corporate income tax

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

Legal entities qualifying for the parent-subsidiary tax treatment

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

Legal entities not qualifying for the parent-subsidiary tax treatment

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

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

3.2.3 Corporate governance

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

3.2.3.1 MANAGEMENT AND SUPERVISORY BODIES

3.2.3.1.1 Management Board

COMPOSITION OF THE MANAGEMENT BOARD

Composition

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

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

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

MEMBERS OF THE MANAGEMENT BOARD

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

* *The Supervisory Board meeting of February 18, 2021 renewed the terms of office of the members of the Executive Board for two (2) additional years, i.e. until March 1, 2023.*

(1) For fiscal years beginning on or after January 1, 2021, the rate is 26.5%.

BIOGRAPHICAL DETAILS AND OTHER OFFICES AND OTHER POSITIONS HELD BY THE MEMBERS OF THE MANAGEMENT BOARD

ABDESLAM AHIZOUNE

Chairman of the Management Board

AGE: 65

SEX: M

NATIONALITY: Moroccan

REAPPOINTED:
02/18/2021

TERM OF OFFICE EXPIRES:
03/01/2023

ADDRESS:
Maroc Telecom -
Avenue Annakhil, Hay Riad,
Rabat, Maroc

BIOGRAPHY

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

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
Mohammed V Foundation for Solidarity (Fondation Mohammed V pour la Solidarité, Morocco)	Member of the board
Lalla Salma Foundation for the Prevention and Treatment of Cancer (Fondation Lalla Salma de Prévention et Traitement des Cancers, Morocco)	Member of the board
Mohammed VI Foundation for the Environment (Fondation Mohammed VI pour la Protection de l'Environnement, Morocco)	Member of the board
Moroccan Culture Association (Association Maroc Cultures, Morocco)	Chairman
Al Akhawayn University (Morocco)	Member of the board
Royal Moroccan Athletics Federation (Fédération Royale Marocaine d'Athlétisme, Morocco)	Chairman
Confederation of African Athletics	Vice-Chairman
Association of Moroccan Telecom Professionals (Association Marocaine des Professionnels des Télécoms, or MATI)	Chairman

OFFICES EXPIRED

Company	Positions and offices held
General Business Confederation of Morocco (Confédération Générale des Entreprises du Maroc, or CGEM)	Vice-Chairman
Royal Institute of Amazighe Culture (Institut Royal de la Culture Amazighe)	Member of the board
International Chamber of Commerce	Member of the Executive Committee
Axa Assurances (Morocco)	Board member
Holcim SA (Morocco)	Board member

DECORATIONS

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

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

HASSAN RACHAD

Member of the Management Board

AGE: 59
SEX: M
NATIONALITY: Moroccan
REAPPOINTED: 02/18/2021
TERM OF OFFICE EXPIRES: 03/01/2023
ADDRESS: Maroc Telecom - Avenue Annakhil, Hay Riad, Rabat, Maroc

BIOGRAPHY

Born on August 6, 1962, Mr. Hassan RACHAD has a graduate degree in engineering from École Nationale Supérieure des Télécommunications in Paris.

After joining Maroc Telecom in 1988 as Telecom Engineer, he has held several management positions within the same group, including Director of Human Resources and Regional Director for Greater Casablanca, Marrakesh and Oujda.

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
Maroc Telecom Group:	
Mauritel SA (Mauritania)	Board member
Casanet SA (Morocco)	Board member
MT FLY SA (Morocco)	Board member
MT Cash SA (Morocco)	Board member
Millicom Tchad SA (Chad)	Chairman of the Board of Directors

OFFICES EXPIRED

Company	Positions and offices held
Gabon Telecom SA (Gabon)	Board member
Onatel SA (Burkina Faso), listed company	Board member
Sotelma SA (Mali)	Board member
Atlantique Telecom Togo SA (Togo)	Chairman of the Board of Directors

DISTINCTIONS
National Merit Wissam Outstanding Class

BRAHIM BOUDAOUD

Member of the Management Board

AGE: 53
SEX: M
NATIONALITY: Moroccan
REAPPOINTED: 02/18/2021
TERM OF OFFICE EXPIRES: 03/01/2023
ADDRESS: Maroc Telecom - Avenue Annakhil, Hay Riad, Rabat, Maroc

BIOGRAPHY

Born on April 7, 1968, Mr. Brahim BOUDAOUD graduated in 1995 with an MBA in Network Company Management from École Nationale des Postes et Télécommunications in Paris and holds a degree in postal and telecommunications administration.

He also holds a degree in Telecommunications Economics and Strategy from CNAM Paris.

He has worked as a Professor in fundamental and strategic marketing and in business management.

Since 2000 Mr. BOUDAOUD has held several senior management positions within the same group, including Director of Sales and Director of Consumer Sales.

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
Maroc Telecom Group:	
Gabon Telecom SA (Gabon)	Board member
MT Fly SA (Morocco)	Chairman of the Board of Directors
MT Cash SA (Morocco)	Chairman of the Board of Directors

OFFICES EXPIRED

Company	Positions and offices held
Onatel SA (Burkina Faso), listed company	Board member
Atlantique Telecom Côte d'Ivoire (Côte d'Ivoire)	Board member
Atlantique Telecom Togo (Togo)	Board member
Etisalat Benin (Benin)	Board member
Sotelma SA (Mali)	Board member

FRANÇOIS VITTE

Member of the Management Board

AGE: 53
SEX: M
NATIONALITY: French
REAPPOINTED: 02/18/2021
TERM OF OFFICE EXPIRES: 03/01/2023
ADDRESS: Maroc Telecom - Avenue Annakhil, Hay Riad, Rabat, Maroc

BIOGRAPHY

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

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

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

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
CMC SA (Mauritania)	Chairman of the Board of Directors
MT Cash SA (Morocco)	Permanent representative of Maroc Telecom, Director

OFFICES EXPIRED

Company	Positions and offices held
None	

ABDELKADER MAAMAR

Member of the Management Board

AGE: 51
SEX: M
NATIONALITY: Moroccan
REAPPOINTED: 02/18/2021
TERM OF OFFICE EXPIRES: 03/01/2023
ADDRESS: Maroc Telecom - Avenue Annakhil, Hay Riad, Rabat, Maroc

BIOGRAPHY

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

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

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
Maroc Telecom Group:	
Sotelma SA (Mali)	Permanent representative of Maroc Telecom
MT Cash SA (Morocco)	Board member

OFFICES EXPIRED

Company	Positions and offices held
None	

APPOINTMENT, OPERATION AND RESPONSIBILITIES OF THE MANAGEMENT BOARD

Appointment and removal of members of the Management Board

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

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

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

Term of office

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

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

Members of the Management Board may always be reappointed.

Operation

The Management Board manages collectively the affairs of the Company.

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

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

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

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

Powers

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

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

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

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

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

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

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

Reporting obligations

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

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

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

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

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

Compensation

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

Liability

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

In 2020, the Management Board met over 35 times.

3.2.3.1.2 Supervisory Board

COMPOSITION OF THE SUPERVISORY BOARD

Composition

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

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

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

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

Name	Current title and primary occupation	Date of appointment	Term of office ends	Primary occupation or employment
Mohamed BENCHÂABOUN	Chairman	Supervisory Board meeting of December 7, 2018	Ordinary Shareholders' Meeting called to vote on the 2024 financial statements	Minister of Economy, Finance and Administration Reform, Morocco
Obaid Bin Humaid AL TAYER	Vice-Chairman	Supervisory Board meeting of December 6, 2019	Ordinary Shareholders' Meeting called to vote on the 2024 financial statements	Minister of State for Financial Affairs, United Arab Emirates
Abdelouafi LAFTIT	Member	Supervisory Board meeting of July 21, 2017	Ordinary Shareholders' Meeting called to vote on the 2024 financial statements	Minister of the Interior, Morocco
Abderrahmane Semmar	Member	Supervisory Board meeting of July 22, 2016	Ordinary Shareholders' Meeting called to vote on the 2024 financial statements	Director of Public Enterprises and Privatization in the Ministry of Economy, Finance and Administration Reform, Morocco
Hatem DOWIDAR	Member	Supervisory Board meeting of July 22, 2016	Ordinary Shareholders' Meeting called to vote on the 2024 financial statements	CEO of Etisalat, United Arab Emirates
Saleh AL ABDOOLI	Member	Supervisory Board meeting of December 9, 2016	Ordinary Shareholders' Meeting called to vote on the 2021 financial statements	Board member of Etisalat, United Arab Emirates
Mohammed Saif AL SUWAIDI	Member	Supervisory Board meeting of May 15, 2014	Ordinary Shareholders' Meeting called to vote on the 2024 financial statements	Director General of Abu Dhabi Fund for Development, United Arab Emirates
Mohammed Hadi AL HUSSAINI	Member	Supervisory Board meeting of May 15, 2014	Ordinary Shareholders' Meeting called to vote on the 2024 financial statements	Director of Emirates Investment Authority, United Arab Emirates
Luis ENRIQUEZ	Member	Supervisory Board meeting of July 22, 2020	Ordinary Shareholders' Meeting called to vote on the 2025 financial statements	Advisor to the Board of Directors of Etisalat Group

Term of office

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

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

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

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

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

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

Vacancies – cooptation

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

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

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

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

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

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

MOHAMED BENCHÂABOUN

Chairman

AGE: 60

SEX: M

NATIONALITY: Moroccan

APPOINTMENT: 12/07/2018

TERM OF OFFICE EXPIRES: 12/31/2024

Ministry of the Economy, Finances and Administration Reform

BIOGRAPHY

Mr. Mohamed BENCHÂABOUN was born in Casablanca on November 12, 1961. On August 20, 2018, His Majesty King Mohammed VI appointed him Minister of Economy, Finances and Administration Reform.

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

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

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

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

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

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

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

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
None	

OFFICES EXPIRED

Company	Positions and offices held
None	

OBAID BIN HUMAID AL TAYER

Vice-Chairman

AGE: 69

SEX: M

NATIONALITY: Emirati

APPOINTMENT: 12/06/2019

TERM OF OFFICE EXPIRES: 12/31/2024

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

BIOGRAPHY

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

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

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

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

CURRENT OFFICES AS OF 12/31/2020

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

OFFICES EXPIRED

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

DISTINCTIONS

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

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

3

ABDELOUAFI LAFTIT

Minister of the Interior

AGE: 53
SEX: M
NATIONALITY: Moroccan
APPOINTMENT: 07/21/2017
TERM OF OFFICE EXPIRES: 12/31/2024
ADDRESS: Ministry of the Interior

BIOGRAPHY

Mr. Abdelouafi LAFTIT was born on September 29, 1967, in Tafrist. On April 5, 2017, he was appointed by HM King Mohammed VI as Minister of the Interior.
A graduate of the École Polytechnique of Paris in 1989 and the École Nationale des Ponts et Chaussées in 1991, Mr. LAFTIT started his professional career in the financial field in France before joining the port operating office where between 1992 and 2002 he held the post of Director of Ports in Agadir, Safi and Tangiers, before being appointed, in May 2002, Director of the Tangier – Tetouan Regional Investment Center.
On September 13, 2003, Mr. LAFTIT was appointed by HM the King to be Governor of Fahs-Anjra Province, and in October 2006, he was then appointed Governor of the Province of Nador, a position he held until his appointment in March 2010 as Chairman and Managing Director of the Société d'Aménagement pour le Reconversion de la Zone Portuaire de Tanger.
On January 24, 2014, he was appointed by HM the King to be Wali of the Rabat-Sale-Zemmour-Zaer Region, Governor of the Rabat Prefecture.

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
None	

OFFICES EXPIRED

Company	Positions and offices held
None	

ABDERRAHMAN SEMMAR

Director of Public Enterprises and Privatization, Ministry of the Economy, Finances and Administration Reform

AGE: 61
SEX: M
NATIONALITY: Moroccan
APPOINTMENT: 07/22/2016
TERM OF OFFICE EXPIRES: 12/31/2024
ADDRESS: Ministry of Economy, Finances and Administration Reform

BIOGRAPHY

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

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
None	

OFFICES EXPIRED

Company	Positions and offices held
None	

HATEM DOWIDAR

Chief Executive Officer, Etisalat Group

AGE: 52
SEX: M
NATIONALITY: Egyptian
APPOINTMENT: 07/22/2016
TERM OF OFFICE EXPIRES: 12/31/2024
ADDRESS:
Etisalat
Intersection of Sheikh Zayed the First Street and Sheikh Rashid Bin Saeed Al Maktoum Road, Po 3838, Abu Dhabi

BIOGRAPHY

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

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

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

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

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
Etisalat Égypte	Board member
PTCL (Pakistan)	Board member

OFFICES EXPIRED

Company	Positions and offices held
GSMA (United Kingdom)	Board member
Etisalat Nigeria	Board member
Vodafone Égypte	Chairman
Vodacom (South Africa)	Board member
Ufone (Pakistan)	Board member
Barclays (Egypt)	Board member

3

SALEH AL ABDOOLI

Board member of Etisalat, United Arab Emirates

AGE: 56
SEX: M
NATIONALITY: Emirati
APPOINTMENT: 12/09/2016
TERM OF OFFICE EXPIRES: 12/31/2021
ADDRESS:
Etisalat
Intersection of Sheikh Zayed the First Street and Sheikh Rashid Bin Saeed Al Maktoum Road, Po 3838, Abu Dhabi

BIOGRAPHY

Mr. Saleh AL ABDOOLI was the Chief Executive Officer of the Etisalat Group and served as Etisalat CEO in the United Arab Emirates. He is also Vice-Chairman of the Board of Directors, Chairman of the Executive Committee of Etisalat Misr and the Etisalat representative on the Board of Directors of Mobily.

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

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

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
Etisalat Égypte	Vice-Chairman
Mobily (Saudi Arabia)	Board Member, representing Etisalat

OFFICES EXPIRED

Company	Positions and offices held
Etisalat Services Holding Company (UAE)	Chairman
Thuraya (UAE)	Chairman

MOHAMMED SAIF AL SUWAIDI

Chief Executive Officer, Abu Dhabi Fund for Development

AGE: 50
SEX: M
NATIONALITY: Emirati
APPOINTMENT: 05/15/2014
TERM OF OFFICE EXPIRES: 12/31/2024
ADDRESS: Etisalat
Intersection of Sheikh Zayed the First Street and Sheikh Rashid Bin Saeed Al Maktoum Road, Po 3838, Abu Dhabi

BIOGRAPHY

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

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

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

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
Emirates Steel Industries Company	Board member
First Abu Dhabi Bank	Board member
DP World	Board member
Al Jazira Sports & Cultural Club	Board member
Raysut Cement Company	Board member
Arab Bank for Investment and Foreign Trade	Vice-Chairman
Emirates Development Bank	Board member

OFFICES EXPIRED

Company	Positions and offices held
Al Hilal Bank	Board member
First Gulf Bank	Board member
Center of Food Security of Abu Dhabi	Board member
Al Ain Farms for Livestock Production	Chairman
UAE Red Crescent	Board member
Aghtia	Board member
CEPSA	Board member

MOHAMMED HADI AL HUSSAINI

Director of Emirates Investment Authority

AGE: 44
SEX: M
NATIONALITY: Emirati
APPOINTMENT: 05/15/2014
TERM OF OFFICE EXPIRES: 12/31/2024
ADDRESS: Etisalat
Intersection of Sheikh Zayed the First Street and Sheikh Rashid Bin Saeed Al Maktoum Road, Po 3838, Abu Dhabi

BIOGRAPHY

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

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
Emirates NBD	Board member
Emirates Islamic Bank	Board member
Dubai Refreshments	Board member
Emaar Malls	Chairman of the Board of Directors
Dubai Real Estate Corporation	Board member
Mobily	Board member
Emirates Investment Authority	Board member

OFFICES EXPIRED

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

LUIS ENRIQUEZ

Partner, Grafine Capital Partners

AGE: 57

SEX: M

NATIONALITY: Chilean and Belgian

APPOINTMENT: 07/22/2020

TERM OF OFFICE EXPIRES: 12/31/2025

ADDRESS: London

BIOGRAPHY

Mr Luis ENRIQUEZ is a partner at Grafine Capital Partners, a New York-based private equity firm dedicated to the development of innovative investment structures enabling major financial partners to access business opportunities.

He is also Senior Advisor to the Board of Directors of Etisalat Group and Senior Advisor to McKinsey & Company on regulatory management and strategy.

Mr. Enriquez was a senior partner at McKinsey & Company and has worked extensively in telecommunications, energy and the public sector, in developed and emerging markets.

In addition, he is also co-founder and partner of the Dubai-based investment fund and collaborates with industry associations and international institutions.

He worked at the Federal Communications Commission in the United States, as an advisor to the US Department of State on the liberalization of telecommunications in Central and Eastern Europe, for USAid, and as an economist consultant to major corporations and governments.

He trained as an economist at Harvard and at the University of California at Berkeley.

CURRENT OFFICES AS OF 12/31/2020

Company	Positions and offices held
Etisalat Group	Board of Directors Director

OFFICES EXPIRED

Company	Positions and offices held
None	

OPERATION AND RESPONSIBILITIES OF THE SUPERVISORY BOARD

Chairman – Deputy Chairman

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

The Chairman and the Deputy Chairman must be individuals.

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

Calling of meetings – deliberations

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

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

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

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

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

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

- the examination, approval and revision of the business plan;
- the examination, approval and revision of the budget (without prejudice to the provisions of Article 10.5.4 (iii) of the Bylaws);
- the prior approval of any services agreement or any other contract between the Company or its Affiliates and one of its minority shareholders or one of its Affiliates, excluding contracts relating to current arm's length transactions;
- the annual or multi-annual labor policy, including policies for compensation, training, human resources management and the creation of incentive plans for employees or senior managers of the Company;
- subject to Article 10.5.4 (v) in the Bylaws, any proposal to the Shareholders' Meeting to appoint one of the two auditors of the Company;
- the appointment of members of the Management Board in accordance with applicable laws and the provisions of Article 9 of the Bylaws;
- the creation of committees, the drafting, approval or amendment of their bylaws or their mission;

- approval of the proposed resolutions to be submitted to the Company's Shareholders' Meeting concerning appropriation of the earnings of the Company and its subsidiaries (dividends, reserves, etc.) under the terms stipulated in Articles 16 and 10.5.4 of the Bylaws;
- any change in the Company's accounting policies not required by law or by the applicable regulations, unless such change has a significant impact on the distributable profit of the Company, in which case the decision should be taken by qualified majority in accordance with Article 10.5.4 (i) of the Bylaws;
- any transfer of a shareholding in an entity holding one or more operating licenses for fixed-line and mobile telecommunications networks open to the public, if the annual financial statements of said entity, certified by the Statutory auditors, show negative EBITDA for the last two consecutive years, calculated in accordance with accounting standards currently in force within the Company (such an entity is hereinafter referred to as "Loss-Making Entity");
- determining the transfer price and terms of the sale agreement on disposal of an interest in an entity that has one or more network operating licenses of fixed-line and mobile telecommunications open to the public, if it is not a Loss-Making Entity, as referred to in Article 10.5.4 (x) of the Bylaws.

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

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

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

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

Duties and powers of the Supervisory Board

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

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

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

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

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

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

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

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

Compensation

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

Liability

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

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

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

In 2020, the Supervisory Board met five (5) times, to approve both the performance of the business and its growth prospects in the medium to long term, with an average attendance rate in excess of 85%.

Mr. Mohamed BENCHÂABOUN, Mr. Abdelouafi LAFTIT, and Mr. Abderrahmane SEMMAR (three members) were appointed to the Supervisory Board on the recommendation of the Kingdom of Morocco; and Mr. Obaid Bin Humaid AL TAYER, Mr. Mohammed Hadi AL HUSSAINI, Mr. Hatem DOWIDAR, Mr. Saleh AL ABDOOLI, Mr. Mohammed Saif AL SUWAIDI, and Mr. Louis ENRIQUEZ (six members) were appointed on the recommendation of Etisalat.

3.2.3.2 AUDIT COMMITTEE

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

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

The attendance rate among Audit Committee members at meetings held in 2020 was 100%.

Composition

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

The composition of the Audit Committee is as follows:

Name	Current position	Date of appointment	Primary occupation or employment
Mohamed Hadi AL HUSSAINI	Chairman	2014	Member of the Board of Directors of Etisalat
Samir Mohamed Tazi	Member	2017	Wali (regional governor), official in the Ministry of the Interior
Abderrahmane Semmar	Member	2016	Director of Public Enterprises and Privatization, Ministry of the Economy and of Finance
Mohammed Saif AL SUWAIDI	Member	2020	Chief Executive Officer, Abu Dhabi Fund for Development
Mohammed Dukandar	Member	2016	Chief Internal Control and Audit Officer of Etisalat Group (UAE And International Operations)

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

Mohamed Hadi AL HUSSAINI

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

Samir Mohamed TAZI

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

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

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

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

Abderrahmane SEMMAR

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

Mohammed Saif AL SUWAIDI

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

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

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

Mohamed DUKANDAR

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

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

Operation

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

The Audit Committee was convened for the first time in May 2004, and held six meetings in 2020. Its role is to make recommendations and proposals to the Supervisory Board on matters such as:

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

3.2.3.3 MANAGEMENT'S INTERESTS

3.2.3.3.1 Compensation of management and supervisory bodies

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

The total gross compensation paid by the Company, its subsidiaries, and all controlling companies to members of the Management Board for their work on behalf of Maroc Telecom Group for the 2020 fiscal year stood at MAD 83 million. The variable portion, for 2020, was calculated for the members of the Management Board based on the following criteria: (a) Maroc Telecom's financial objectives and (b) priority actions of their activity.

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

(in MAD million)	2020	2019	2018
Short-term benefits	83	93	96
Termination benefits	104	117	117
TOTAL	**187**	**210**	**213**

Based on compensation for 2020, the minimum amount to be paid by the Company in the event of termination of employment contracts of members of the Management Board, except in cases of gross negligence or willful misconduct, would amount to MAD 104 million. Furthermore, the Company bears the cost of entertainment and travel expenses incurred by members of the Management Board in the course of their duties.

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

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

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

3.2.3.3.2 Shareholdings of members of the management bodies

At December 31, 2020, the members of the Management Board directly or indirectly held 366,902 shares in Maroc Telecom.

3.2.3.3.3 Conflicts of interest and miscellaneous

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

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

3.2.3.3.4 Management's interest in key customers or suppliers

None

3.2.3.3.5 Service agreements

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

3.2.3.3.6 Loans and guarantees granted senior managers

None

3.2.3.4 RELATED-PARTY AGREEMENTS

3.2.3.4.1 Legal framework

Under the terms of Article 95 et seq. of Moroccan Law No. 17-95 concerning Limited Liability Companies, as amended and supplemented by Law No. 20-05, Law No. 78-12 and Law No 20-19, any agreement between the Company and a member of the 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.

Accordingly, the related-party agreements signed in 2020, and the agreements signed in previous years that remained in effect in 2020, are presented below. These agreements are not, however, the only parent-subsidiary flows existing between Maroc Telecom and its subsidiaries.

3.2.3.4.2 Related-party agreements entered into in 2020

SERVICE AGREEMENT WITH MT CASH SA

At its board meeting on July 22, 2020, the Supervisory Board of Maroc Telecom authorized the service provision agreement with the subsidiary MT CASH SA.

Maroc Telecom is the majority shareholder of MT CASH and the joint management members are Messrs. Brahim Boudaoud, Hassan Rachad, François Vitte and Abdelkader Maamar.

3.2.3.4.3 Agreements from previous fiscal years still in effect in 2020

BRAND LICENSING AGREEMENTS

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

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

TECHNICAL SUPPORT AGREEMENT

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

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

AGREEMENTS FOR ADVANCES ON CURRENT ACCOUNT

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

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

TECHNICAL SERVICES AGREEMENT WITH ETISALAT

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

These services may be performed by expatriate personnel.

Effective May 14, 2014, Etisalat became the reference shareholder of Maroc Telecom via SPT, and the members of the joint management bodies are Eissa Mohammad Al Suwaidi, Hatem Dowidar, Saleh Abdooli, Mohammed Saif Al Suwaidi and Luis Enriquez.

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 Boudaoud.

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 compliance.

These services are performed mainly by expatriate personnel.

Maroc Telecom is the majority shareholder of Onatel.

SERVICES AGREEMENT WITH MAURITEL

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

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

AGREEMENT WITH CASANET

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

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

ADVANCE ON CURRENT ACCOUNT – CASANET

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

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

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

AGREEMENT WITH THE ROYAL MOROCCAN ATHLETICS FEDERATION (FÉDÉRATION ROYALE MAROCAINE D'ATHLÉTISME / FRMA)

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

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

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DESCRIPTION OF THE GROUP, ITS ACTIVITIES, LEGAL AND ARBITRATION PROCEEDINGS

4.1 Description of the Group

4.1.1 Overview

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

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

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

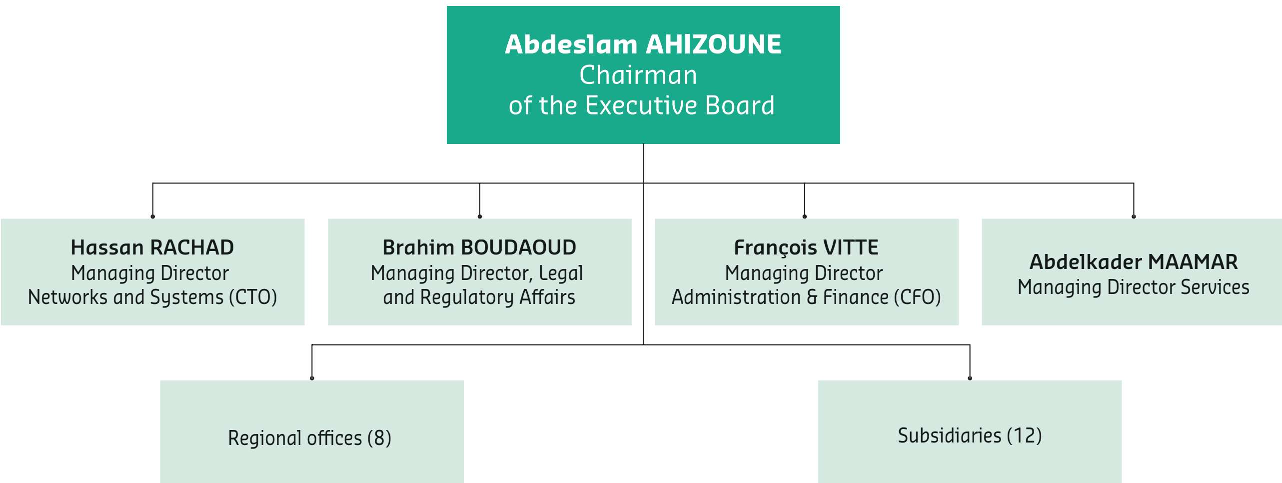
In addition, Maroc Telecom owns 100% of Casanet, a leading Internet service provider in Morocco and host of the menara.ma web portal.

Maroc Telecom announced the creation of its MT Cash subsidiaries in 2020. In June 2020, the latter launched its Mobile Money solution, available for download regardless of the customer's telecom operator.

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

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

The Maroc Telecom Group's organizational chart at December 31, 2020, was as follows:



4.1.2 Human resources

Human capital is the backbone of MT Group performance. It is essentially characterized by expertise, know-how and commitment.

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

4.1.2.1 MAROC TELECOM GROUP EMPLOYEES

Group headcount

The tables below illustrate the changes in headcount at Maroc Telecom during the three fiscal years ended December 31, 2018, 2019, and 2020:

	2020	2019	2018
Maroc Telecom	7,204	7,425	7,689
Subsidiaries	2,919	2,997	2,920
GROUP	**10,123**	**10,422**	**10,609**

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

Age and years of service

The average age in the Group is 47.6 years and the average seniority is 21.5 years.

Staff turnover

	2020	2019	2018
Maroc Telecom	0.98	1.17	0.98
Subsidiaries	0.50	1.23	1.28
GROUP	**0.84**	**1.19**	**1.0**

The low staff turnover at Maroc Telecom and its subsidiaries is a testament to employee loyalty.

Breakdown of headcount by area at Maroc Telecom

Year	2020
WORKFORCE	**7,204**
MANAGEMENT	**1,147**
Customer offer	2,318
PRODUCTION	**2,515**
Support	1,224

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

100% of the total workforce are on permanent contracts.

Male/female breakdown

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

32% of executives at Maroc Telecom are women.

Maroc Telecom is committed to equal opportunities and treats its employees equally, without any form of discrimination.

Promotion, assessment, compensation and access to training are unaffected by gender, skin color, religion, political opinions, physical features or any other subjective criterion.

ARRIVALS/DEPARTURES BY REASON AND BY CATEGORY AT MAROC TELECOM

	2020		2019		2018	
	Executives	Non-executives	Executives	Non-executives	Executives	Non-executives
Lay-offs	1	4	1	3	3	7
Resignations	29	39	37	46	35	31
Recruitment	3	85	10	4	7	13

Change in staff compensation

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

(in MAD million)	2020	2019	2018
Maroc Telecom	2,006	2,089	1,857
Maroc Telecom Group	3,005	3,098	2,891

4.1.2.2 PROFESSIONAL DEVELOPMENT

Recruitment

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

Mobility

INTERNAL MOBILITY

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

INTERNATIONAL MOBILITY

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

Skills development

Skills development is a strategic focus of Maroc Telecom's HR policy. It is based on several tools focused on the Company's performance, the professional development of employees and their career progression.

The Annual Performance Appraisal (EAP), which is the central tool on which the other HR processes are based, provides an opportunity for discussion on expected objectives and performance and provides an opportunity to review the employee's expectations and career prospects.

Training

Training is the primary lever for developing skills at Maroc Telecom. As part of the dynamic of digital transformation launched by the company, several training projects have been launched aimed at boosting, strengthening and modernizing provision and content. Thus, a new training structure has been set up under the name "Maroc Telecom Academy". The aim of this structure is to establish a global training system for the development of technical skills, performance and customer satisfaction.

In 2020, within the specific context of Covid-19, the training offered was adapted from the start of the pandemic through the provision of remote modules.

Nearly 580 training sessions were held in 2020, of which 60% were delivered remotely in the form of virtual classes. They have benefited more than 4,200 employees.

Training sessions on remote management and collaborative tools provided employees with methods and best practices during the period of remote working.

To ensure compliance with information security guidelines, particularly with the increasing reliance on remote management, an information security awareness campaign was launched and benefited nearly 2,500 employees. This campaign will be rolled out to all employees.

Today, Maroc Telecom is working to facilitate access to training for all its employees by setting up local hubs dedicated to distance learning, equipped with the materials and accessories necessary for this method of learning.

In order to encourage employees wishing to continue their studies, Maroc Telecom offers a degree program by funding 80% of the tuition fees. Since its launch in 2016, three class groups have completed this program.

In addition to locally-provided training, Maroc Telecom organizes regular seminars, workshops and immersion periods for its African subsidiaries, so that business know-how is aligned right across the Group.

4.1.2.3 FRINGE BENEFITS

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

Marked by the Covid-19 health crisis, 2020 prompted Maroc Telecom to take all the necessary measures, from the start of the pandemic, to preserve the health of its employees, while ensuring continuity of services under the best conditions.

A number of measures have been put in place, such as remote working, awareness-raising, the provision of masks and other medical devices. Employees have access to regular testing.

Benefits

Employees benefit from financial support provided by the company in different forms:

- grants to purchase a means of transport (car or motorbike);
- grants for the Hajj;
- housing loan agreements with several banks to facilitate home ownership. The loan rates are negotiated with the banks and supplemented by Maroc Telecom;
- vacation centers in several Moroccan towns and subsidized vacation packages.

In terms of medical cover, in addition to mandatory health cover, employees are entitled to a number of benefits:

- additional health insurance to improve the coverage of medical costs incurred by employees;
- medical insurance for serious conditions with comprehensive cover in countries which have excellent health and medical care facilities;
- assistance with medical evacuation;
- life insurance for all current and retired employees;
- an annual flu shot campaign;
- a program to help smokers quit.

4.1.2.4 SOCIAL DIALOGUE

	2020	2019	2018
Number of employee representatives	81	81	81
Number of strike days	-	-	-
Corporate lawsuits involving current employees	-	-	-
Number of workplace accidents	52	61	55

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

The year 2020 was characterized by continued dialogue and meetings with both employee representatives and trade unions.

4.1.3 Maroc Telecom's sustainable development policy

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

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

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

4.1.3.1 THE MAJOR CHALLENGES OF THE SUSTAINABLE DEVELOPMENT POLICY AND THE ENVIRONMENTAL POLICY

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

- **bridging the digital divide, whether in geographic or social terms, to make information and communication technologies accessible to everyone in every region**, no matter how remote. Maroc Telecom is making substantial capital expenditures to both extend its networks and connect remote areas, and increase connectivity and speeds. Attentive to people's needs, it creates offers that are in line with their resources and needs;

- **contributing to the social and economic development of the country**; Maroc Telecom is helping to attract investment throughout the regions by rolling out high-speed broadband which is an important economic issue for Morocco. It is committed to offering efficient and competitive services for economic players and supports small businesses by providing tailored services at competitive rates. Maroc Telecom contributes significantly to job creation and is increasing initiatives to foster talent and promote access to education and knowledge.
- **contributing to the well-being of the population**. Maroc Telecom supports several humanitarian initiatives to help those in need, as well as culture and sports;
- **acting as a responsible company**. Maroc Telecom's commitments in this regard are to strengthen the skills and well-being of its employees, maintain transparency and uphold ethical principles in its dealings with customers, suppliers, employees and stakeholders in every sense and to contribute to the protection of the environment.

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

It is structured around the following main objectives:

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

4.1.3.2 NON-FINANCIAL REPORTING

Maroc Telecom introduced non-financial reporting in 2009: more than 120 environmental, social and societal indicators are reported each year, some of which are published.

The employee-related indicators mainly show:

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

Environmental indicators show the environmental impact of the Company's operations (energy, paper and fuel consumption, waste production, CO_2 emissions by source: electricity, vehicle fleet, business trips, etc.) and explain the measures taken to minimize these impacts (use of renewable energies, measures to improve energy efficiency, etc.)

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

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

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

The environmental indicators concern Maroc Telecom.

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

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

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

In 2014 Maroc Telecom obtained the CSR Label from the Confédération Générale des Entreprises du Maroc (CGEM). The label shows that Maroc Telecom's commitments comply with universal principles of social responsibility and sustainable development in line with objectives from the CGEM charter of corporate social responsibility. The charter meets Moroccan legal requirements, complies with the standards, agreements and recommendations of international organizations such as the UN, ILO and OECD, and is in line with the guidelines of ISO 26,000.

Continuing its ongoing progress in the field of sustainable development, early 2017, Maroc Telecom had an independent third-party expert carry out its first CSR audit under the globally acknowledged framework: ISO 26,000.

Maroc Telecom has held the Vigeo-Eiris 26,000 certification since 2017 (Vigeo-Eiris is a leading European non-financial analyst) with an "Advanced" score, which is the highest level on the consultancy's ratings scale.

The certification is granted and then renewed every 18 months after an audit which measures compliance with the commitments under ISO 26,000 as well as progress made. The results confirmed the continued implementation of CSR practices and the inclusion of CSR in the Company's policies and growth strategy.

4.1.3.4 A GROUP THAT LISTENS TO ITS STAKEHOLDERS

The Maroc Telecom Group takes into account the expectations of each of its stakeholders in the countries where it operates. It engages in constructive dialogue in those countries.

Dialogue with regulatory authorities

The telecommunications sector is regulated in Morocco and in the countries where the Group's subsidiaries operate by regulatory authorities. The main objectives of this are to ensure regulatory compliance and fair competition between operators to ensure the smooth development of the industry. Maroc Telecom and its subsidiaries are in regular and permanent dialogue with regulators, providing them with all the necessary information.

Communication with shareholders and investors

Every year Maroc Telecom, listed on the Casablanca and Paris Stock Exchanges, publishes a Registration Document that can be viewed and downloaded on its website, which contains detailed information on the Group's operations, financial position and outlook.

The Company's reports to investors and financial analysts as well as its press releases are also available online.

Onatel is listed on the Abidjan Regional Stock Exchange and regularly distributes detailed and complete information on its operations and earnings.

Since 2009, the Maroc Telecom Group has published a sustainable development report, which provides all information relating to social, employee, environmental and ethics-related actions taken.

The Group has published a report since 2011, which combines the progress report and sustainable development report and therefore provides all information relating to its economic initiatives and actions to support development. It shows how important social, employee and environmental-related challenges are to the Group's performance and value creation. This integrated report, which can be viewed on the Maroc Telecom website, is intended for all stakeholders and reflects the Group's desire to transparently share its commitment to ongoing progress.

Participation in civil society initiatives

Aware of its responsibility as a leading economic and social player, the Group plays its part in civil society initiatives.

Maroc Telecom and its subsidiaries are actively engaged, through lasting partnerships, with various foundations and associations. Maroc Telecom is particularly involved in humanitarian programs with the Mohammed V Foundation for Solidarity and the protection of natural environments with the Mohamed VI Foundation for Environmental Protection.

The Maroc Telecom Group's subsidiaries support associations that work for the human development and well-being of local communities and also provide support for humanitarian causes, health, education and protection of the environment.

Attentive to employees

The Maroc Telecom Group brings out the best of its human capital, through training programs and measures to promote employee well-being. Maroc Telecom has a collective bargaining agreement which addresses aspects relating to human resources management and labor relations.

Maroc Telecom ensures that regular and high-quality social dialogue with employee representatives in the eight regional offices and central services at headquarters are set up and maintained (refer to section 4.1.2 Human Resources).

Respecting consumers' interests

In order to maintain their trust, the Maroc Telecom Group is committed to ensuring its customers even greater transparency, in particular with regard to pricing terms and conditions, on issues relating to the protection of health in mobile telephony and personal data protection.

The Customer Commitment Charter formalizes and recalls the regulations on how to treat customers (welcoming and listening to them, protection of personal data, etc.) but also on information concerning the general and specific conditions of offers.

Maroc Telecom has set up a complete personal data protection system which has been ISO 27001 certified.

Maroc Telecom keeps close watch over health issues related to Mobile telephony and engages in constructive dialogue with local residents and customers who want to be better informed. In addition to tests carried out by the regulator, Maroc Telecom conducts its own annual surveys to measure the intensity of electromagnetic waves near relay masts. In 2020, measurements were taken at almost 540 sites. The results showed that all sites met international standards.

Maroc Telecom gives its customers the opportunity to express their opinion, through surveys, with respect to the quality of its telecommunications products and services as well as that of its pre-sales and after-sales services (customer welcome, advice, processing requests and complaints, billing, etc.). To evaluate and assess the mobile service quality offered by its networks, Maroc Telecom also performs technical measurements in the field. A field monitoring system has also been put in place to improve continuous responsiveness to customers and to understand and report their expectations. All of the results are used to make improvements.

Maroc Telecom has implemented several activities to protect the public from risks linked to the use of new technologies, with a special focus on young people. Maroc Telecom's content is therefore carefully selected; Maroc Telecom's Facebook page is moderated and a parental controls service is offered to parents, enabling them to protect and support their children in their various digital uses: management of screentime, content filtering, monitoring of web browsing, social media, etc.

Maroc Telecom also offers a number of services to help consumers protect their data and user history, such as: the SMS Antispam service, which blocks unsolicited text messages (which may come from malicious networks); the Internet Security Pass to protect devices against malicious programs, viruses, information theft and, in the event of loss or theft, to remotely locate, lock and delete data on the device, the "Data Center Hosting" service which offers companies a secure physical infrastructure (24 hours a day, seven days a week) to host their IT equipment, the "MT Cloud" offering highly secure virtual servers, the "DDOS Security" service and "Web & email security" service, to protect against cyberattacks and online threats.

Responsible practices with economic partners

Economic partners represent real drivers for the Maroc Telecom Group, both from the point of view of economic growth and local employment and the values to which the Group is committed. The Group is therefore committed to establishing fair and constructive relationships with its suppliers, distribution networks and subcontractors. The recruitment of suppliers is completely transparent according to a clear procedure. Distribution networks benefit from the fair sharing of costs and earnings with Maroc Telecom as well as regular training initiatives.

Since 2010, "sustainable development" clauses have been included in all supplier agreements. These clauses cover respect for fundamental human rights and labor rights as well as commitments relating to environmental protection and anti-corruption measures.

Since 2012, Maroc Telecom's Internal Audit Department has performed annual supplier audits to verify compliance with these clauses.

Since 2014, a charter of these same principles has been deployed with Maroc Telecom distributors and "Full Image" retailers.

Since 2015, it has included the distributors and "Full Image" retailers within the scope of the audits.

At end 2020, 87 audits had been conducted with 82 partners.

Regular information to rating agencies

Maroc Telecom has been included in the non-financial rating by Vigeo-Eiris of over 40 companies listed on the Casablanca stock exchange since the initiative was launched in Morocco in 2011. To date, Vigeo-Eiris has conducted seven assessments: in 2011, 2013, 2015, 2017, 2018, 2019 and 2020. At the end of each of these assessments, Maroc Telecom has always been declared a "Top CSR performer" by Vigeo-Eiris.

For the seventh time in a row, Maroc Telecom was named "Top CSR Performers for 2020" having ranked among the highest performers.

Maroc Telecom also kept its place on the "Casablanca ESG 10," which was launched in September 2018 by the Casablanca Stock Exchange. It ranks the 10 stock exchange listings with the best ESG (environmental, social and governance) ratings as awarded by Vigeo Eiris.

Furthermore, in 2020 Maroc Telecom remained on the Emerging Market 70 list for the sixth consecutive year. This ranking lists the companies with the best corporate social responsibility practices in emerging or developing countries as selected by Vigeo-Eiris.

4.1.3.5 CONTRIBUTION TO BRIDGING THE DIGITAL DIVIDE

Opening up remote areas

Maroc Telecom has always been committed to reducing the digital divide and deploying its infrastructure even in the most remote areas. As part of the Pacte universal service program launched in 2008 to provide telephone and Internet access services to all white areas in Morocco, Maroc Telecom covered 7,300 white areas, representing a contribution of nearly 80% to this program. Outside the Pacte, Maroc Telecom also covered 20,000 other localities.

At the end of 2020, Maroc Telecom will provide voice and data coverage for 99% of the population.

Maroc Telecom's subsidiaries also participate in efforts to open up remote areas and cover isolated localities each year. In 2020, nearly 180 localities with previously no access to voice and/or data services were served in Benin, Burkina Faso, Chad, Côte d'Ivoire, Gabon, Mali, Mauritania, Niger and Togo.

Massive investments and large-scale infrastructure projects to strengthen territorial connectivity

Maroc Telecom has carried out major fiber optic cable construction projects on its own account:

- the Atlas Offshore submarine cable, between Morocco and France, and the Loukoss submarine cable, between Morocco and Spain;
- the Transafricain, a land cable from Morocco to Burkina Faso and Niger, via Mauritania and Mali, which increases the connectivity of the countries it crosses, and a new international fiber optic submarine cable "West Africa" (construction in progress). By increasing the connectivity of the countries they serve, these cables are helping to sustainably reduce the digital divide in Africa.

Diversified services to democratize access to telephony and the Internet and facilitate digital uses

Maroc Telecom is multiplying initiatives to meet the needs of all and to generalize and promote the use of digital technology.

A few examples: top-ups starting at MAD 5, post-paid with no commitment starting at MAD 59 per month, offers adapted to the needs of young people such as the "Facebook Flex" service, which allows users to stay connected when their Internet account balance runs out, innovative offers to enable them to benefit from the latest and most advanced digital uses worldwide (e.g., connected devices).

Initiatives to roll out and promote digital uses continued in 2020 with the introduction of numerous digital services such as the online store for the purchase of Mobile, Box 4G, ADSL and FTTH plans with secure payment and free delivery, and the WhatsApp assistance service, allowing customers to perform a wide range of operations on their lines and connections, such as checking their balance, top-ups, converting their balance or viewing and paying bills.

A pioneer in the introduction of on-demand content, Maroc Telecom continues to enrich the content of its services to meet the needs of all, and to promote access to culture and entertainment (music streaming and on-demand video services, plus other multimedia content: games, apps, etc.). In 2020, Maroc Telecom introduced the Maktabati service, an online library for children aged three to fifteen, comprising more than ten thousand books in Arabic, French and English (novels, audiobooks, comics, teaching tools).

4.1.3.6 CONTRIBUTION TO THE ECONOMIC AND SOCIAL DEVELOPMENT AND THE WELL-BEING OF POPULATIONS

Support for business creation and employment

Maroc Telecom supports the integration of new technologies within start-up companies by offering them preferential prices on telecoms products.

Maroc Telecom's investments and activity have a favorable impact on job creation: Maroc Telecom is the source of nearly 104,000 indirect jobs in Morocco and more than 930,000 in all countries where the Group is located: retailers, subcontractors, telephone shops, etc.

Support for education and training

Maroc Telecom is committed to supporting young people who are a major part of Morocco's human capital and a driver of its development. It is increasing actions to facilitate their access to learning so that they can expand their knowledge.

The "MOSSANADA" Association (formerly the Maroc Telecom Association for Business Creation and Employment Promotion "MT2E") has to date supported more than 720 bright young people from modest families in pursuing higher education in Morocco or abroad, by awarding them scholarships for five academic years.

Maroc Telecom is the leading contributor to national measures seeking to integrate ICT into education and vocational training.

Under the Injaz Program, Maroc Telecom offers innovative products that so far have provided mobile broadband Internet access as well as laptops and tablets at competitive prices to over 88,600 students.

Maroc Telecom also continued its involvement in the Nafida@ Program under which almost 311,200 teachers have obtained Internet access at discounted prices.

Maroc Telecom is therefore contributing 69% and 71% to the Injaz and Nafid@ programs respectively.

In partnership with the French Ministry of Education through its subsidiary Casanet Maroc Telecom has set up a solution providing free Internet access to digital educational resources available on a distance-learning platform; Maroc Telecom has also enabled free access to this content for pupils, students and teaching staff via its 3G and 4G networks, as part of the national mobilization to fight against the spread of the coronavirus (Covid-19) and guarantee continuity of learning.

Large-scale investments to improve infrastructure

Maroc Telecom is continuing to roll out high-speed broadband. This is an important economic issue for Morocco and a key factor in attracting investment throughout the country, enabling firms to be more competitive and harnessing technology to develop new services.

Maroc Telecom is continuing the roll-out of its 4G+ Mobile network and its FTTH (Fiber To The Home) network, which is now available in all big cities across Morocco. Investments in 2020 also related to mobile coverage extensions and infrastructure upgrades to support the growth in usage.

Maroc Telecom is the first operator to launch a "Broadband Internet via VSAT satellite" offer in 2017, with full coverage of Moroccan territory.

Embracing humanitarian causes

Because it is important to promote solidarity for inclusive, fair and sustainable development, Maroc Telecom is engaged with a number of national foundations and associations that perform humanitarian actions to benefit those who are sick or economically disadvantaged, including the Mohammed V Foundation for Solidarity, the AIDS association (ALCS) etc.

The Company also supports children's charities and organizations, such as the Moroccan Down Syndrome Association, the National Institute for Children's Rights, and the Lalla Asmaa Foundation for Deaf Children.

Each year, Maroc Telecom also contributes to the United Nations global campaign against violence against women by relaying awareness-raising messages to the general public on its information channels.

Supporting culture and sports

For several years, Maroc Telecom has supported art and culture, essential elements for the individual and collective development of populations, in many areas: music, cinema, theater, books, painting, etc.

Maroc Telecom contributes to the preservation of the Kingdom's cultural heritage. It supports the Foundation for the Safeguarding of Cultural Heritage in Rabat, which monitors heritage, promotes synergy between stakeholders involved in safeguarding and works to raise awareness, promote and assess the state of conservation of the heritage of Rabat, notably through the "Rabat City of Light, Moroccan Capital of Culture" program.

Maroc Telecom has also taken part in numerous initiatives to promote heritage, such as the digital preservation of the heritage of the National Library of the Kingdom of Morocco and the publication of books that relay the story and culture of Morocco.

Maroc Telecom also supports the "Tairi N'Wakal" Association in organizing cultural and social events for the Amazigh new year.

Maroc Telecom supports initiatives that aim to showcase the African continent, by promoting its own artists, such as the "Laughter Africa" festival, the first festival to bring together African comedians from Morocco and other countries in a tour across the continent.

In 2020, Maroc Telecom was a partner of the "Les Impériales" event, which brings together all players in the communication, media, marketing and digital sectors to discuss and promote Moroccan advertising and media culture.

Given the health context linked to the Covid-19 pandemic, Maroc Telecom had to cancel its beach festival like other cultural and artistic events that had to be postponed.

The Maroc Telecom auditorium, with a capacity of 600, was designed to be modular and flexible so that it could host a wide variety of events, including conferences, concerts, shows and film screenings. By opening it to the public, Maroc Telecom underscores its commitment to fostering cultural diversity and universal shared access to culture. Since its inauguration in June 2013, the auditorium has already hosted numerous events.

The Maroc Telecom museum, Morocco's first technological museum, traces the history of the telecom sector; it helps to preserve the nation's cultural heritage and gives current and future generations the opportunity to discover new developments in telecoms technologies in Morocco. Open to the public and with free admission, it arranges regular fun and educational guided tours for children. The museum has tools for those with specific needs, to provide a cultural space that is accessible to all. In 2020, the museum implemented rigorous health measures to continue to accommodate the public in the best conditions and ensure the safety of visitors: mandatory masks, social distancing, provision of hydro-alcoholic gel, pre-booking onto guided tours of groups of more than five people, etc.

For years Maroc Telecom has supported Moroccan sport, which is emblematic of national values and a means of boosting the country's economy. It has forged a long-term partnership with the Royal Moroccan Athletics Federation, of which it has been an official sponsor since 1999, and supports other disciplines: equestrian sports, golf, tennis, motor sports, water sports and so on and at many sporting events. The health context linked to the Covid-19 pandemic has led to the cancellation of almost all sporting events in the Kingdom since March 2020.

Developing talent

Maroc Telecom helps to support and develop talent, thereby helping to increase their participation in social and cultural life and in economic and social development.

Maroc Telecom has created the "Startup Challenge" program dedicated to start-ups with technological innovations.

The aim of this program is to develop of talent that is capable of meeting the challenges of digitization in various strategic areas, including health, education, agriculture and the smart city.

This initiative consists of supporting startups with very high potential in bringing their projects to fruition, by providing financial assistance to the best innovations.

In addition, Maroc Telecom has been a partner of the Mohammed VI Soccer Academy since 2007. The Academy provides high-level training and contributes to the preparation of professional players.

4.1.3.7 CONTRIBUTION TO ENVIRONMENTAL PROTECTION

Control of the environmental impacts of the Company's operations

Maroc Telecom's environmental policy is based on several commitments both to reduce the environmental impact of the Company's activities and to mobilize, alongside civil society, to meet great environmental challenges.

Maroc Telecom has set up a system to assess its environmental compliance: a reference framework of applicable national regulations and best practices in the sector and audit grids to regularly measure compliance and environmental performance and identify improvements.

In 2020, Maroc Telecom carried out the first carbon assessment of its activities.

These initiatives make it possible to identify all the impacts of the Company's operations on the environment and to strengthen measures to control them. The main impacts relate to the use of energy, waste production and visual pollution.

Maroc Telecom carries out numerous actions to reduce the impact of its business on the environment.

- it uses renewable energy sources, in particular to supply remote technical sites;
- it optimizes its consumption of fossil fuels (electricity, fuel);
  - an extensive awareness campaign involving all employees (*Éco Gestes*),
  - Maroc Telecom requires equipment with high energy performance from its suppliers, deploys recent technologies to optimize electricity consumption (such as Single RAN or free-cooling) and implements energy-saving features at its sites,
  - the Maroc Telecom Tower was designed for reduced energy consumption and optimized water management: reduced energy consumption through centralized management (blinds, air conditioning, lighting, etc.), a double-skin facade, the installation of occupancy detectors and specific glazing to reduce the need for artificial lighting; optimal water management through rainwater harvesting to irrigate outdoor spaces, timed-flow taps with infrared detection, filtering of kitchen wastewater,
  - Maroc Telecom is reducing its fuel consumption. By using operational leases, Maroc Telecom regularly renews its fleet and benefits from ever newer vehicles that consume less fuel and pollute less, thanks to technological advances made in engine technology;
- with a view to preserving the beauty of the natural landscape, Maroc Telecom uses mobile phone masts that are appropriate to the surrounding environment (for example, masts that resemble a palm or pine tree). It also uses equipment, materials and other techniques (painting, disguising antenna to look like palm fronds, concealed base transceiver stations) to make its mobile sites as unobtrusive as possible;
- Maroc Telecom implements the necessary actions to treat and recover each type of waste in accordance with applicable regulations and best industry practices. A procedure sets out the rules and conditions for the storage, disposal and treatment of waste by type with qualified and authorized bodies as well as the procedures for tracking waste;
- Maroc Telecom is continuously improving the use of paper and resources, particularly for the marketing of products and services: diversification of paperless payment methods for the purchase of mobile communications credits, online billing, reduction of the size of the SIM card wallet and holder to optimize the use of paper and plastic, etc. Maroc Telecom is continuing its policy of paperless communications, favoring digital communication: on-screen displays in Maroc Telecom stores, sending newsletters via digital channels, SMS campaigns, etc.

Raising awareness of environmental protection

Maroc Telecom raises its employees' awareness of environmental and sustainable development issues:

- training on sustainable development issues has been provided since 2009;
- an "Eco-gestures" guide has been rolled out to employees and is available on the intranet; it provides information on environmental issues and impacts related to the consumption of electrical energy, paper and fuel and encourages employees to adopt environmentally responsible behavior at work through simple acts;
- an eco-driving charter has also been rolled out to employees, with recommendations to use when in their vehicle in order to save energy and pollute as little as possible.

Maroc Telecom supports and participates in several civil society initiatives to raise citizens' awareness of environmental protection and help address major environmental issues.

Maroc Telecom participates in the Voluntary Carbon Offsetting Program of the Mohammed VI Foundation for the Protection of the Environment. Each year, it offsets part of its irreducible greenhouse gas (GHG) emissions by participating in the financing of GHG sequestration projects such as equipping rural schools with solar energy and organizing awareness-raising activities, including the development of teaching guides for environmental education.

Maroc Telecom takes part in the Foundation's Clean Beaches program every year; it carries out cleaning and improvement work on the Kingdom's beaches, as well as awareness-raising initiatives aimed at seasonal tourists on social media.

Maroc Telecom contributed to the creation of the Anaboundif platform, set up by the Mohammed VI Foundation for the protection of the environment; the platform is open to all and helps people understand and act on environmental issues around the world and in Morocco.

Maroc Telecom also contributed to the construction of the Environmental Protection Awareness Center and provides operational support.

Maroc Telecom participates in the international action "Earth Hour," an hour to raise awareness of climate change. For one hour, the facade of the Tower is switched off, as well as the building's signs and all non-essential lights and appliances. On this occasion, Maroc Telecom is mobilizing its employees by inviting them all to participate in this global momentum.

4.1.3.8 OBJECTIVES FOR 2021

In 2021, the Corporate Social Responsibility policy will be strengthened. The scope of the reporting will be extended to new social indicators in the subsidiaries. In particular, projects will continue to include waste management, the integration of mobile towers into the landscape, the reduction of energy consumption and the promotion and assessment of corporate social responsibility (CSR) with suppliers.

Maroc Telecom environmental indicators

Electricity used (thousands of KWh): 584,783

- Waste Electrical and Electronic Equipment (WEEE) (Kg): 163,890
- Fuel used (generators) (L): 10,303,732

Total Maroc Telecom CO_2 emissions (kg CO_2): 469,819,454 [(1)]

- CO_2 emissions from mobile usage (t CO_2 eq)
  - Gasoline: 38
  - Diesel: 9,052
- CO_2 emissions from fixed-line usage (t CO_2 eq)
  - Electricity: 421,336
  - Other sources: 39,264
- CO_2 emissions from business travel (t CO_2 eq)
  - Train: 26
  - Air: 103

The Group's employee performance indicators

- Workforce: 10,123
- Female employees: 2,728
- Male employees: 7,395
- Percentage of female managers: 32%

The Group's societal indicators

Regional, economic and social impact:

- Indirect jobs created by the Group: over 930,000 jobs. Almost 104,000 in Morocco and over 827,000 in the countries of the subsidiaries;
- 74% of Maroc Telecom's purchases were made with local suppliers;
- Remote rural municipalities covered during the year: 67 in Benin, 31 in Burkina Faso, 3 in Côte d'Ivoire, 21 in Gabon, 15 in Mali, 23 in Mauritania, 1 in Niger, 10 in Chad and 5 in Togo.

Consumer health and safety

- Number of electromagnetic field measurements (Maroc Telecom): almost 540.

(1) Emission Factors of the Carbon Base Morocco

4.1.4 Real estate holdings

Maroc Telecom runs its networks and its retail, support and administrative operations from more than 8,390 sites, (buildings, land, etc.) throughout Morocco, of which approximately 87% are leased and 13% are owned by the Group. These facilities are primarily sites historically owned by the Kingdom of Morocco which were legally transferred to Maroc Telecom at the time of its incorporation in 1998 in accordance with Law 24-96 through a contribution in kind. Maroc Telecom is in the process of obtaining formal legal title to these sites.

The registration rates for the sites on which Maroc Telecom holds property rights are 97.97% composed of the following:

- 87.45% of the sites have a deed in the name of Maroc Telecom;
- 10.51% of the sites are being requisitioned from land conservancies.

Requisition is a claim to a property right. It is issued by the land registrar once the application for land registration has been made. It becomes a property title after completion of the regulatory administrative formalities.

The outstanding sites to be registered (2.02%) are broken down as follows: 11 sites in the process of being regularized, including one site in the advanced stage of registration and 11 sites in dispute.

There are 41 other sites over which Maroc Telecom does not have ownership rights:

- 36 sites are being expropriated;
- 5 sites are under dispute.

The disputed sites and those subject to expropriation mainly concern land belonging to the private domain of the State and to municipalities, the regularization of which is subject to an administrative procedure, as well as private land lacking proof of ownership.

The estimated costs of these transactions (e.g., payment of land-registration fees) and/or the potential financial risks likely to arise from any dispute over the legal title of ownership are deemed to be insignificant in relation to the total value of the real estate assets registered in the name of IAM.

A similar process is taking place at Maroc Telecom's sub-Saharan subsidiaries.

4.1.5 Intellectual property, research and development

At December 31, 2020, Maroc Telecom owned some 872 trademarks and brand names, five patents, four industrial models and two industrial designs registered with the Moroccan Office for Industrial and Commercial Property (OMPIC).

Itissalat Al-Maghrib, Maroc Telecom, Jawal, El Manzil, Kalimat, Menara, Fidelio, the Maroc Telecom pages jaunes (yellow pages), Mouzdaouij, Solutions Entreprises, Phony, Mobicash and Moov Africa are among the main trademarks and brand names owned by the Group in Morocco.

The trademarks and brand names currently owned by Maroc Telecom are protected throughout Morocco. For the 285 trademarks registered prior to December 18, 2004, when Law 17-97 concerning the protection of industrial property rights took effect, the patent protection period is 20 years, renewable indefinitely; for the 587 trademarks registered after this date, the patent protection period is 10 years, also renewable indefinitely.

Since 2006, in order to protect its industrial and intellectual property rights abroad, Maroc Telecom has extended the protection of 25 of its trademarks, including Mobicash and Nomadis, to France, Benelux, Germany, Spain, Portugal, Italy, Algeria, the European Union and the African Intellectual Property Organization.

Moreover, when it acquired new subsidiaries in January 2015, Maroc Telecom also acquired the title to trademarks registered with the African Intellectual Property Organization (OAPI) and in select African countries, notably Angola, Rwanda, Burundi and Gambia.

These consist of the Moov trademark and a few Moov-derived trademarks.

In 2020, under plans to create a shared visual identity for its African subsidiaries, Maroc Telecom registered a number of brands with OAPI adopting its logo under the new name Moov Africa.

In addition, Maroc Telecom is committed to taking all necessary and appropriate measures to protect the trademarks, patents and industrial models it has developed.

The rights to use the trademarks and brand names granted to Maroc Telecom are described in the service agreements signed with its contractors. Certain contracts for the sale of services or products grant retailers the right to use Maroc Telecom's trademarks for the term of the agreement, in accordance with the procedure agreed on by the parties.

4.2 Description of activities

4.2.1 Morocco

GLOBAL OPERATING ENVIRONMENT

Key macroeconomic indicators

	2020	2019	2018
Population *(in thousands)*	35,952	35,587	35,220
GDP per capita *(in USD)*	3,121.38	3,345	3,336
GDP growth *(in %)*	-7.0	2.7	3.0
Inflation *(in %)*	0.2	0.7	2.0

Source: IMF (October 2020).

Operating environment

The Moroccan telecommunications market is made up of three operators which offer their customers a wide range of services covering Fixed-Line and Mobile communications, data transfer, and other value-added services.

The Mobile market has entered a phase of maturity, with the speedy roll-out of Mobile telephony leading to an almost universal adoption of this service in both urban (99.8%) and rural (99.7%) households.

The decreasing trend in fixed lines observed worldwide also affects the Moroccan market, the number of fixed residential lines having fallen 8.2% over the last six years.

Internet services are becoming more popular and they are gradually reaching rural areas.

Source: ANRT

COMPETITIVE ENVIRONMENT AND EXISTING OPERATORS

At December 31, 2020, a total of 25 telecommunications licenses had been awarded in Morocco.

The telecommunications market by operator and type of service is summarized below:

Technology	Number of licenses	Operator
Fixed lines	3	Maroc Telecom Medi Telecom Inwi
Mobile (2G)	3	Maroc Telecom Medi Telecom Inwi
Mobile (3G)	3	Maroc Telecom Medi Telecom Inwi
Mobile (4G)	3	Maroc Telecom Medi Telecom Inwi
GMPCS	4	SOREMAR ORBCOMM Maghreb European Datacomm Maghreb Al Hourria Telecom
VSAT	6	Spacecom Cimecom (Nortis) Gulfsat Magrheb Maroc Telecom Wana Corporate (with restricted mobility) Société d'Aménagement et de Développement Vert (SADV)
3RP	3	Cires Telecom Moratel Société d'Aménagement et de Développement Vert (SADV)

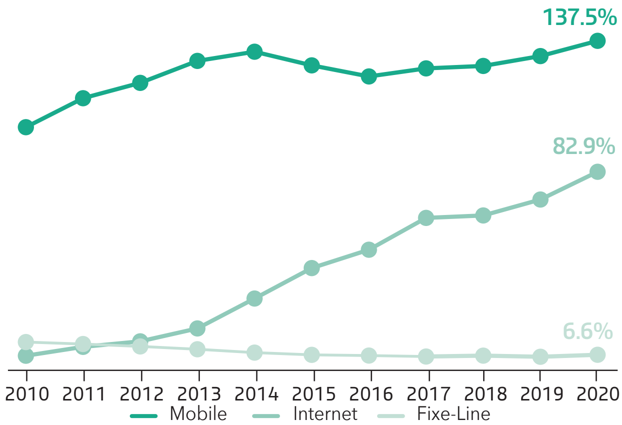
Source: ANRT

Maroc Telecom's principal competitors are as follows:

- Medi Telecom (Meditel), holder of a Mobile license since August 1999, renamed Orange Maroc on December 8, 2016. Orange Maroc is 49% owned by the Orange Group, 25.5% by FinanceCom, and 25.5% by CDG;
- Wana, in which SNI Group holds a 69% stake, with the remaining 31% held by the consortium composed of Al Ajial Investment Fund Holding and Zain Telecommunications Group.

KEY INDICATORS FOR THE MOROCCAN TELECOMMUNICATIONS SECTOR

CHANGE IN MOBILE, FIXED (INCLUDING RESTRICTED MOBILITY) AND INTERNET PENETRATION IN MOROCCO FOR THE PERIOD 2010-2020



Source: ANRT

The mobile penetration rate reached 137.5% at the end of December 2020.

The Fixed-Line penetration rate is currently 6.6%, up as a result of the increase in the customer base.

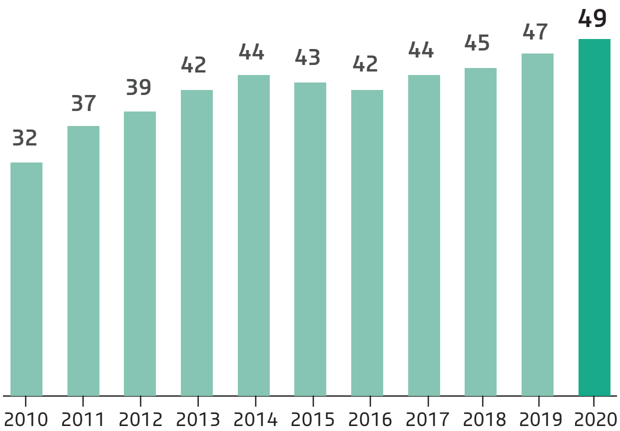
The Internet market continued its strong growth, driven by Mobile Internet and the ADSL Double Play package, with the penetration rate going from 6% in 2010 to 82.9% at the end of December 2020.

CUSTOMER BASE TRENDS

MOBILE TELEPHONY SEGMENT

MOBILE CUSTOMER BASE IN MOROCCO, 2010-2020

(in millions of customers)



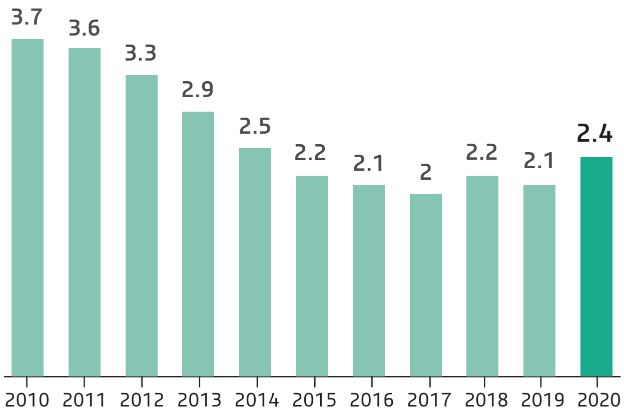
Source: ANRT

The Mobile telephony market is dominated by prepaid customers, who represent 89% of the total customer base. At end-December 2020, there were a total of 49 million Mobile customers.

FIXED-LINE TELEPHONY SEGMENT (INCLUDING RESTRICTED MOBILITY)

FIXED-LINE CUSTOMER BASE IN MOROCCO, 2010-2020

(in millions of customers)



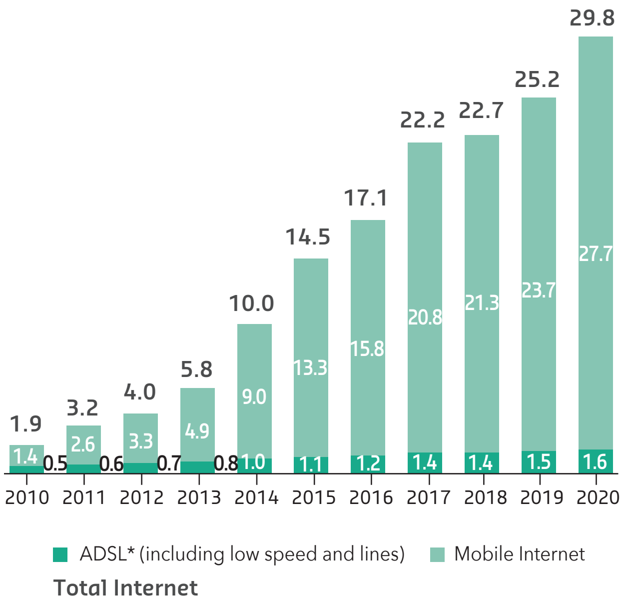
Source: ANRT

Until 2010, the Fixed-Line market enjoyed steady growth from the introduction of restricted-mobility offers. Since 2010, the Fixed-Line market has been in steady decline owing to deep price cuts in the Mobile segment. The wired Fixed-Line market increased slightly in Q4 2020, thanks to a strong performance by ADSL services, particularly Double Play.

INTERNET SEGMENT

INTERNET CUSTOMER BASE IN MOROCCO, 2010-2020

(in millions of customers)



Source: ANRT

Growth in the Internet market has gathered pace since 2008, mainly because of the introduction of Mobile Internet offers that expand Internet access at increasingly lower prices, as well as the launch in 2012 of ADSL Double Play plans to revive the Fixed-Line and Internet market. At the end of 2020, there were 29.8 million Internet customers, including 28 million Mobile Internet customers (93.8% of the customer base).

4

4.2.1.1 MOBILE TELEPHONY

Market and competitive environment

In a mature market characterized by intense competition and a tougher regulatory environment, Mobile telephony in Morocco features generous call plans, repeated and aggressive promotional offers and more targeted marketing efforts to build customer loyalty, increase usage and win new customers.

To boost growth in this segment, call plans are often combined with data, whose usage is growing rapidly thanks to the accessibility of smartphones and the introduction of mobile broadband.

Years in which mobile technologies were launched on the market by three operators

	Maroc Telecom	Orange Morocco	Inwi
GSM 2G	1994	2000	2010
GPRS	2002	2004	2010
MMS and GPRS roaming	2004	2006	2010
3G	2008	2008	2008
4G	2015	2015	2015
VSAT	2017	-	2017

Mobile market share over the past three years

Market share	2020	2019	2018
Maroc Telecom	39.40%	42.92%	42.54%
Orange Morocco	34.54%	34.06%	34.55%
Inwi	26.06%	23.02%	22.91%

Source: ANRT

Despite the challenging competitive environment, Maroc Telecom has remained the market leader in the Mobile segment. In December 2020, Maroc Telecom had a market share of 39.4%, compared with 34.54% for Orange Morocco and 26.06% for Inwi.

PREPAID MOBILE SEGMENT

Maroc Telecom is continuing to promote call and data bundles with its Jawal Passes.

Maroc Telecom continues to offer innovative services to its customers, such as the new Switch balance conversion service, which gives Jawal customers the freedom and flexibility to convert their Call credit to data or vice versa, depending on their requirements.

2020 was marked by the launch of the new “All in One” Pass *5 which adapts to customer use and habits and can be used to make domestic and international calls, send SMSs and connect to the Internet.

Market share in the Mobile prepaid telephony market over the past three years

Market share	2020	2019	2018
Maroc Telecom	39.10%	42.31%	41.80%
Orange Morocco	35.28%	34.74%	35.03%
Inwi	25.62%	22.95%	23.17%

Source: ANRT

POSTPAID MOBILE SEGMENT

Maroc Telecom is continuing to focus on customer loyalty by offering a full range of low-cost plans combining data and voice services, as well as an unlimited plan offering customers everything they need at a competitive rate.

Market share in the Mobile postpaid telephony market over the past three years

Market share	2020	2019	2018
Maroc Telecom	41.83%	48.37%	50.29%
Orange Morocco	28.62%	28.02%	29.53%
Inwi	29.55%	23.61%	20.18%

Source: ANRT

Maroc Telecom has continued to focus on controlled and Liberté plans to meet the needs of two customer segments: call-focused customers and data-focused customers.

Telecom has enhanced its range of basic Mobile Packages for the Business and Professional Mobile segment, introducing additional voice and 4G+ data volumes free of charge. Thus, the 4H +2 GB plan now offers 5H +5 GB of 4G + Internet in addition to the unlimited intra-fleet with no change to the price (MAD 72 incl. Tax).

In Mobile Internet, there have been regular promotions on the 4G Wifi Box and there is a package combining unlimited Internet access and a minutes allowance from MAD 199 incl. tax per month. Once the limit has been reached, the connection is not interrupted. The customer can continue having unlimited Internet access at a lower speed but with a good QoE (Quality of Experience).

The Box Wi-Fi 4G offer (offering more generous volumes of up to 90 GB and more talk time, up to three hours of international and domestic calls) was also opened to the Business segment to facilitate access to the new remote working patterns dictated by the Covid-19 crisis.

Performance

Principal mobile performance indicators

	2020	2019	2018
Sales – Mobile *(in MAD million)*	13,351	14,276	13,966
Mobile customers *(in thousands)*	19,498	20,054	19,062
o/w postpaid	2,317	2,302	1,993
Blended ARPU *(in MAD/customer/month)*	54.3	58.3	59.6

Mobile sales at end-December 2020 in Morocco fell 6.5% compared to December 2019 to MAD 13,351 million.

Maroc Telecom's total active customer base at the end of December 2020 fell by 2.8% to almost 19.5 million customers. However the postpaid customer base recorded marginal growth of 0.7%. The mixed ARPU at end-December 2020 was MAD 54, down 7%.

PREPAID MOBILE SEGMENT

Prepaid plans have become more popular thanks to the accessibility of data with SIM card packs and pass credits and promotions launched by Maroc Telecom on top-ups and calls to boost consumption and customer loyalty.

Maroc Telecom's active prepaid Mobile customer base fell at end-December 2020 (down 3.2% vs. December 2019), to 17.2 million customers.

POSTPAID MOBILE SEGMENT

The postpaid Mobile customer base rose 0.6% at end-December 2020 to 2,317 thousand customers. This positive change reflects the availability of affordable plans providing easy access to postpaid plans for customers migrating from prepaid mobile.

MOBILE INTERNET

Today, the Mobile Internet customer base stands at 11 million customers, down by 6% compared to December 2019.

Average per customer data usage increased by 11% at the end of December 2020.

Mobile offers and services

PREPAID PLANS

Maroc Telecom markets its prepaid plans under the Jawal brand. Prepaid plans are aimed primarily at the consumer market, which demands affordable SIM-only offers with frequent promotions on top-ups and calls. Maroc Telecom's prepaid plans are sold in the form of packages (handset and SIM card) and SIM card packs (SIM only) with a single price for calls to all national operators (MAD 0.07 incl.tax per second and MAD 0.96 incl. tax per SMS). International call and text rates vary depending on the country and international pricing zone.

- Pay-as-you-go plans are continuously promoted by bonuses (depending on the value of the top-up and the promotional period):

  ongoing x4 offer for all top-ups from MAD 5 and Multiple Top-Up Promotions (alternating depending on the competitive situation: x10 top-up or x12 top-up);
- customers can choose from a wide range of passes:

  pass *1 for texts only, *2 for voice and data, *3 for data, *4 for international calls, *5 for a voice/data package with SMS plus other passes for value-added services, such as *6 for social media access and *8 for data roaming, or *7 for bundled roaming voice, data and SMS.

POSTPAID RATE PLANS

Postpaid rate plans are available to Retail, Professional and Business customers:

- the Retail segment has a range of fixed-rate plans from MAD 59 and unlimited offers from MAD 399:
  - **Liberté basic packages:** comprehensive and affordable plans with domestic and international calls plus data bundles starting at MAD 59,
  - **Mid-range and Premium plans:** range of plans starting at 16 hours of airtime at MAD 159 (incl. tax) for domestic and international calls with a capping option, plus generous data bundles. These plans are also eligible for the Fidelio plan with access to a wide selection of competitively priced handsets,
  - **Unlimited plans:** unlimited domestic and zone 1 international calls, unlimited texts and unlimited mobile Internet depending on the plan;
- Additional paying options are also available: unlimited paying numbers, Mobile Internet pass, Double and Triple Top-Up in addition to the standard plan, SMS Pass, domestic voice pass and international voice pass to all countries;
- the Enterprise segment offers plans allowing a free intra-fleet: Intra-Enterprise plan from 4 hours to DH 72 per month and Optimis plans from MAD 149 per month as well as two unlimited plans from MAD 399 per month offering Unlimited Voice calls and SMS to all domestic operators, international calls and Mobile Internet;
- as for the Professional segment, a diverse range of flat-rate packages similar to the Business Package is available to meet the increasingly demanding business needs of artisans/traders, managers of very small enterprises and self-employed professionals;
- additional offers are also available for topping up when reaching the extra group ceiling, with Jawal top-ups that include ongoing free calls, the possibility of subscribing to voice and SMS passes and international pass to all countries.

MOBILE INTERNET

To guarantee easy browsing for all users of mobile Internet, Maroc Telecom has rolled out 4G+ browsing speed for all prepaid and postpaid Internet plans. In areas not covered by the 3G+/4G+ network, Maroc Telecom's GPRS network provides seamless mobile Internet access.

To continue browsing once the volume ceiling has been reached for postpaid plans, the customers (data + voice) can buy Internet top-ups (5 GB for MAD 50 or 2 GB for MAD 25). These can be held concurrently and any remaining credit can be rolled over to the following month.

Postpaid customers also have a number of volume capped plans depending on usage and from 15 GB at MAD 99 incl. tax per month.

The prepaid mobile Internet plan provides an Internet connection via modem or telephone on a pay-as-you-go basis with no monthly bill. Maroc Telecom has a wide range, from 500 MB for 5 dirhams up to 20 GB for 200 dirhams.

VALUE-ADDED SERVICES

Smart devices

Smart Kids

This is the first range of smart devices targeting child safety in Morocco. By linking a smart tag to a single mobile voice and data plan, Smart Kids lets parents locate their children at all times.

With a Mobile Android or iOS app downloaded on the smartphone, parents can locate their child and view his or her location history, or receive notifications if the child enters or leaves predefined areas. An unlimited number of areas can be predefined.

The child can also make emergency calls to a single preset number by simply pressing the SOS button on the tag.

Smart Car

Maroc Telecom became the first company in Morocco to launch an integrated smart vehicle management system called "Smart Car". Now customers can manage and locate their vehicle(s) remotely and thus better manage their vehicle(s) or fleets.

The system consists of a terminal (Dongle) inserted into the vehicle's OBD-II connector and a cloud management platform accessed via a Web portal or a smartphone application. It is simple and easy to install via Plug and Play. Users can locate their vehicles in real time and set up email alerts and push notifications.

Smart Car also offers driving behavior indicators that can optimize car use over a weekly or monthly period. The solution also has dashboards and trip management reports.

Maktabati online reading service

For the first time in Morocco, Maroc Telecom is offering an online reading service aimed at young people aged three to fifteen.

The Maktabati online reading service is the first service of its kind launched by an operator in Morocco. It offers more than 10,000 books in reading or audio mode: books, magazines, comics and academic materials, in Arabic, French and English. Maktabati is aimed at young people aged three to fifteen through a large catalog offered by the largest specialized publishing houses. The service is accessible on five mobile devices simultaneously.

To subscribe to the service, mobile customers can choose between three passes: MAD 3 for one day, MAD 10 for one week and MAD 20 for one month.

Gaming service: MT Games & Gameloft

After the Gameloft service, Maroc Telecom is enriching its gaming offering with the launch of a new service under the Maroc Telecom brand: MT Games.

MT Games

Launched in November 2020, MT Games offers a rich and diverse catalog of games for Android Mobile. Maroc Telecom customers can download and play unlimited games for all tastes: Action / Thinking / Racing / Strategy / Sports and Music / Role-play.

MT Games offers the option to play what you can afford (unlike Google Play where you have to buy the full game). The service is marketed under three formulas: MAD 22 incl. Tax per month, MAD 12 incl. Tax per week, MAD 2 incl. Tax per day. You can subscribe to MT Games by sending an SMS to 7171 or online.

Gameloft

The first gaming service launched by Maroc Telecom, Gameloft offers a rich catalog on Android, including several premium game licenses, such as Disney, Gameloft, Square ENIX, SNK, Bandaï, HeroCraft and SEGA.

In July 2020, the Gameloft game catalog became unlimited for all mobile customers instead of a fee-for-service subscription. Unlimited Passes were offered under three formulas: MAD 12 incl. Tax per week, MAD 6 incl. Tax per week, MAD 2 incl. Tax per day. Subscriptions to Gameloft passes are by SMS to 7789 or online.

Starzplay VOD service

Launched in October 2016, Starz Play is an unlimited VoD service offering a wide range of content – especially big US productions – for adults and children alike. Content can be streamed to two devices simultaneously (smartphone, smart TV, tablet, computer or games console).

Maroc Telecom offers a free trial period on Starz Play of three days. At the end of this period, the service is offered without obligation at the price of 35 DH per month and 17.5 DH per week.

Music services: Anghami & Digster

Maroc Telecom teamed up with Universal Music and Anghami to offer its customers world-class music content.

Digster

A music service offering weekly playlists compiled by leading playlisters. It acts as a personal DJ catering to every mood and musical style from rock, pop and hip-hop to rai, Nouvelle Chanson, Oriental and Golden Oldies.

Anghami

The leading official music streaming app in the Middle East and North Africa. Customers have unlimited access to a wide and diverse music catalog with over 20 million songs and special features. Anghami is available on any connected device (smartphone, tablet, smart TV, smartwatch or computer).

All new Digster and Anghami customers get up to one month and one week of free content respectively. The services are then billed monthly at MAD 25 (incl. tax) and MAD 30 (incl. tax) respectively. Cheaper options are also available with Pass Hebdo at MAD 10 (incl. tax) for one week of Digster and Pass 10 Jours at MAD 15 (incl. tax) for 10 days of Anghami.

Sport services: MT Foot

In June 2019, Maroc Telecom launched a sports content service focusing on the most popular sport: Soccer.

MT Foot is a service for soccer fans, marketed under the Maroc Telecom brand. It offers them a range of content: matches in real time, 3D goals, forecasts, news, and quizzes. Maroc Telecom customers can access the main International and national championships: UEFA Champions League, UEFA Europa League, CAF Confederation Cup, CAF Champions League, La Liga, Ligue 1, Premier League, Bundesliga, Serie A and the Botola.

MT Foot can be accessed via the app or a Web Interface, for MAD 3 for a Day Pass and MAD 10 for a Weekly Pass.

App purchases on Google Play: billing by Maroc Telecom

This service, available since September 2019, allows Maroc Telecom customers to purchase apps and digital content available on Google Play Store with two payment options:

- deduction from the Premium Services account (*9) for prepaid customers;
- billed as an added extra for postpaid customers.

Handset plans

Jawal prepaid packs

A wide variety are available at different prices. Maroc Telecom continually strives to offer customers the latest technologies at the best prices in order to provide them with access to technology and thus help increase the number of customers with smartphones.

During 2020, Maroc Telecom offered latest-generation smartphone packs at competitive prices to democratize access to data.

Also, since data usage at home was more important during the year 2020, Maroc Telecom provided customers with a wide range of 4G Wi-Fi equipment to meet their needs.

Postpaid packs

The postpaid-customer acquisition policy is based on the attractiveness of the call plan, the variety of associated products and services and the range of handsets on offer. Cobranded offers create momentum for handset launches and upgrades, often simultaneous with their international campaigns, by offering customers new products with state-of-the-art design and cutting-edge technologies. In 2020, Maroc Telecom continued to increase the uptake of smartphones (including 4G) by selling competitively priced next-generation handsets.

2020 was marked by the acceleration in demand for Internet equipment. In this context, Maroc Telecom prepared a catalogue of 4G Wi-Fi equipment to provide its customers with Wifi Internet access with the option of connecting via several handsets at once.

CUSTOMER LOYALTY

Customer loyalty is one of Maroc Telecom's strategic strengths which has helped it prepare for the impact of the advent of competition.

Fidelio was the first points-based loyalty program introduced in Morocco. It allows Maroc Telecom's postpaid customers to accumulate points based on usage (customers earn one Fidelio point for every MAD 10 (excl. tax) billed) and to receive benefits in the form of free or discounted handsets or free call time, texts and free Data Passes. The Fidelio 24-month plan allows customers to renew their contracts and change their handsets for even less.

Maroc Telecom's Gold Club offers customers exclusive deals and customized benefits throughout the year such as special private offers, previews, season's greetings and regular invitations to cultural, sporting and other events.

Club members are longstanding mobile postpaid customers who consume a certain amount of airtime and data.

DIGITALIZATION OF THE CUSTOMER RELATIONSHIP

Maroc Telecom stepped up its customer relationship digitization initiatives in 2020. A mobile customer support service was launched via WhatsApp for prepaid and postpaid mobile customers, providing access to a range of features (balance checking, converting Switch balance to jawal, viewing and paying bills, Fidélio data and more).

This service was launched in English and French versions to improve customer accessibility.

Maroc Telecom has also launched its online store to market mobile plans and Internet Box 4G offers for new customers and for customers wishing to migrate from prepaid. Also, the online store allows the conversion of Fidelio points to offer the benefits of the latest generation devices.

BUSINESS SOLUTIONS

Mobility management solution

Mobile device management solutions offer the option of securing company data on employees' smartphones and tablets. Maroc Telecom offers its customers various MDM (Mobile Device Management) solutions hosted on the cloud and also available on a local server. Thus, the company can choose the solution that best meets its needs depending on its budget and priorities.

These solutions offer functionalities for: remote configuration and installation of business applications, updates, controlling access to company data, remote deletion of company data in the event of loss or theft of a device, usage reporting, etc.

INTERNATIONAL ACTIVITIES

International roaming

In 2020, Maroc Telecom had 669* roaming agreements with partner operators in 234 destinations and/or countries, including 588* new GSM networks in 223 destinations/countries and 81 partners with whom roaming agreements are in the process of being signed.

4G data roaming is available with the main partners, i.e. 291 new mobile networks in 159 destinations (including 159 destinations/countries for Roaming Out). 3G Roaming is available with 510 new operator networks in 214 destinations (including 214 destinations/countries for 3G Roaming Out).

For GPRS Roaming, Maroc Telecom has entered into agreements with 535 new operator networks in 214 destinations and/or countries (including 214 destinations/countries for GPRS Out).

Prepaid roaming is also available: 206 destinations and/or countries thanks to agreements with 440 new operator networks (including 206 destinations/countries for Roaming Out networks) and 190 destinations with 341 operators for prepaid Data Roaming.

Services for sending international SMS and MMS are also available over 213 destinations and/or countries covering the five continents, as well as short-code numbers (333 for voice mail and 777 for customer service).

Maroc Telecom is continuing its policy of reducing roaming rates and is offering a reduction of up to 50% on the Internet roaming rate to its roaming customers in zones 1A, 1B, Nomadis, Gulf, 2 & 3.

4.2.1.2 FIXED TELEPHONY

Market and competitive environment

Maroc Telecom is Morocco's leading provider of Fixed-Line telephony, Internet and Data Transmission services. It is also the only provider of ADSL/fiber optic TV in markets that were fully liberalized in 2005.

The main fixed-line telecommunications services provided by Maroc Telecom are:

- telephony services;
- interconnection services with domestic and international operators;
- data transmission services provided to businesses, Internet service providers and other telecommunications operators;
- high-speed and very-high-speed broadband with the associated value-added services;
- IPTV offer, Triple Play offer and SVoD.

Competitors launched their own fixed telephony and/or Internet plans after the ANRT published its decision in 2015 setting the technical and pricing terms of the unbundling offer.

In April 2016, the ANRT issued new guidelines for the pricing of plans offered by telecoms operators.

Law 121-12 was adopted in July 2018, providing the ANRT with the task of imposing the technical and pricing arrangements for interconnection and access to the networks of telecom operators.

The Covid-19 health crisis experienced by Morocco, like other countries, has generated enthusiasm for ADSL and fiber-optic home Internet offers due to the adoption of remote working and distance learning.

FIXED-LINE RESIDENTIAL TELEPHONY MARKET

Maroc Telecom offers a wide range of innovative plans tailored to the different needs of its customers:

- Double Play ADSL is targeted at customers wanting very affordable 4 MB/s or 12 MB/s ADSL Internet access from MAD 199 (incl. tax) per month;
- MT Box, the first Triple Play plan on the Moroccan market, includes unlimited Fixed-Line telephony, free calls to Mobile numbers, ultra-broadband ADSL fiber-optic Internet access and various TV packages.
- Phony offer, which allows customers to make unlimited calls to Maroc Telecom fixed-line numbers, as well as up to eight hours per month of free calls to domestic mobile numbers;

* *Basic sanitation of closed networks.*

Fixed-line (including restricted mobility) Residential market share over the past three years

Market share	2020	2019	2018
Maroc Telecom	88.75%	93.80%	84.40%
Médi Telecom	11.25%	6.20%	15.60%

Source: ANRT.

BUSINESS AND PROFESSIONAL FIXED-LINE TELEPHONY MARKET

For its Business customers, Maroc Telecom offers a wide range of plans tailored to the needs of this market:

- InfiniFix includes free unlimited calls to all of the company's domestic fixed-line numbers and Maroc Telecom mobiles intragroup. In addition, customers get up to ten hours of free calls to domestic mobiles and major international destinations;
- ForfaiFix Business includes a wide range of packages including phone line subscription and call time to national and major international destinations.

Additional options are available to tailor plans to the specific needs of each business and offer customers preferential rates:

- Intragroup Fixed-line or Mobile: free unlimited calls to all company landlines;
- Privilège Mobile: preferential rates to all domestic mobiles;
- Privilège International: preferential rates to all international destinations.

Maroc Telecom also offers Professional customers a wide range of offers:

- Phony Pro offers unlimited calls to all Maroc Telecom fixed lines, and up to ten hours of free airtime to mobiles domestically as well as in the main international destinations;
- ForfaiFix Pro is a wide range of packages including subscription to the telephone line and hours of calls to national and major international destinations;
- MT Box Pro is a Triple Play offer that includes unlimited access to Maroc Telecom's landline and up to 20 hours of free domestic calls to mobile phones and the main international destinations. It also provides access to the Internet, a number of TV packages and value-added services adapted to this category of customer.

Fixed-line business telephony market share over the past three years

Market share	2020	2019	2018
Maroc Telecom	72.30%	84.28%	77.09%
Orange Morocco	24.52%	12.32%	19.94%
Inwi	3.16%	3.40%	2.97%

Source: ANRT

SPECIFIC SOLUTIONS

Maroc Telecom offers its Business customers tailored plans based on the latest technology that address the specific needs of each customer.

Indeed, in 2020, Maroc Telecom has accompanied several Key Accounts customers for the installation of specific solutions and to meet the needs in terms of turnkey solution meeting higher requirements.

INTERNET

In 2020, Maroc Telecom strengthened its leading position in the broadband market, reflected in continued growth in the number of Internet customers.

Internet activations have experienced unprecedented growth this year, due to the Covid-19 health crisis that has forced the population to adopt remote working and distance learning.

Maroc Telecom has worked hard to meet the expectations of its customers. Network capacities and infrastructures, which were under a lot of pressure during this period, fully responded to the increase in demand and the increase in new types of use, without any impact on the quality of service or installation times.

Maroc Telecom has supported this enthusiasm with the introduction of a number of efficient and affordable ADSL routers to ensure customer satisfaction.

In addition, to ensure nationwide coverage in Morocco, Maroc Telecom also offers Internet services via satellite, ensuring speed and reliability of connection, with generous plans and more affordable VSAT equipment.

The extensive range of services makes it possible to cover 100% of Moroccan territory and provide access to new information technologies to as many people as possible.

At end-December 2020, Maroc Telecom held its leading position in the ADSL market, with a 99.84% market share (Source: ANRT).

Performance

Key performance indicators for fixed-line & internet

	2020	2019	2018
Revenues *(in MAD million)*	9,517	9,261	9,239
Fixed-Line customers [(a)] *(in thousands)*	2,008	1,882	1,818
Broadband access [(b)] (in thousands)	1,738	1,573	1,484

(a) The customer base includes all Fixed-Line subscriptions, irrespective of the technology used (PSTN or ISDN). It does not include Maroc Telecom's proprietary base.
(b) Includes ADSL, FTTH and leased lines.

In 2020, Fixed-Line & Internet operations in Morocco generated a revenue of MAD 9,517 million, an increase of 2.8% vs.2019.

At end-December 2020, the Fixed-Line customer base in Morocco had grown by 6.6% to 2,008 thousand lines.

CHANGE IN CONSUMER HABITS

Traffic continues to drop. Fixed voice remains a strong competitor of mobile and OTT. Maroc Telecom is able to cope with this thanks to its abundance offers, in particular unlimited access to fixed-line services and free call time to Mobiles and the main international destinations included in these offers.

"Residential" and "Business" plans

FIXED-LINE OFFERS AND SERVICES

As the leading fixed-line operator, Maroc Telecom has always been renowned for the wide range of plans and services it offers its Retail customers. The Fixed-Line offers include:

- Bundled abundant packages:
  - Double Play ADSL and fiber optic: combining Voice and Data, with advantages over voice and/or speed depending on customer needs,
  - Triple Play combining Voice, Internet and multimedia content, with a variety of television and radio channels;
- Fixed-line offers: through the highly successful "Phony" brand, providing free and unlimited calls to all Maroc Telecom fixed numbers and free plans to domestic and international mobile phones.

INTERNET OFFERS

In order to democratize access to the Internet, Maroc Telecom has a proactive policy and provides solutions tailored to the customer's needs and budget. This policy is mainly reflected in the market launch of the Double Play ADSL 4 MB entry-level package aimed at customers on limited budgets and the Fiber-Optic packages up to 200 MB, to meet customers' requirements for speed and service quality. Furthermore, frequent promotions shake up the market throughout the year.

Maroc Telecom also sells Internet services via satellite and CDMA to cover areas with no ADSL coverage.

ADDITIONAL SERVICES

Maroc Telecom offers its Residential and Business customers various services:

- Convenience services: voicemail, itemized billing in Arabic or French, caller ID display, call-waiting notification, call transfer, three-way calling and an option for subscribers with capped rate to monitor their accounts and to top up their accounts remotely;
- Value-added services: Maroc Telecom offers add-on services for its broadband plans, including home automation solutions, smart devices, parental control, IP addresses, national and international domain names, etc.

LOYALTY PROGRAM FOR RESIDENTIAL AND BUSINESS CUSTOMERS

Maroc Telecom has developed a points-based loyalty program for its customers. All Fixed-Line customers (excluding capped rate) are automatically enrolled in the fixed-line loyalty program. They can earn points based on the amount of their monthly bill. Points can then be exchanged for a range of gifts at Maroc Telecom stores.

A rewards brochure is published on www.iam.ma and is available from all retail outlets.

Business offers

TELEPHONY OFFERS

To meet the Fixed-Line telephony needs of Business customers, Maroc Telecom proposes a wide range of offers and rate plans using the Public Switched Telephone Network (PSTN) or the Marnis digital network.

The main plans are:

- Fortaifix: A range of multi-destination plans, including subscription to the telephone line and airtime of 30 to 165 hours valid for calls to Fixed-Line, Mobile and the main international destinations;
- Infinifix: A 24/7 supplement to all domestic fixed lines and Maroc Telecom business mobiles, with free call time to domestic mobiles and the main international destinations;
- Rate options: Intra-fleet Fixed & Mobile, Privilège Mobile & International (discounts on rates per minute for all destinations);
- Marnis: Maroc Telecom has an integrated services digital network (ISDN) that enables businesses to optimize their telephone systems by connecting several telephones to a single access point. Companies then have a direct number for each employee and a large number of value-added services, such as videoconferencing, remote monitoring, payment services, etc.;
- Customer service numbers: Maroc Telecom has a range of customer-service numbers, toll-free numbers (08000xxxxx), reduced-rate numbers (08010xxxxx) and direct numbers (08020xxxxx), accessible throughout Morocco at a flat rate, making it easier for customers to reach a business and for businesses to offer personalized customer service.

FIXED-LINE INTERCONNECTION AND TRANSIT

International incoming IAM traffic continued to decrease significantly in 2020, despite call rates to IAM fixed lines from a number of international destinations remaining affordable for the customers making the calls. This decrease is mainly due to the use of free calling solutions for OTT applications by individual and business customers and to the context of the Covid-19 crisis.

International traffic in transit via Maroc Telecom also fell in 2020 in an unfavorable environment on the international wholesale voice market, marked by a decline in international call volume, due mainly to the growing use of free calling solutions offered by OTT applications (WhatsApp, Viber, Skype, Facetime, etc.) and accentuated by the Covid-19 health crisis.

However, as part of its focus on the international voice traffic transit business, Maroc Telecom continues to strengthen its relationships in Africa, particularly with the subsidiary companies of the Maroc Telecom Group, to position itself as a secure quality Hub for these subsidiary companies and for the region's operators.

BUSINESS INTERNET SERVICES

Maroc Telecom's range of Internet services for Business customers was launched to enable companies to optimize their communication with co-workers, customers, partners and suppliers by means of flexible and upgradeable access. For businesses, Maroc Telecom provides broadband via ADSL, fiber optic, leased lines or satellite. ADSL and fiber broadband for Business customers are currently enjoying high demand, given their affordability and the add-on services they offer (e.g., secure email access, domain name, optional fixed IP address, etc.). Leased lines remain popular among large organizations owing to their performance, reliability (guaranteed symmetrical high-speeds) and end-to-end security. Satellite Internet access connects businesses to their remote sites all over the country with download speeds of up to 20 MB/s and 100% coverage of Moroccan territory.

DATA SERVICES

Maroc Telecom offers its customers a comprehensive catalog of data offers: IP VPN, Ethernet, Leased lines and international offers enabling the interconnection of customer sites with speeds of up to 1 GB/s, in point-to-multipoint or Any-to-Any architecture as needed.

To encourage customers to upgrade to faster data and Internet access, Maroc Telecom waives the upgrade fees for all customers who have been with Maroc Telecom for more than 12 months.

Moreover, Maroc Telecom supports its access solutions with back-up and load sharing offers to ensure the continuity of customer activity in the event of a breakdown.

DATA TRANSMISSION CHARGES

The pricing structure for data transmission consists of a one-off connection fee plus monthly subscription charges, depending on the data plan. Discounts based on volume and contract length apply to monthly subscription charges.

In addition, Maroc Telecom adapts its offers and rate plans to the specific needs of each client.

Value-added services

Maroc Telecom offers its Business customers a complete range of value-added services, such as:

MT CLOUD

Through MT Cloud, the first infrastructure as a service (IaaS) hosted in Morocco, Maroc Telecom has positioned itself as a pioneer in cloud services for Moroccan businesses. With its new service, Maroc Telecom offers Moroccan companies an efficient, secure and affordable solution. Customers can boost their competitiveness by launching IT solutions and sharing them online with no initial investment. With a monthly contract that can be canceled at any time, Maroc Telecom offers companies enormous flexibility when it comes to their IT resources, which they can scale up or down as required.

G-SUITE

Suite is a range of cloud-based messaging, storage and collaborative tools developed by Google for businesses (software as a service or SaaS), which Maroc Telecom provides to its Business customers along with technical support and locally-based assistance. In return for a single monthly user subscription, companies have access to all the software tools they need to communicate (customized Gmail, shared calendar, instant messaging and professional social network), store their files and data and share them easily and quickly (with Google Drive), and collaborate (desktop publishing tools for documents, spreadsheets and presentations and document editing and sharing tools).

MT VISIO SERVICE (INNOVATIVE MAROC TELECOM VIDEO-CONFERENCING SOLUTION)

For the Business segment, the MT VISIO service is a new Cloud-based solution and a collaborative working tool that facilitates exchanges, speeds up digital transformation and provides a high level of flexibility.

This solution enables customers to hold virtual meetings and share content using a reliable, secure and stable solution that provides a fluid video-conference experience suited to different needs via a wide range of equipment.

DATACENTER HOSTING

This service offers a turnkey solution to host IT equipment such as servers, routers and disk arrays in a data center designed in line with the latest international standards and boasting 24/7 security with video surveillance, access control, security guards, fire detection and extinguishing mechanisms and monitoring systems. Customers can choose between full and half racks with dedicated access where they can host their own servers, routers, disk arrays and other infrastructure over which they have complete control and which they can administer on-site or remotely.

DDOS SECURITY

This SaaS is a turnkey solution to protect businesses from loss and damage caused by distributed denial-of-service (DDoS) attacks. It is a based on a local cloud architecture and comes in bronze, silver and gold editions.

BUSINESS OFFICE 365

Business Office 365 is a business SaaS cloud-based suite of messaging, storage and collaborative tools offered by Microsoft which Maroc Telecom provides to its Business customers with local support and additional options. With it, companies have access to all the software they need to communicate (customized Outlook, shared calendar, instant messaging and professional social network), store and easily share files and data (One Drive), and collaborate (desktop publishing and document editing and sharing).

BUSINESS SECURITY PACK

Through a UTM (unified threat management) box installed at the customer's premises and marketed via a local partner, the business security pack solution protects the company's Internet connection against external threats through the following services: Anti-spam, Antivirus, web content filtering, priority flow management, backup and load sharing between Internet connections using different technologies (Internet access, FO, ADSL and 4G+/3G+), single and easy-to-use graphical interface.

4.2.1.3 CUSTOMER SERVICES

In addition to diversifying the services offered to its customers, Maroc Telecom uses resources, tools and processes enabling it to anticipate and respond to queries, information or support requests and complaints from customers.

Call centers

For consumers, call centers specialized by product segment (Fixed-Line, Mobile and Internet) provide information and assistance services to customers. Business customers have their own call center with a dedicated telephone number.

The call centers provide information on Maroc Telecom's products and services and on activating or switching service plans, advice on using products and services, after-sales support and customer complaint processing. Customer complaints are referred to specialized call centers through various channels (call centers, Retail branches, etc.).

Billing

Maroc Telecom has taken a number of actions to reduce and optimize its consumption of paper and raw materials.

The electronic billing service is highly appreciated, particularly by Business customers. It allows customers to consult their bills online and download them and monitor consumption using tables and graphs. It has also been upgraded to include the Maroc Telecom customer selfcare service in the spirit of the global digital transformation.

The e-billing service will gradually replace paper bills. This is in line with Maroc Telecom's environmental objectives.

Digitalization

Maroc Telecom continues with its digital transformation by launching innovative projects for its customers:

- Interactive multi-service terminals with tactile screens have been installed in the branch network in order to improve the customer experience. In just a few minutes, customers can pay their Mobile, Fixed or Internet bills, identify a prepaid card and also top up their mobile line quickly and independently;
- The digitalization of customer identification with an innovative self-identification system in the branches enables the customer to reliably and securely identify themselves. Sales staff also have a smartphone identification application for the digital and paperless processing of the identification procedure;
- Special attention is paid to customer relationship management (CRM) systems, which are continuously improved to optimize customer care. To this end, Maroc Telecom has put the customer experience at the heart of its digital strategy. It is with this in mind that new digital channels for end-to-end customer relations have been set up, enabling customers to subscribe to Mobile and Internet offers online via the "e-shop" with home delivery of the necessary Internet equipment, remote customer relationship management through self-service at "my TM space" and through WhatsApp and online assistance via the FAQs and digital capsules made available to customers on the MT site and social media.
- Maroc Telecom also offers its customers a wide range of innovative payment methods: payment by direct debit, payment via the Maroc Telecom website, ATMs or through the Mobicash mobile payment service;
- IAM encourages customers to pay their bills online using the mobile apps of Maroc Telecom and its partner banks, offering free, remote, rapid and secure 24/7 service.

Information

The 24-hour telephone information line has been enhanced by new value-added services, such as the ability to receive information by SMS and automatic connection.

4.2.1.4 SEASONALITY

In Morocco, the fortnight preceding the Eid al-Adha festival and the summer months (periods when Moroccans living abroad return home) traditionally see a spike in mobile usage and pay-as-you-go activation. The month of Ramadan represents a seasonal low for the Fixed-Line and Mobile segments. Fewer Fixed-Line and Mobile contracts are activated during this period.

4.2.1.5 REGULATORY ENVIRONMENT AND POSSIBLE DEPENDENCIES

Law no. 24-96 on postal and telecommunications services, as amended and completed, established with the head of Government, a public agency and separate legal entity that is financially independent and subject to the government's financial supervision and control:

Roles and responsibilities of the ANRT

As a regulatory authority for the telecommunications sector, the role of the ANRT is to define the legal and regulatory framework (draft laws, decrees and ministerial decisions concerning telecommunications, contract specifications for operators, etc.) for the telecommunications sector, to monitor and ensure compliance with the antitrust laws applying to telecommunications operators and to resolve disputes.

The ANRT prepares the procedures for the award of licenses by competitive bids, processes applications for licenses and treats preliminary declarations for activities subject to reporting. The ANRT grants authorizations and prepares related licenses and contract specifications. It ensures that operators comply with the terms of their licenses.

The ANRT is also involved in legal action taken against telecommunications operators that fail to comply with current regulations.

It is also the ANRT's duty to resolve disputes over interconnection and infrastructure sharing.

Following the passage of Law 104-12 on open markets and competition, the Decree of May 31, 2016, amending and completing the Decree of July 13, 2005, on bringing disputes and allegations of anticompetitive and monopolistic practices to the ANRT granted it new powers to curb anticompetitive and monopolistic practices in the telecommunications sector as well as new powers to penalize such practices. The enactment on January 25, 2019, of Law no. 121-12, which amends and completes Law no. 24-96 on postal and telecommunications services, ratified ANRT's new powers.

Legal and regulatory framework of the telecommunications industry in Morocco

This section contains a summary of the legal and regulatory framework for the telecommunications industry in Morocco. It is not intended to be exhaustive.

OVERVIEW

Since the adoption of Law no. 24-96 of August 7, 1997 (known as "Law 24-96"), Morocco has dissolved the National Post and Telecommunications Office ("ONPT") replacing it with a modern regulatory framework establishing the conditions for liberalization of the telecommunications sector.

The dissolution of the ONPT led to the creation of three distinct legal entities: Itissalat Al-Maghrib (Maroc Telecom), a public limited company under private law, Barid Al Maghrib (La Poste, hereafter "BAM"), a public corporation which became a public limited company in November 2011, with its capital wholly owned by the French State and the National Telecommunications Regulatory Agency ("ANRT").

Liberalization continued with the adoption of a series of implementing decrees concerning the operation of the ANRT, interconnection, the general terms of operation for public telecommunications networks, the provision of value-added services and the provision of leased lines.

In November 2004, Law 24-96, as amended by Law 55-01, finalized the liberalization process begun in 1997 and clarified the existing statutory framework. In 2005 the decrees on interconnection and the general terms of operation of the public telecommunications networks were amended and added to.

The liberalization of Morocco's telecoms sector was based on a General Policy Document covering the period 2004-2008 which resulted in two Fixed-Line licenses, three 3G (UMTS) Mobile licenses and a third 2G Mobile license being awarded.

A second General Policy Document covered the period from February 25, 2010, to January 1, 2013.

A General Policy Document for 2014-2018 was adopted by the Board of Directors of the ANRT on March 18, 2015.

In January 2019, ANRT launched a study on the preparation of the General Guidance Note for 2023. This new memorandum was subsequently adopted by the Board of Directors of the ANRT with Maroc Telecom notified in August 2020.

AMENDMENT OF THE STATUTORY AND REGULATORY FRAMEWORK

Act 121-12, amending and supplementing Act 24-96, was promulgated and published in the Official Bulletin of February 18, 2019. The main provisions added by this law are as follows:

- assignment to the ANRT of the power (previously granted by decree in 2016) to apply the law on competition, including sanctions (up to 10% of revenue, or twice that amount in case of a repeat offense), and the establishment of an "Offenses Committee" to be chaired by the Director General of the ANRT;
- establishment of the universal obligation to share infrastructure;
- increase in penalties: 2% of revenue, 5% in the event of a repeat offense, for non-compliance with regulations;
- increase in penalties for non-disclosure of information: (MAD 100,000 to MAD 500,000);
- appointment by the planner/developer of an operator for managing infrastructure and instituting verification offices, approved by the ANRT, to check the compliance of connections (connection procedures have not yet been defined);
- The regulatory texts implementing Law No. 24-96, as amended and supplemented, should be revised to take into account the provisions of Law No. 121-12. A regulatory text relating to the methods of connecting new buildings and subdivisions should also be adopted.

Rules governing the establishment and operation of telecommunication networks and services in Morocco

Law 24-96, as amended and supplemented, introduces separate rules depending on the type of telecommunications networks and services provided.

Operators seeking to establish public telecommunications networks using public rights-of-way or radio-frequency spectra are required to obtain a license (granted by decree). A license may only be granted following an invitation to tender conducted by the ANRT. Licenses are issued by decree of the Head of Government. They are unique to the license holder and may only be transferred to third parties by decree.

The establishment and operation of any independent network other than a business network require a license from the ANRT. Independent networks are nonprofit telecommunications networks that are reserved for private use (i.e., where use is reserved for the establishing company or individual) or shared use (i.e., where use is reserved for the exchange of internal communications between subsidiaries and/or branches of a single group of companies).

The provision of value-added services is unrestricted, subject to prior declaration to the ANRT and compliance with applicable laws and regulations. The list of value-added services was set by Decree no. 2-97-1024 of February 25, 1998, supplemented by Order no. 618-08 of March 13, 2008, and included the administration of the ".ma" domain name.

All equipment to be connected to a public telecommunications network and all radio systems is subject to the ANRT's prior approval.

Business networks and radio systems consisting solely of low capacity or short-range devices may be established without restriction. Restrictions against the use of DECT short-range devices in certain parts of Morocco were removed in 2013 for devices with an embedded antenna.

LICENSES AWARDED TO MAROC TELECOM

Under Law 24-96, the telecommunications networks and services previously operated by the ONPT (i.e., mainly fixed-line and mobile telecommunications networks and services, and the right to use the radio frequencies allocated or assigned to the ONPT) were transferred to Maroc Telecom.

As the incumbent operator, Maroc Telecom is subject to contract specifications ratified by Decree no. 2-97-1028 of February 25, 1998, as amended by Decree no. 2-00-1333 of October 9, 2000, and Decree no. 2-05-1455 of April 21, 2006, which define the conditions for the operation of all networks and services initially operated by the ONPT.

These contract specifications state the conditions under which Maroc Telecom is to establish and operate, for an unlimited duration:

- local and nationwide fixed landline telecommunications services (including data transmission services, leased lines and the integrated services digital network (ISDN));
- GSM-standard Mobile telephony services;
- international telecommunications services.

With regard to other telecommunications networks or services, Maroc Telecom, like other operators, is subject to the provisions of Law 24-96 and holds a license to deploy and operate public telecommunications networks using third-generation (3G) technology. Maroc Telecom was granted this license by Decree 2-06-498 of December 29, 2006.

On April 10, 2015, Maroc Telecom was awarded by Decree no. 2-15-277 a 4G license that was assigned for a period of 20 years, renewable for periods of 10 years and then 5 years.

On November 5, 2015, Maroc Telecom was awarded a 10-year VSAT license.

Finally, Maroc Telecom is bound by specifications relating to the carrying out of its universal service responsibility approved by Decree no. 2-07-932 of July 7, 2007, as amended by Decree no. 2-18-337 of June 4, 2018.

The following table summarizes all the licenses held by Maroc Telecom:

License	Effective date	Term
Fixed-Line +2G	October 9, 2000	Undefined
3G license	January 18, 2007	25 years
4G License	April 11, 2015	20 years
VSAT license	November 5, 2015	10 years
Universal service	December 31, 2007	30 years

MAIN OTHER LICENSES GRANTED

- GSM type mobile telephony (2G): license awarded to Médi Telecom in August 1999, for a renewable period of 15 years, extended to 25 years in 2005, and a license awarded to Wana in February 2009 (commercial opening in February 2010);
- Fixed-line next-generation telephony: in 2005, two licenses were awarded for next-generation Fixed-Line telephony:
  - in July 2005, a fixed-line license including local loop (without restricted mobility) and national and international transmission was awarded to Medi Telecom,
  - in September 2005, a fixed-line license including local loop (with and without restricted mobility) and national and international transmission was awarded to Wana;
- 3G and 4G Mobile telephony: in addition to the licenses granted to Maroc Telecom, 3G and 4G mobile licenses were awarded to the existing operators Medi Telecom and Wana in 2006 (3G) and in 2015 (4G);
- VSAT licenses: in addition to the licenses allocated to Maroc Telecom in November 2015, two other licenses were issued in 2015 (Wana and SADV) in addition to the three existing licenses.

Retail-pricing regulations

Retail rates may be freely set by operators, subject to compliance with antitrust rules and uniformity of domestic rates. Operators must notify the ANRT of their rates 30 days before publishing or applying them. As an operator named by the ANRT as exerting a significant influence on relevant markets, Maroc Telecom is required to justify its rates with regard to its costs and whether third-party operators are effectively able to replicate its offers.

In addition, the duration and frequency of promotions are governed by the Order of June 3, 2008, which sets out the terms for the promotion of telecommunications services.

In April 2016, the ANRT adopted new guidelines for the review of operators' rate plans. Unlike Maroc Telecom, non-dominant operators are able to practice on-net and off-net rate differentiation for prepaid customers. Promotions (apart from pre-2016 offers) are also subject to the replicability test on a full-cost basis. The minimum margin required by Maroc Telecom for the replicability test is now 20% for Mobile and Fixed-Line calling and 60% for fixed-line broadband.

Regulation of wholesale rates

Interconnection rates (Fixed-Line and Mobile voice & SMS termination), leased line rates, local loop unbundling rates (physical, virtual and bitstream), and infrastructure access rates are set by the ANRT and integrated into Maroc Telecom's technical and pricing terms, which are subject to ANRT approval.

Interconnection and access

BACKGROUND

Interconnection is governed by Law 24-96 and Decree no. 2-97-1025, as amended and supplemented by Decree no. 2-05-770 of July 13, 2005, which defines the technical and pricing terms for interconnection to public telecommunications networks.

Every operator of a public telecoms network is required to accept requests for interconnection from a holder of a license to operate a public telecom network.

Law 121-12, which amends and supplements Law 24-96, brings in a general system for access and interconnection. The related procedures must be determined through regulation.

INTERCONNECTION RATES

In February 2017, the ANRT reintroduced asymmetric mobile call termination rates. The Mobile call termination rate for operators is shown in the schedule below.

In June 2018, the ANRT maintained the principle of pricing asymmetry by applying three different call termination rates (see schedule below).

In November 2020, the ANRT adopted a decision on a multi-year framework for mobile call termination rates (see table below).

The table below shows the changes in call termination rates on national mobile networks (MAD excl. tax per minute) since 2011:

	Mobile Maroc Telecom		Mobile Medi Telecom		Mobile Inwi	
	Peak (a)	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
From January 1, 2011, to June 30, 2011	0.8317	0.4158	0.998	0.499	1.2309	0.6154
From July 1, 2011, to December 31, 2011	0.6238	0.3119	0.7186	0.3593	0.8801	0.44
From January 1, 2012, to June 30, 2012	0.3924	0.1962	0.452	0.226	0.5536	0.2768
From July 1, 2012, to December 31, 2012	0.2755	0.1377	0.3052	0.1526	0.3378	0.1689
From January 1, 2013, to December 31, 2016		0.1399		0.1399		0.1399
From March 1, 2017, to February 28, 2018		0.1169		0.1399		0.1399
From June 12, 2018, to November 30, 2020		0.1169		0.1238		0.1399
From December 1, 2020, to June 30, 2021		0.07599		0.09285		0.10895
From July 1, 2021, to March 30, 2022		0.05855		0.06800		0.07708
From April 1, 2022		0.04286		0.04316		0.04521

(a) Peak: 8am to 8pm; Off-peak: 8pm-8am and on Saturdays, Sundays and public holidays. The peak/off-peak distinction fell away on January 1, 2013.

The table below shows the changes in rates for call termination on national fixed-line networks (MAD excl. tax per minute) since 2011:

	Maroc Telecom fixed lines						Médi Telecom fixed lines		Wana fixed lines		Wana Restricted Mobility	
	Peak			Off-Peak								
	Intro CAA	Simple Transit	Double Transit	Intro CAA	Simple Transit	Double Transit	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
From January 1, 2011 At June 30, 2011	0.1155	0.2817	0.3860	0.0578	0.1409	0.1930	0.2693	0.1347	0.2693	0.1347	0.6238	0.3119
From July 1, 2011, at December 31, 2011	0.1079	0.2479	0.3531	0.0540	0.1240	0.1766	0.2410	0.1205	0.2410	0.1205	0.4678	0.2339
From January 1, 2012 At June 30, 2012	0.0740	0.1645	0.2411	0.0370	0.0823	0.1206	0.1617	0.0809	0.1617	0.0809	0.2277	0.1139
From July 1, 2012, at December 12, 2012	0.0591	0.1258	0.1894	0.0296	0.0629	0.0947	0.1252	0.0626	0.1252	0.0626	0.1798	0.0899
From January 1, 2013 To February 2, 2017	0.0360	0.0740	0.1130	0.0360	0.0740	0.1130		0.0740		0.0740		0.1160
From March 1, 2017 To November 6, 2018	0.0360	0.0740	0.1130	0.0360	0.0740	0.1130		0.0740		0.0740		0.1160
From June 12, 2018, to November 30, 2020	0.0306	0.0629	0.0960	0.0306	0.0629	0.0960		0.0740		0.0740		0.1160
From December 1, 2020, to June 30, 2021	0.01987	0.04086	0.06240	0.01987	0.04086	0.06240		0.04810		0.04810		
From July 1, 2021, to March 30, 2022	0.01531	0.03148	0.04807	0.01531	0.03148	0.04807		0.03706		0.03706		
From April 1, 2022	0.01121	0.02305	0.03520	0.01121	0.02305	0.03520		0.02713		0.02713		

Since 2012, the rates for SMS termination on the mobile networks of the three operators have been as follows:

	From January 1, 2012, to December 31, 2012	From January 1, 2013, to December 31, 2016	From June 12, 2018, to November 30, 2020	From January 1, 2020 [(a)]
SMS termination rate (MAD excl. tax per SMS)	0.08	0.03	0.03	0.01

(a) Until a new decision is made.

OPERATORS WITH A SIGNIFICANT INFLUENCE

Each year the ANRT imposes specific obligations in terms of interconnection on the operators it designates as exercising a significant influence over a particular market. An operator is considered to exercise significant influence if, individually or jointly with others, it has a dominant position enabling it to conduct its business independently of its competitors, its customers and consumers.

The guidelines regulating the ANRT's reviews of the rates offered by operators of public communication networks also impose a requirement on dominant operators for their retail offers to be able to be replicated by third-party operators (taking into account current specific market rates, which results in price squeeze tests being implemented as part of the preliminary audit by the regulator of retail offers).

The initial list of specific markets approved by the ANRT for 2012, 2013 and 2014 included the market for fixed-line termination rates (including for restricted mobility), voice mobile call termination rate, SMS mobile termination rates and wholesale rates for leased lines.

Pursuant to the decisions of the ANRT of December 30, 2013, relating to specific markets and operators exercising significant influence, two new specific markets were established: that of "access to the physical infrastructures constituting the wired local loop" and that of "access to civil engineering infrastructure throughout the country," in which Maroc Telecom was the sole dominant player in 2014.

By decision dated November 24, 2014, the ANRT extended the list of specific markets for 2015, 2016 and 2017. By its decision of December 9, 2015, it identified Maroc Telecom as the only dominant operator in all of those markets in 2017. Medi Telecom and Wana are identified as operators with significant influence in the mobile SMS call termination market. This has led to the renewal, for 2017, of the asymmetric regulation of the civil engineering and wired local loop physical infrastructure introduced in 2014/2015.

In June 2018, the ANRT published a new decision on specific markets. It provides for the following:

- broadening of the wholesale market for leased lines for dark fiber optic and segmentation of this market into two sub-markets: (i) urban and intercity in the fixed-line connectivity market (LLO and equivalent and intercity FO) and (ii) the fixed-line connectivity handset market (LLA and equivalent);
- introduction of the retail market for fixed-line broadband and very-high-speed broadband, irrespective of the device or technology used. The obligations applying to this market have not been specified;
- Maintenance of wholesale markets: Mobile Call Termination Rate, Fixed-Line Call Termination Rate, SMS Call Termination Rate, Access to Civil Engineering infrastructure;
- broadening of the local fiber loop market.

Therefore, the ANRT has declared IAM as the only operator exerting a significant influence in all markets except SMS (for which all operators have been declared dominant).

As a result of these decisions Maroc Telecom is required to provide the following wholesale offers (apart from interconnection):

- physical unbundling of the local loop and sub-loop;
- virtual unbundling;
- access to the dark-fiber local loop for unbundling purposes;
- bitstream;
- access to infrastructure throughout the country;
- fixed-line handset connections.

In terms of infrastructure, the ANRT's decision of December 9, 2014, determines the technical and pricing terms of access to Maroc Telecom's urban and suburban underground infrastructure and requires it to provide technical and pricing terms for access to its overhead infrastructure. Pursuant to Decision ANRT/DG/12/18 of July 27, 2018, the offer's technical and pricing conditions were revised.

Local loop unbundling

Since January 1, 2008, Maroc Telecom has established technical and pricing terms for total and shared access to its local loop approved by the ANRT in like manner as its interconnection technical and pricing terms.

IAM's physical unbundling technical and pricing terms have been successively modified. This was the case in 2013 when the unbundling of inactive lines was added to the technical and pricing terms and in 2017 when some pricing was overhauled. Pursuant to Decision ANRT/DG/15/18 of August 7, 2018, the offer's technical and pricing conditions were revised.

In 2018, the main unbundling rates were as follows:

- physical unbundling for MAD 61/month (excl. tax) at the local loop level, and MAD 51/month (excl. tax) at the "local sub-loop" level (MSAN);
- fiber-optic links for unbundling purposes: MAD 10/lm/year;
- virtual unbundling: access MAD 35.25/month (excl. tax) for partial access, and MAD 70.5/month (excl. tax) for full access; collection rates vary depending on speed, level of collection and class of service for regional collection.

The ANRT Management Committee's decision no. ANRT/CG/no. 01/2020 of January 17, 2020, on unbundling provides for a reduction in unbundling tariffs. The corresponding new technical and pricing offers will be published following their approval.

Numbering and portability of numbers

The ANRT allocates numbers, blocks of numbers and prefixes to operators of public telecom networks in an objective, transparent and non-discriminatory manner. These numbers and blocks of numbers may not be transferred without ANRT's prior express consent.

The portability of fixed-line and mobile numbers has been operational since May 31, 2007.

The terms and conditions for its implementation were set by the ANRT in its Decision 10/06 of October 4, 2006, concerning the terms and conditions for number portability, and in its Decision 10/07 of July 18, 2007, setting the pricing terms of portability for Maroc Telecom's fixed-line and mobile numbers and Medi Telecom's mobile numbers. The decision of October 4, 2006, was repealed by the ANRT's Decision 1/11 of February 1, 2011, in turn amended and supplemented by Decision 09/12 of December 6, 2012, which was primarily intended to shorten the cancelation period offered to customers under this procedure.

The ANRT's decision 4/15 of October 8, 2015, on the terms and conditions of portability is intended to modify the portability process by reducing porting times and by requiring operators to set up a centralized database of ported numbers within a maximum of 18 months.

In May 2018, the ANRT launched a consultation for the selection of the third party responsible for setting up and operating this central database of ported numbers. The contract with the successful bidder tasked with managing the centralized database was signed on December 20, 2018, by the three operators. The centralized database has been in production since December 16, 2019.

In November 2020, the ANRT adopted decision no. ANRT/DG/no. 18/20 amending and supplementing decision ANRT/DG/no. 04/15 of October 8, 2015, on procedures and conditions for implementing portability.

Provision of infrastructure

Law nº121-12, amending and supplementing Law 24/96, introduced a provision under which public-sector entities, utilities licensees and operators of public telecom networks are required, to the extent this does not interfere with public use, to make available to the operators of public telecoms networks which request them the easements, rights of way, civil engineering works, roads, cables, high points, etc., which they have, in order to install and operate transmission materials. These must be made available under acceptable, objective, proportionate and non-discriminatory technical and financial conditions, which ensure fair competition.

The persons to which this obligation applies must provide to the relevant government authority and to the ANRT, on request, all information relating to the above-mentioned infrastructure in their possession or which they use. A database containing data relating to the above-mentioned infrastructures will be created; the rules for managing it must be determined by the ANRT.

The procedures for applying the above-mentioned provisions are determined through regulation.

Separate accounting

According to the terms of Decree no. 2-97-1026, as amended and supplemented by Decree no. 2-05-771 of July 13, 2005, and Decree no. 2-97-1025, as amended and supplemented by Decree no. 2-05-770 of July 13, 2005, operators are required to maintain an analytical accounting system which determines the costs, revenues and profits of each network they operate or service they offer. The financial statements must be submitted, for audit, to a body designated by the ANRT.

Decision 08/12 of December 6, 2012, established a consistent framework for regulatory statements of cost refunds and income which operators are required to submit annually to the ANRT.

Universal service

The universal service provided by operators of public telecommunications networks includes a minimum service which consists of telecommunications service of a specified quality, at an affordable price. It includes the provision of telecommunications infrastructure and services that enable access to broadband and to very-high-speed broadband access, as well as routing of emergency calls, telephone boxes on public roads, an information service, and a directory in printed or electronic form (the latter two services are mandatory), particularly in the outskirts of urban areas, industrial areas and in rural areas.

Pursuant to the “pay or play” principle brought in by Law 24-96, as amended and completed, operators of public telecommunications networks may either fulfill the universal service missions themselves, or pay a contribution into a special allocation account (called “US Fund”) amounting to 2% of revenue excluding tax (net of interconnection costs, sales of handsets, and repayments to suppliers of value-added services).

The manner in which each operator provides universal service tasks are set out in one particular set of specifications, approved by decree.

In March 2020 the ANRT adopted decision ANRT/DG/nº02/2020 setting out the principles for the reporting by public network operators of revenue from traffic generated in areas covered under the universal service framework.

In November 2020, the ANRT also adopted decision ANRT/DG/nº17/2020 setting out the elements of the basis for calculating contributions to the State’s general commitments and variable financial compensation for the licenses of public telecommunications network operators.

In 2008-2011, the ANRT launched a number of consultations with all the national operators for the realization of vast universal service programs, called “PACTE”, the objective of which was to provide coverage for telephone services and Internet access to all the blank areas in Morocco, namely 9,263 villages. The Telecommunications universal service Management Board selected Maroc Telecom for 7,338 of them.

The entire program has now been completed, with the exception of villages considered as unrealizable.

In June and August 2016, the ANRT launched two universal service consultations for the implementation of the National Broadband Development Plan (PNHD). The first concerns the coverage of 10,651 localities with Mobile broadband; the second is the deployment of fiber optics (Backbone and Backhaul). Maroc Telecom was not awarded these programs.

Moreover, Maroc Telecom contributes to implementation of the Nafid@ and INJAZ programs, which have been selected as universal service programs by the Universal Service for Telecommunications Management Committee and partly funded by the Fund for Universal Service for Telecommunications (Fond de Service Universel des Télécommunications or FSUT).

In particular, these programs concern the general application of information and communication technologies in education:

- the INJAZ program is aimed at graduate students from a large number of teaching institutions, colleges and universities in the field of engineering, science and information and communication technology, and consists of giving them access to the mobile broadband Internet service and a laptop;
- the Nafid@ program, which supplements the GÉNIE program (which consists in equipping schools with computers and Internet access), is intended to encourage the education sector to use information and communication technologies in the educational system, by availing the adequate means for this purpose (laptops and Internet access).

Contributions to research, training and standardization of telecoms

Law 24-96, amended and supplemented by Law 121-12, sets the contribution of public telecoms network operators to training and standardization at 0.75% of revenue, before tax and net of interconnection fees, generated by the telecom operations covered by their license. The contribution for research is set at 0.25% of the revenue referred to above. This amount is paid into a special fund for research. Operators providing equivalent funding for research programs under agreements with officially designated research agencies are exempt from the payment.

Since 2007, Maroc Telecom no longer enters into agreements with such agencies and pays the entirety of the above-mentioned contribution into an account earmarked for research.

In November 2020, the ANRT adopted decision ANRT/DG/nº17/2020 setting out the elements of the basis for calculating contributions to the State's general commitments and variable financial compensation for the licenses of public telecommunications network operators.

Identification of customers

The ANRT has informed the operators of public telecoms networks about Decision 04/11 of July 13, 2011, relating to the identification of 2G and 3G Mobile customers.

The ANRT issued a new decision on November 8, 2013, amended by a decision on January 31, 2014, pursuant to which the sale of pre-activated prepaid SIM cards was prohibited as from April 1, 2014.

Law 121-12 which amends and completes Law 24-96 placed stricter obligations on operators regarding the identification of customers. Operators are responsible for identifying the subscriber accounts opened by any subcontractors, distributors, resellers or retailers. They also are under an obligation to set up and keep an up-to-date database, including in electronic format, containing information relating to customer identification. This database shall be made available to the ANRT, on request.

Dispute resolution

The ANRT procedure for disputes, unfair business practices and economic concentrations, taking into consideration the new powers of the ANRT in terms of competitive environment, is outlined in Decree no. 2-05-772 of July 13, 2005, as amended and completed by the Decree of May 31, 2016.

Article 8bis of Law 121-12 amending and completing Law 24-96 vests the ANRT with the power to apply the provisions of the legislation on pricing freedom and competition in terms of unfair business practices and economic concentration transactions in the telecommunications sector. For this reason, the Agency implements the procedures provided for in said legislation subject to the following provisions:

- The general rapporteur is appointed by decision of the ANRT's Board of Directors from among the employees of the Agency who can demonstrate financial and legal experience, and knowledge of competition and consumer issues;
- the penalties and fines provided for in the event of unfair business practices and economic concentration transactions are determined by the Offenses Committee set up pursuant to Article 31bis of the above-mentioned law;
- the inquiries necessary to enforce the procedures of the above-mentioned Article 8bis are conducted by sworn agents of the ANRT as stipulated in Article 85 of said law.

4.2.1.6 DISTRIBUTION AND COMMUNICATION

Distribution

ORGANIZATION

Maroc Telecom has the largest distribution network nationally. It includes more than 75,000 distribution outlets for direct and indirect sales. In 2020, Maroc Telecom's various distribution channels were:

- the direct network, composed of 402 branches at the end of 2020. This network is growing fast and every year new Retail branches are added and existing branches are refurbished;
- more than 420 Full-Image resellers, managed directly by Maroc Telecom's own network, which market consumer products and services;
- the indirect network comprises independent local shops, some of which have exclusivity agreements and are managed by the nearest Retail branch. Nationwide distributors whose main activity is not telecoms;
- four national distributors, two of which operate exclusively in telecom for Corporate customers. The business of the other two concerns different customer segments and all Maroc Telecom's product ranges and services;
- five partners for the sale and installation of Corporate products.

DISTRIBUTION STRATEGY

The extent and organization of Maroc Telecom's distribution network is a major strategic asset for the Company.

The operator's distribution strategy is mainly focused on the following areas:

- expand its direct branch network by opening new Retail branches and refurbishing old ones every year, to maximize customer satisfaction while keeping up with the technological trends;
- increase digital distribution via indirect channels to forge closer ties with customers;
- strengthen the role of all those involved directly or indirectly, to promote its offerings and meet everyone's needs;
- diversify the distribution media (electronic top-ups, ATMs, express top-ups, online top-ups, pay points etc.);
- ensure synergy between direct and indirect channels in order to offer customers a very high-quality service.

DIRECT DISTRIBUTION NETWORK

In order to maintain the central and dynamic role of the direct network in its marketing and sales strategy, Maroc Telecom has continued with its program to modernize its proprietary sales network in accordance with the new-generation Retail branch concept.

357 of Maroc Telecom's sales outlets now feature the new design scheme.

At the end of 2020, Maroc Telecom had a network of 429 Retail branches, with eight regional offices, ensuring optimal coverage and density. The network has 402 Retail branches and 27 Corporate branches.

And four dedicated branches with nationwide coverage for key accounts.

INDIRECT DISTRIBUTION NETWORK

The indirect distribution network has a significant number of licensed resellers, top-up outlets and regional and national distributors.

The indirect distribution network has a dual benefit: bringing services closer to customers and making a significant contribution to job creation in the regions.

At the end of 2020, over 75,000 resellers offered Mobile prepaid services throughout the Kingdom. This sales channel is supported by a network of IAM Retail branches specialized in managing local resellers.

The resellers network is composed mainly of convenience stores and other distributors of telecoms products which have signed agreements to sell Maroc Telecom products and services. A new category of resellers ("Revendeurs Plus") has been added in the form of Full-Image sales points, which sell all Maroc Telecom prepaid and postpaid products. This network, which has a similar design scheme to Maroc Telecom Retail branches, currently has more than 420 stores. These make a valuable contribution to business performance and customer service, as well as providing visibility and sales coverage at the local level.

The network of "Full-Image" resellers bearing the Maroc Telecom branding continues to grow, standing at almost 422 sales outlets at the end of 2020. Agreements are signed with each partner, resulting in a denser network that ensures local distribution. Partners are paid through commissions on the products and services sold.

Maroc Telecom has also signed agreements with partners for the international distribution of electronic top-ups.

DISTRIBUTION AGREEMENTS

At the end of 2020, Maroc Telecom held distribution agreements with the following companies:

	Type of business	Date of partnership agreement	Maroc Telecom products distributed
GSM Al-Maghrib	Distribution of telecom products	11/2003	Prepaid Mobile and Fixed-Line cards, Mobile Subscriptions Fixed-Line and Internet; Online top-up
Canal Market	Electronic payment service provider and distributor of electronic top-ups	11/2002 11/2006	Mobile and Fixed-Line electronic top-up Corporate Mobile, Fixed-Line & Internet subscription – Marrakesh region
Sicotel	Distributor of telecom products	11/2006	Prepaid Mobile and Fixed-Line cards, Mobile Subscriptions Fixed-Line and Internet
Lineatec	Distributor of telecom products	11/2006 11/2008	Mobile and Fixed-Line prepaid cards, Corporate Mobile, Fixed-Line & Internet subscription – Rabat and Tangier regions, Corporate Mobile, Fixed-Line & Internet subscription – Casablanca and Fes regions
M2T	Local customer services (bill payment, etc.)	04/2010	Mobile products (electronic and online top-ups)
CMI	E-commerce	06/2010 12/2015 04/2016 05/2016 06/2016 07/2014 09/2016 09/2016	Mobile, Fixed-Line and Internet top-ups Top-up and billing via online banking with CAM Top-ups and billing via online banking with BMCE Top-ups and billing via online banking with ABB Top-ups and billing via online banking with AWB Top-ups and billing via online banking with CIH Top-ups and billing via online banking with BMCI Top-ups and billing via online banking with CFG
		06/2014	Top-ups and billing via online banking with BP
		01/2013	Top-ups and billing via online banking with SG
Transfer to	International distribution of telecom products	02/2011	Top-up transfer from abroad
Al Barid Bank	Bank	07/2005	Jawal top-up at ATM
Crédit Du Maroc	Bank	11/2004	Jawal top-up at ATM
Banque Populaire	Bank	12/2005	Jawal top-up at ATM
E-mania	Electronic banking, mobile top-up distributor	03/2015	Online top-up
BIM	Turkish hard discounter	01/2017	Online top-up

Communication

In a context of the global health crisis and increased competition, Maroc Telecom maintained its position among the leading advertisers in the Kingdom in 2020 by devoting a large portion of its budget to its brand communication and advertising its products and services targeting the Retail and Corporate segments.

CORPORATE ADVERTISING

The overall objective of corporate communication for the year 2020 was to protect Maroc Telecom's strong reputation as the leading global telecommunications operator in the country and to increase good will towards the brand through strategic and targeted communications which, for the second year running, led to Maroc Telecom winning the Love Brand award for the most popular brands in Morocco.

In addition, and in view of the global Covid 19 pandemic in 2020, in the wake of action by the Kingdom's health authorities, Maroc Telecom has undertaken a large-scale awareness campaign under the hashtag "Stay at home, stay connected" to raise awareness among the population of appropriate health measures in the face of this pandemic. A second awareness-raising campaign "#Stay safe, stay connected" reiterated the importance of long-term vigilance.

Again in this context of the health crisis, to enable customers to experience the lockdown period in the best possible conditions, Maroc Telecom rolled out a TV and web communication campaign recalling the mobilization of all Maroc Telecom teams to serve its customers and promote their well-being through tailored work processes and measures to guarantee them the best standard of service and provide them with the best customer experience in view of the particular context of health crisis. In this regard, a major communication system was launched to highlight the various digital tools and applications available to customers to meet their telecoms needs without having to travel, using the remote customer relations channels of Maroc Telecom: online top-up service, WhatsApp Selfcare, the "MT Cash" mobile payment solution.

RETAIL AND CORPORATE ADVERTISING

Maroc Telecom maintained strong communications throughout the year to support the regular launches of its promotions in the prepaid mobile segment and the promotion of new product and service offerings on the market. The tone of communication and the concepts adopted are resolutely youthful and dynamic in order to best appeal to consumers and, more specifically, young people.

In the mobile prepaid segment, Maroc Telecom launched a music video in partnership with the young rapper "L7or," to promote Maroc Telecom's technological leadership and the generosity of the flagship Internet Pass *3 offer, enabling young people in particular to enjoy their passions to the fullest and smoothing their path to success. Similarly, Maroc Telecom called on the very popular and much loved comedian Ibtissam Laaroussi to talk about and promote the benefits of the new Pass * 22 offer. In addition, Maroc Telecom continues to regularly showcase Jawal and Pass *6 Multiple Top-Up promotions, both in traditional media and on the Internet and social media posts.

In the postpaid Mobile segment, Maroc Telecom mainly communicated on the Freedom plan range to further boost the rate of activations and encourage the migration of Jawal customers to mobile subscriptions, particular via the attractive offer 3H +3 Go at MAD 59 per month.

In the very high-speed Internet segment, to reinforce its innovative brand image at the cutting-edge of technology, Maroc Telecom has continued to promote the benefits offered by the power and speed of its fiber optics of up to 200Mega. Maroc Telecom's "Happy Wifi" campaign was named the best TV campaign of 2019 at the Impériales 2020, an annual event for communication and marketing experts and professionals.

Contextual communication around the Box Internet 4G offer also presented an opportunity to showcase offers of equipment adapted to the new habits imposed by the pandemic.

ONLINE ADVERTISING

As the leading Moroccan company and brand in terms of communities on Facebook (nearly 3.7 million fans) and Twitter, Maroc Telecom continues to embed its strong reputation on social media and has an impressive presence on YouTube and Instagram.

This year, due to the unprecedented context of the health crisis, Maroc Telecom has relied more on digital and social media to interact with Internet users and communicate about its activities.

Most of the actions taken on social media focused on:

- The "Stay at home, stay connected" hashtag to inform customers about the preventive measures and digital services put in place (online top-ups, MonEspaceMT application, WhatsApp helpdesk, etc.);
- Covid-19 awareness-raising and prevention messages launched by the Ministry of Health and the Ministry of the Interior;
- Help and advice for customers requesting information or wishing to make a complaint;
- Information on current offers and promotions;
- Fun events (games, quizzes, etc.) on the Facebook page every week with an increase in the number of winners and the value of the prizes;
- Publicizing the various events supported by Maroc Telecom.

SPONSORSHIP AND CORPORATE PHILANTHROPY

Community, societal and humanitarian actions

Maroc Telecom is particularly engaged in the community and supports several foundations and associations that work for the well-being of sick or vulnerable groups, in particular:

- The Mohamed V Foundation for Solidarity;
- The Mohamed VI Foundation for Environmental Protection;
- The National Institute for Children's Rights;
- The Moroccan Down Syndrome Association;
- Lalla Asmaa Association for Deaf Children and Youth.

Maroc Telecom also contributed to the United Nations global campaign against violence against women by relaying the campaign's official statements on its customer contact channels.

Sporting and cultural actions

In accordance with government guidelines to prevent the spread of the Covid-19 pandemic, almost all sporting and cultural events usually sponsored and/or organized by Maroc Telecom were canceled as of March 2020.

Maroc Telecom remains firmly committed to promoting cultural and sporting events in the Kingdom and was able to support the first events of the year which were not impacted by the consequences of the pandemic:

- The first "Pro Taghazout Bay 2020" event organized by the International Surf League (WSL)
- Cultural events organized by the "Tairi N'Wakal" association to mark the Amazigh New Year.
- The 26th edition of the Salon International de l'Edition et du Livre SIEL 2020, an annual international cultural event that offers an opportunity for interprofessional communication between the various branches of the book industry, both in Morocco and abroad.
- "Les Impériales 2020," Meeting of Moroccan and foreign professionals and experts in marketing, communication, media and digital technology.
- Laughter Africa 2020, traveling comedy festival in Morocco and in several African capitals.

4.2.1.7 NETWORK INFRASTRUCTURE AND SYSTEMS

Key performance indicators

	2020	2019	2018
Radio sites	10,149	10,024	9,851
Internet bandwidth (Gbps)	3,830	2,830	1,550
Mobile failure rate	0.36%	0.44%	0.58%
Mobile dropped-call rate	0.39%	0.42%	0.52%
2G population coverage rate	99.5%	99%	99.5%
3G population coverage rate	99%	99%	98.4%
4G population coverage rate	99%	98.8%	97.3%

Mobile infrastructure

Maroc Telecom's Mobile network is a 2G/3G/4G (GSM/3G-HSPA+/LTE) network available across almost all of the country. The network has a well-developed infrastructure, high international connectivity and a service quality comparable to that of international operators.

The 4th-generation network (LTE) was launched on July 13, 2015. It supports high-speed voice and data communication services.

MOBILE CORE NETWORK AND SERVICE PLATFORMS

Maroc Telecom's Mobile switching network is equipped with Next-Generation Network (NGN) technology that supports IP and 2G/3G/4G simultaneously for optimal resource allocation.

Maroc Telecom has technical platforms enabling the provision of high-quality voice and data services to customers (voicemail, SMS, MMS, prepaid management systems, etc.). Maroc Telecom constantly adjusts the capacity of these platforms to cope with the increased usage of value-added services.

Packet switching and service platforms use highly redundant infrastructures in order to guarantee the highest network availability possible.

COVERAGE

Since the introduction of next-generation Single RAN (radio access node) technology, which combines 2G, 3G and 4G technologies, Maroc Telecom has continued to broaden its radio coverage while upgrading and boosting the capacity of its radio-access equipment.

At end-December 2020, the 10,149 Maroc Telecom radio sites covered 99.5% of its 2G customers and 99% of its 3G customers.

The base station network is continually being optimized by:

- a regular program of equipment extensions;
- the latest software upgrades;
- voice-compression technology to cope with spikes in traffic during public holidays and promotional periods.

MOBILE SERVICE QUALITY

Maintaining and enhancing Mobile service quality is a permanent priority for Maroc Telecom's engineers. The call completion rate was 99.6% at end-December 2020, while the dropped call rate was 0.39%; the incoming SMS success rate was 99.77%.

Maroc Telecom is conscious of public health issues and follows the guidelines for human exposure to electromagnetic radiation fields issued by the International Commission on Non-Ionizing Radiation Protection (ICNIRP), a body recognized by the WHO, and conducts regular measurement campaigns to ensure compliance with international standards.

Fixed-Line network infrastructure

Maroc Telecom has a state-of-the-art Fixed-Line network enabling it to deliver a wide range of voice and data services to its Residential and Business customers.

This network comprises network access with copper and fiber optic technologies, a transmission backbone, switching centers and service platforms.

INTERNET - AND DATA-ACCESS NETWORK

To supplement its copper wireline access network, which enables high-speed broadband access (up to 20 MB via ADSL 2+ in Morocco's major cities) and ADSL TV (more than 100 TV channels with direct control and VoD), Maroc Telecom continued to deploy its optical local-loop technology, with the aim of offering very-high-speed broadband with a theoretical speeds of up to 200 Mbps to its very-high-speed ADSL Corporate customers, particularly by means of VPN IP technology.

Finally, Maroc Telecom added to its Internet package with satellite Internet access via VSAT, offering download speeds of up to 20 Mb/s.

DOMESTIC TRANSMISSION NETWORK

Maroc Telecom's transmission network is entirely composed of fiber optic cable linking all of Morocco's cities.

Based on the latest hybrid NG-SDH and NG-WDM transmission technologies, and thanks to 100GE services, the backbone can transmit up to 8Tbps on a single pair of fibers. These broadband connections are ultra-secure thanks to mesh networking and ASON (Automatically Switched Optical Network) technology.

SWITCHING PLATFORMS AND FIXED-LINE SERVICES

Fixed-Line switching is provided by next-generation equipment to provide value-added services (voice over IP, three-way calling, call waiting, call transfers) while optimizing service quality.

INTERNATIONAL NETWORK

Maroc Telecom connects Morocco to the world through its infrastructure and agreements with large international operators:

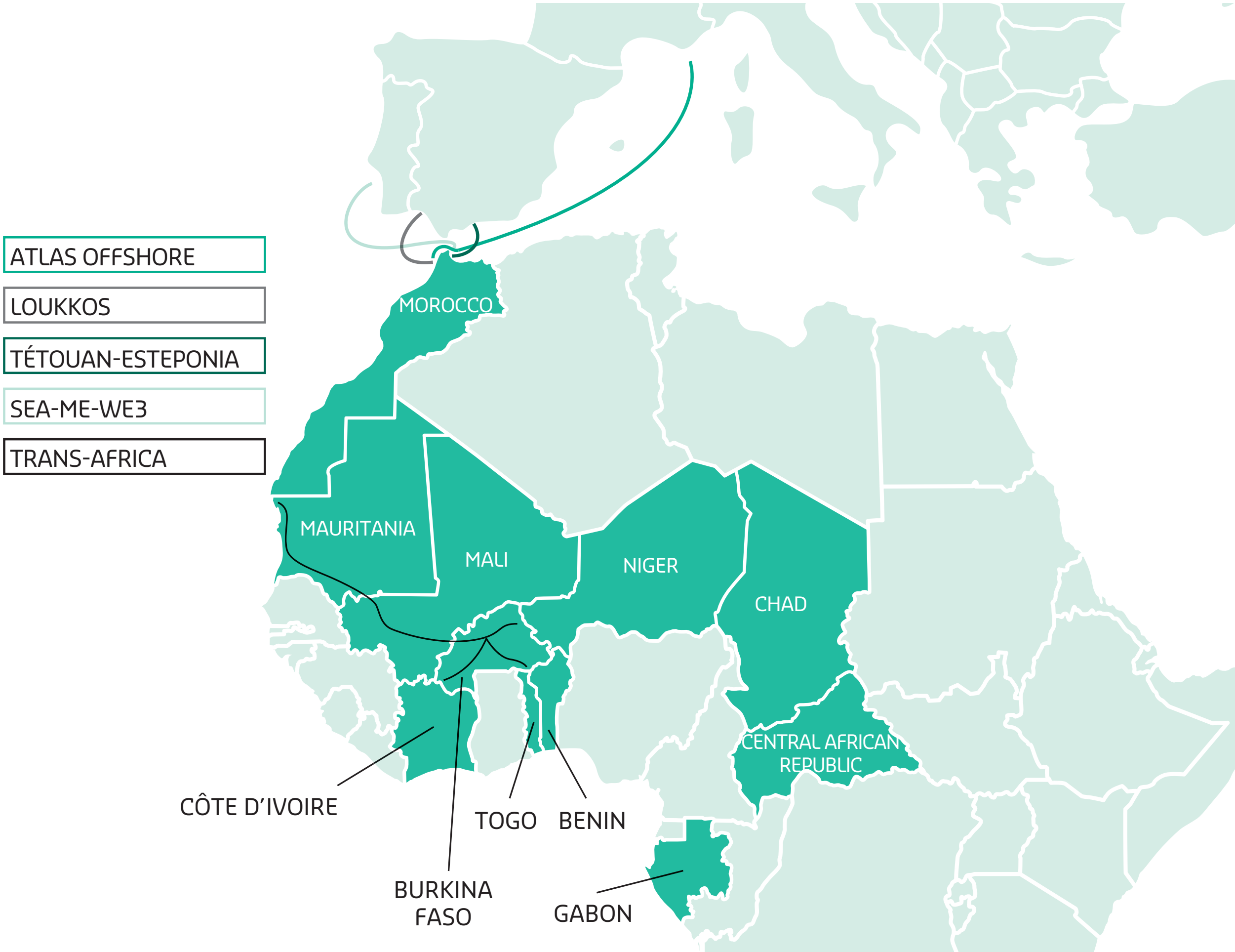
- two international transit centers in Casablanca and Rabat;
- four fiber optic submarine cables linking Morocco to Europe. These cables have a combined capacity of 3,830 GB/s and meet the connectivity needs of Maroc Telecom customers;
- a terrestrial fiber-optic cable of over 8,000 km connecting Maroc Telecom to its sub-Saharan subsidiaries (Mauritania, Mali, Burkina Faso, Côte d'Ivoire and Togo);
- and satellite links connecting the most remote parts of the country to the Maroc Telecom backbone.

Cable name	From	To	Length	Introduced (services, etc.)
Atlas Offshore	Asilah (Morocco)	Marseille (France)	1,634 km	2007
Loukkos	Asilah (Morocco)	Rota (Spain)	187 km	2012
Tétouan-Estepona	Tétouan (Morocco)	Estepona (Spain)	113 km	1994
SEA-ME-WE3 [(a)]	Tétouan (Morocco)	Sesimbra (Portugal)	500 km	2009
Trans-Africa	Morocco	Ouagadougou (Burkina Faso)	5,300 km	2013

(a) IAM stake in a consortium of over 50 operators.

4

MAP OF MAROC TELECOM INTERNATIONAL SUBMARINE AND OVERLAND FIBER OPTIC CABLES



INFORMATION SYSTEMS

The Information Systems Department is responsible for providing the IT infrastructure and software applications required by Maroc Telecom's various Business segments.

Several major IT projects were completed in 2020:

- support measures for the 2020 marketing plan;
- ongoing efforts for paperless processes and Digitalization of the customer experience;
- adaptation and upgrade of Information Systems to support network technology developments;
- technical and operational upgrade of business line Information Systems (Securing and modernizing payments, Customer Relationship Management – CRM and Agencies –, Business Intelligence/Big Data, Human Resources, Quality of Service/Network Performance monitoring tools);
- enhanced security for data and Information Systems.

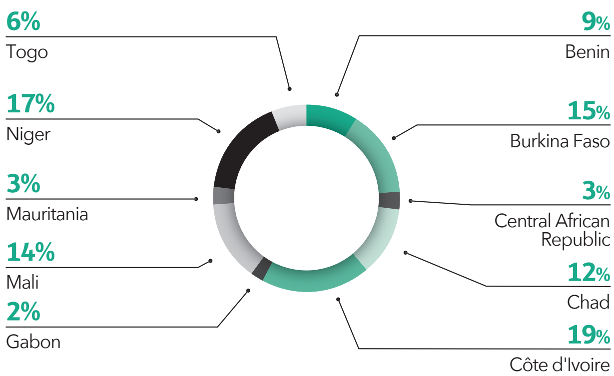
4.2.2 Subsidiaries

4.2.2.1 CONSOLIDATED DATA

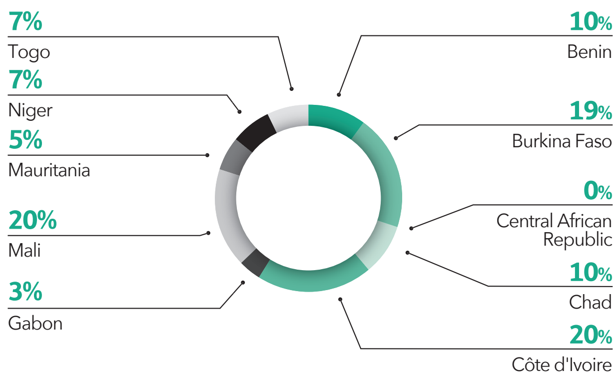
Population (a) (000)	Customers (b) (000)	Revenues (b) (MMAD)
133,137	49,694	16,883

(a) Forecasts at end-December 2020 (source: IMF, October 2020).
(b) Data at end-December 2020 (source: Maroc Telecom).

BREAKDOWN BY POPULATION (1)



BREAKDOWN BY CUSTOMER (2)



4.2.2.2 MAURITEL

Macroeconomic indicators

	2020	2019	2018
Population *(000)*	4,147	4,058	3,970
GDP per capita *(in USD)*	5,484	4,881	4,598
GDP growth	-3.2%	+5.9%	+2.1%
Inflation	+3.8%	+2.3%	+3.0%

Source: IMF (October 2020).

Mauritel SA is the incumbent Mauritanian operator, born out of the splitting of the Post and Telecommunications Office in a reorganization scheme in 1999. In 2000, Mauritel SA created Mauritel Mobiles, which is wholly-owned and which was awarded the second license to operate a GSM-type mobile telephone network.

On April 12, 2001, following an international call for tenders issued by the Mauritanian government, Maroc Telecom acquired a 54% stake in Mauritel SA.

In January 2002, Maroc Telecom created Compagnie Mauritanienne de Communication (CMC), to which it transferred the shares it held in Mauritel SA. Then, on June 6, 2002, Maroc Telecom sold 20% of CMC to Mauritanian investors. During the 2003 fiscal year, CMC sold 3% of Mauritel SA to its employees for MAD 17 million in accordance with the commitments made at the time of privatization in 2001.

Once the Mauritanian government gave up its veto over Mauritel SA on July 1, 2004, Maroc Telecom gained exclusive control of its subsidiary, which became a fully-consolidated Group entity. In 2006, the CMC Group acquired 0.527% of Mauritel SA from SOCIPAM, a non-commercial company created by employees of the Mauritanian subsidiaries. On completion of this transaction, CMC held 51,527% of Mauritel SA.

Following the repeal in December 2007 (Law no. 2007-049 of December 3, 2007) of Article 73 of Law no. 99-019 on telecommunications, which required Mauritel SA by name to spin off all its operations subject to competition, in this case its Mobile business. On November 27, 2007, the Extraordinary Shareholders' Meetings of Mauritel SA and Mauritel Mobiles subsequently ratified plans to merge the two companies. Mauritel SA has since become a global operator able to take advantage of synergies between all its Fixed-Line, Mobile, and Internet businesses.

Maroc Telecom's representatives sit on the Board of Mauritel SA. None of Maroc Telecom executives holds any operational functions within these companies.

The consolidation methods for the CMC/Mauritel sub-group are summarized in Notes 1, 2 and 28 to the consolidated financial statements. In addition, Chapter 3.2.3.4 "Related-party transactions" illustrates the type of financial flows between Maroc Telecom and the Mauritel sub-group.

(1) Forecasts at end-December 2020 (source: IMF, October 2020).
(2) Data at end-December 2020 (source: Maroc Telecom).

4

Fixed-Line Telephony, Data and Internet

Mauritel provides Fixed-Line telephony services (voice and data) as well as broadband Internet access to private customers, companies and the public sector.

In addition to Mauritel, Mattel and Chinguitel have had Fixed-Line licenses since 2009 that allow them to operate in this market. Nevertheless, to date, the former has developed neither networks nor Fixed-Line offers, while Chinguitel provides Fixed-Line services through its CDMA network. As a result, Mauritel remains the sole wireline operator in Mauritania.

At end-December 2020, Mauritel had a Fixed-Line customer base of 57 thousand lines, 0.9% more than in 2019. The operator is able to offer its Fixed-Line customers ADSL broadband packages. At end-December 2020, Mauritel had 18 thousand Internet subscribers, mostly on the ADSL network (98% of the customer base).

To meet its international bandwidth needs, Mauritel participates in a consortium that has capacity on the Africa Coast to Europe (ACE) submarine cable and includes all Mauritanian telecom operators and the Mauritanian post office.

Mobile telephony

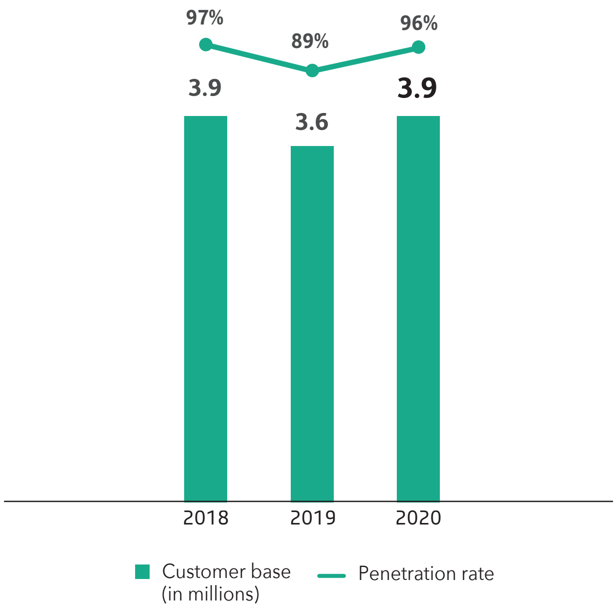
Mauritel's Mobile business consists of prepaid and postpaid services. Mobile services are offered for voice, value-added services (SMS, MMS, etc.), 3G Mobile Internet (launched in 2009), 4G (commercial launch on December 31, 2020), and roaming.

In July 2015, Mauritel renewed its 2G license for a period of 10 years in return for a fixed share (MRO 1 billion) and an annual variable share corresponding to 2.5% of 2G revenues for the term of the license.

In November 2020, Mauritel acquired a 4G license for a period of ten years for MRO 500 million.

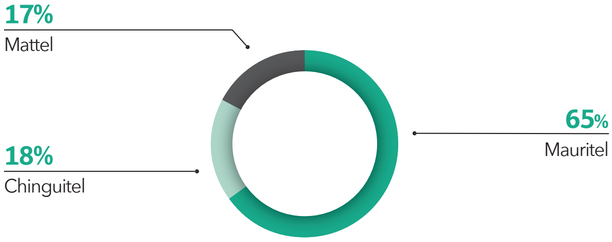
COMPETITION AND MARKET SHARE

MOBILE MARKET TRENDS IN MAURITANIA



Source: IMF (October 2020) and Dataxis (Q3 2020).

MOBILE MARKET SHARE IN MAURITANIA AT SEPTEMBER 30, 2020



Source: Dataxis Q3 2020.

At September 30, 2020, the Mauritanian market had 3.9 million Mobile customers, representing a penetration rate of 96%.

Mauritel operates alongside two other operators, Société Mauritano-Tunisienne de Télécommunications Mattel and Chinguitel. Chinguitel launched a GSM service in 2011. In 2006, the ARE awarded 3G licenses to Mauritel and Chinguitel; Mattel did not obtain its 3G license until March 2009.

At December 31, 2020, Mauritel's Mobile customer base was 2.6 million (almost all prepaid), a 6.9% increase year-on-year, despite heightened competition and regulatory customer identification requirements. Mauritel maintained its leadership position with a market share of 65% at end-September 2020.

PERFORMANCE

The following table shows Mauritel's key operating data:

	Unit	2020	2019	2018
Mobile customer base	(000)	2,641	2,470	2,397
Fixed-Lines	(000)	57	56	55
Broadband access	(000)	18	10	13

Seasonality

In Mauritania, the peak period is generally from June to September. Other spikes in usage occur during religious holidays, providing significant sales opportunities. Fixed-Line and Mobile usage tends to be lower during Ramadan.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Mauritania was modified by Law no. 2013-025 of July 15, 2013, on electronic communications (hereinafter the "Law").

This Law supplements in particular the prerogatives of the ARE and gives it powers to curb unfair business practices in the sector. These prerogatives are in addition to the ARE's regulatory, audit, and oversight powers with regard to industry operators, as set forth in Law no. 2001-18 of January 25, 2001, establishing the ARE.

The ARE is an independent public-sector entity with multi-sector authority and full financial and managerial autonomy. The ARE reports directly to the Prime Minister.

MAIN REGULATORY OBLIGATIONS APPLYING TO MAURITEL

Over and above the regulatory 2G/3G coverage obligations for localities and main roads set out in its specifications, Mauritel is liable for a range of dues and industry contributions. These include an annual universal-service contribution of no more than 3% of revenues, net of interconnection charges, regulatory dues of no more than 2% of revenues, net of interconnection expenses, and an annual research and training contribution of no more than 1% of revenues, net of interconnection expenses. Lastly, Mauritel pays annual dues for the use of radio frequencies and numbers as well as a levy of EUR 0.08/min on inbound international traffic.

MAURITEL LICENSES

Licenses and authorization	Award date	Expiration Date	Term
Fixed-Line authorization	04/12/2001	04/12/2021	20 years
2G license	07/18/2015	07/18/2025	10 years
3G license	07/27/2006	07/27/2021	15 years
4G License	11/09/2020	11/08/2030	10 years

HIGHLIGHTS 2020

Regulatory highlights for 2020:

- the drop in the Mobile termination rate to MRO 0.22 as of July 1, 2020;
- The renewal, in January 2020, of the invitation to tender for 4G licenses reserved for operators with a 2G/3G license in Mauritania, declared unsuccessful in February 2020;
- The adoption by the National Regulatory Council of two decisions relating to the determination of the relevant markets for the telecommunications sectors for the period 2020-2023 and the designation of the dominant operators for the year 2020.
- The renewal, in May 2020, of the invitation to tender for a fourth 2G/3G/4G mobile license. Under this invitation to tender, existing operators will be able to opt for a 2G/3G/4G license involving an early renewal of their licenses, canceled in June 2020;
- Mauritel fined MRO 62.1 million by ARE for poor quality of service in June 2020. Other operators within the country were also sanctioned by the regulator.
- The relaunch, in August 2020, of the call for tenders for the allocation of 4G licenses and the award, in November 2020, of said licenses to the three operators in the country for a ten-year period.
- Mauritel fined MRO 46 million by ARE for poor quality of service in December 2020. Other operators within the country were also sanctioned by the regulator.
- In Mauritania, launch of a public consultation on the renewal of Chinguitel's 2G, 3G and Mauritel's 3G licenses in December 2020.

4

4.2.2.3 ONATEL

Macroeconomic indicators

	2020	2019	2018
Population *(000)*	20,917	20,326	19,752
GDP per capita *(in USD)*	2,084	2,077	1,982
GDP growth	-2.0%	+6.0%	+6.8%
Inflation	+2.0%	+1.1%	+2.0%

Source: IMF (October 2020).

Onatel (Office National des Télécommunications) is the incumbent operator of Burkina Faso. It was formed following the break-up of Office des Postes et Télécommunications in 1987, and became a state-owned company in 1994. In October 2002, the government created Telmob, Onatel's wholly owned mobile subsidiary, which has been licensed to operate a GSM mobile network since April 2004.

On December 29, 2006, following an international competitive privatization process, Maroc Telecom acquired 51% of Onatel.

On April 29, 2009, Onatel was listed for trading on the regional stock exchange in Abidjan, Côte d'Ivoire. This enabled the Burkina Faso government to sell 23% of the telecommunications operator on the market.

Onatel's Extraordinary Shareholders' Meeting of December 29, 2010, approved plans to merge with Onatel's Mobile subsidiary. Since then, Onatel has become a global operator, benefiting from synergy between its Fixed-Line, Mobile and Internet businesses.

On April 17, 2018, Maroc Telecom finalized the acquisition of an additional 10% in the capital of Onatel on the regional stock exchange of Abidjan in Côte d'Ivoire, bringing its ownership of its Burkina Faso subsidiary to 61%.

Maroc Telecom representatives sit on the Board of Directors of Onatel and no Maroc Telecom manager holds operational positions in this company.

The consolidation methods for Onatel and its subsidiaries are summarized in Notes 1, 2 and 28 to the consolidated financial statements. In addition, Chapter 3.2.3.4 "Related-party transactions" describes the type of financial flows between Maroc Telecom and Onatel.

Fixed-Line Telephony, Data and Internet

Onatel provides Fixed-Line telephony services (voice and data) as well as broadband Internet access to private customers, companies and the public sector.

Onatel lost its monopoly on basic services (domestic Fixed-Line telephony, telex and telegraph) on December 31, 2005. However, it currently remains the only Fixed-Line telephony operator in Burkina Faso. By contrast, Onatel competes with other service providers in the Internet market.

At end-December 2020, Onatel had 75 thousand Fixed Lines, a slight decrease of 0.3% compared with 2019. The Fixed-Line penetration rate is still low, at only 0.4% of the population at end-December 2020.

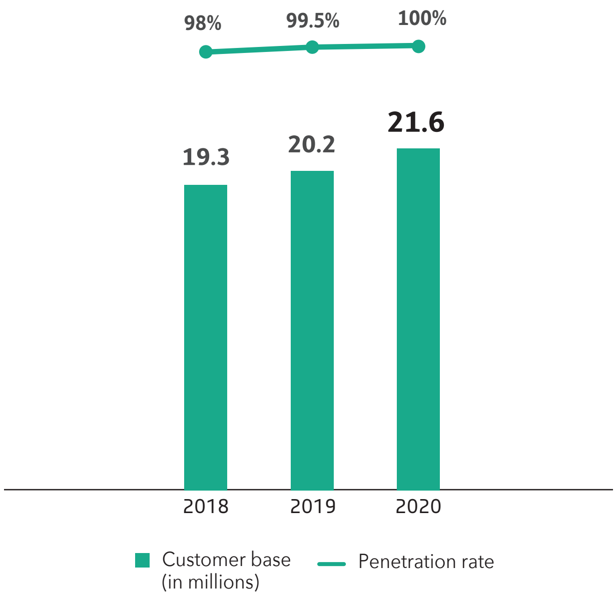
The operator also sells broadband Internet offers to its customers through its ADSL network. At the end of December 2020, Onatel had 14 thousand Internet subscribers, down by 2.2% compared to 2019 due to competition from Mobile Internet, a bona fide substitute for Fixed Internet. 68% of these customers have broadband access via the ADSL network.

Mobile telephony

Onatel's Mobile business, operated under the Telmob brand, provides prepaid and postpaid services. Mobile services are offered for voice, value-added services (SMS, MMS, etc.), 3G/4G mobile Internet and roaming. Onatel offers its m-payment service under the Mobicash brand.

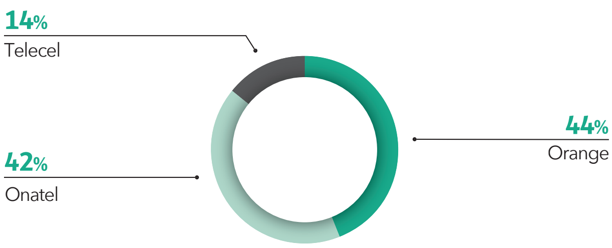
COMPETITION AND MARKET SHARE

MOBILE MARKET TRENDS IN BURKINA FASO



Source: IMF (October 2020) and Dataxis (Q3 2020).

MOBILE MARKET SHARE IN BURKINA FASO AT SEPTEMBER 30, 2020



Source: Dataxis (Q3 2020).

At September 30, 2020, the Burkina Faso market had 21.6 million Mobile customers, representing a penetration rate of 100%, up 3.6 points in one year.

At December 31, 2020, Onatel had 9.4 million Mobile customers (mainly prepaid), a year-on-year increase of 9.8%.

PERFORMANCE

The following table summarizes Onatel's key operating data:

	Unit	2020	2019	2018
Mobile customer base	(000)	9,388	8,546	7,634
Fixed-Lines	(000)	75	75	77
Broadband access	(000)	14	15	15

Seasonality

In Burkina Faso, the annual rainy season (August and September) has a negative impact on sales and on network quality of service. This has repercussions for both Fixed-Line and Mobile revenues.

Regulations

OVERVIEW

Burkina Faso's current regulatory framework for telecommunications was established by Law no. 061-2008/AN of November 27, 2008, as amended, relating to General Regulations for networks and electronic communication services in Burkina Faso and its implementing decrees.

The Electronic Communications and Postal Services Regulatory Authority (Autorité de Régulation des Communications Électroniques et de la Poste, hereinafter "ARCEP") is an independent public-sector administration having legal personality and operating under the technical supervision of the Prime Minister's office.

It is responsible for ensuring that operators comply with their contract specifications, managing and controlling radio frequencies, establishing and managing the national numbering plan, and managing conciliation and arbitration proceedings among telecommunications operators and between operators and consumers.

The main implementing texts for the telecommunications law are Decree no. 2010-451 of August 12, 2010, which sets out the general conditions for the interconnection of networks and access to these networks; Decree no. 2010-245 of May 20, 2010, setting out the procedures and conditions attached to the individual licensing system, general authorization system, and declarations system; Decree no. 2010-246 of May 20, 2010, which sets the amounts and procedures for recovery of fees, contributions, and costs; Decree no. 2018-1211 of December 31, 2018, which defines the conditions for allocating technologically-neutral individual licenses for the establishment and operation of electronic communications networks and services to telephony operators established in Burkina Faso; and Decree no. 2018-1270 of December 31, 2018, on the procedures for identifying subscribers to electronic communications services and customers of Internet cafés.

MAIN REGULATORY OBLIGATIONS APPLYING TO ONATEL

Onatel is required to pay industry fees and contributions. This includes the regulatory fee of 1% of revenues excluding interconnection charges, the annual contribution to training and research of 0.5% of revenues excluding interconnection charges, and a contribution of 2% of revenues excluding interconnection charges to the Universal Service Fund.

In addition, Onatel pays fees for the use of frequencies and numbers.

In addition, since January 1, 2014, Onatel has paid a special tax on telecom operators equivalent to 5% of their revenues excluding Fixed-Line services, international interconnection expenses, and revenue from handset sales. The rate of this tax was raised to 7% in early 2020.

In addition, Onatel is subject to obligations set out in its specifications and in regulatory texts, notably in terms of coverage, quality of service, customer identification and the implementation of cost accounting. Onatel is also subject to a tariff framework as a dominant operator.

ONATEL LICENSES

Licenses and authorization	Award date	Expiration Date	Term
Fixed-Line license	12/29/2006	12/29/2026	20 years
2G/3G/4G license	03/26/2019	06/21/2037	17 years

HIGHLIGHTS 2020

Regulatory highlights for 2020:

- Increase in the rate of the specific tax on telecommunications companies from 5% to 7%;
- Formal notice served on Onatel July 23, 2020, to comply with the requirements of its specifications within three months.
- The adoption, in September 2020, of two decisions on the obligation to provide access to DSUs and the financial conditions relating to this access;
- The adoption, in December 2020, of the Finance Law for 2021 establishing a new tax on financial activities;
- the publication of a restricted call for tenders for the selection of one or more operators to provide network coverage and electronic communications services in areas of Burkina Faso, as part of the universal service framework;
- Completion of a parliamentary inquiry into the mobile telephone system in Burkina Faso, together with recommendations to operators and the government.

4.2.2.4 GABON TELECOM

Macroeconomic indicators

	2020	2019	2018
Population *(000)*	2,108	2,080	2,053
GDP per capita *(in USD)*	14,999	19,057	18,434
GDP growth	-2.7%	+2.9%	+0.8%
Inflation	+3.0%	+3%	+4.8%

Source: IMF (October 2020).

Gabon Telecom SA is the incumbent operator in Gabon. It was formed from the break-up in 2001 of Office des Postes et Télécommunications pursuant to Law no. 004/2001 of June 27, 2001, on the reorganization of the postal and telecommunications sector.

In March 1999, Gabon Telecom created Libertis, its wholly-owned mobile subsidiary, which obtained a second license to operate a GSM Mobile telephony network in 2007. Until 2006, Gabon Telecom was wholly owned by the Gabonese government. In February 2007, following an international invitation to tender, the Gabonese government sold a 51% stake in the company to Maroc Telecom. The transaction was finalized on December 23, 2010, following completion of the agreements signed in 2008.

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Gabon Telecom's Extraordinary Shareholders' Meeting of December 20, 2011, approved plans to merge with Gabon Telecom's Mobile subsidiary. Since then, Gabon Telecom has become a global operator, capitalizing on the synergy between its Fixed-Line, Mobile, and Internet businesses.

In addition, after the acquisition of Moov Gabon in January 2015, and to comply with the country's regulatory requirements, a merger between Gabon Telecom and Moov Gabon was necessary.

The merger-absorption process for Gabon Telecom and Moov Gabon was finalized in June 2016.

On June 20, 2017, the Regulatory Council awarded Gabon Telecom a new universal license for a ten-year period for MAD 148.

Maroc Telecom's representatives sit on the Board of Gabon Telecom. None of Maroc Telecom executives holds any operational functions within these companies.

The consolidation methods for Gabon Telecom and its subsidiaries are summarized in Notes 1, 2 and 28 to the consolidated financial statements. In addition, Chapter 3.2.3.4 "Related-party transactions" illustrates the type of financial flows between Maroc Telecom and the Gabon Telecom sub-group.

Fixed-Line Telephony, Data and Internet

Gabon Telecom provides Fixed-Line telephony services (voice and data) as well as ADSL and FTTH Internet access to private customers, companies and the public sector.

Gabon Telecom lost its monopoly on basic services (domestic Fixed-Line telephony, telex, and telegraph) on December 31, 2005. However, it currently remains the sole national fixed-line operator in Gabon. By contrast, Gabon Telecom competes with other service providers in the Internet and VSAT markets.

At end-December 2020, the operator had a Fixed-Line customer base of 25 thousand lines, an increase of 13.9%. The Fixed-Line penetration rate still remains low, at only 1.2% at end-December 2020.

Gabon Telecom also offers Internet access via its fixed-line network (high-speed ADSL and fiber optic). At end-December 2020, Gabon Telecom had 22 thousand Internet subscribers, up 19.9% year-on-year.

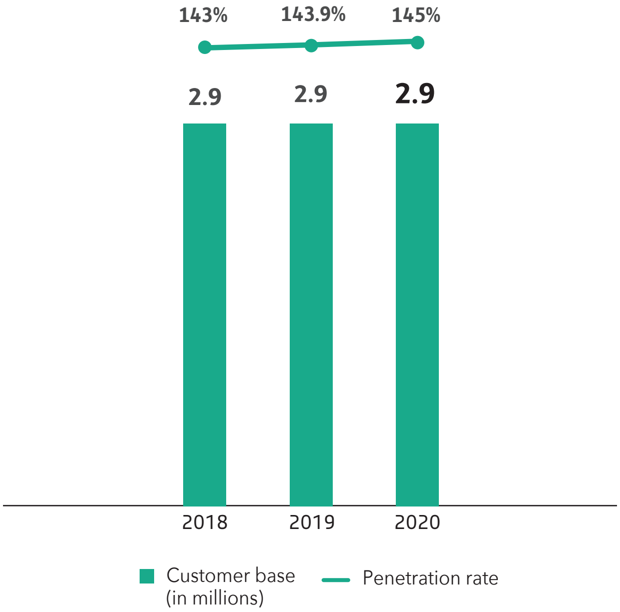
Gabon Telecom has access to the SAT-3 submarine cable with a capacity of 30 Gb/s coupled with a backup via ACE (10 Gb/s), enabling it to provide its own international bandwidth and to market international services (Internet, voice) to other telecoms operators and Gabonese companies.

Mobile telephony

Gabon Telecom's Mobile segment, marketed under the Libertis and Moov brands, provides prepaid and postpaid services and offers voice and data plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting Gabon. In 2014 Gabon Telecom launched its m-payment service under the Mobicash brand as well as 3G and 4G services.

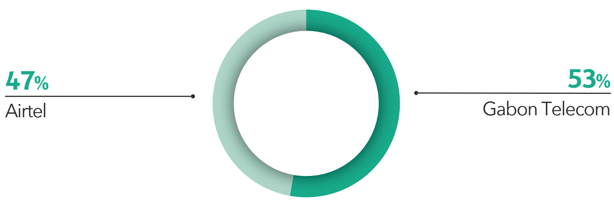
COMPETITION AND MARKET SHARE

MOBILE MARKET TRENDS IN GABON



Source: IMF (October 2020) and Dataxis (Q3 2020).

MOBILE MARKET SHARE IN GABON AT SEPTEMBER 30, 2020



Source: Dataxis (Q3 2020).

At September 30, 2020, there were 2.9 million Mobile customers, representing a penetration rate of 145%, up by 1 point in one year.

The Gabonese market consists of two operators, Gabon Telecom and Airtel. Despite a highly competitive environment, Gabon Telecom had a market share of 53% at the end of September 2020.

Gabon Telecom's mobile customer base stood at 1.6 million customers, almost all prepaid, an increase of 0.6%.

PERFORMANCE

The following table shows Gabon Telecom's key operating data:

	Unit	2020	2019	2018
Mobile customer base	(000)	1,632	1,621	1,620
Fixed-Lines	(000)	25	22	22
Broadband access	(000)	22	18	17

Seasonality

In Gabon, December and the summer months (July to September) generally see a surge in activity due to year-end festivities (Christmas and New Year), holidays in the country's rural regions, family gatherings, the celebration of national independence, and the back-to-school period.

November, January and February, in contrast, are generally quiet months, the aftereffects of the summer and year-end peaks.

Regulations

OVERVIEW

The regulatory framework for the Telecommunications sector in the Gabonese Republic as amended by Order no. 006//2014 of August 20, 2014.

The Electronic Communications and Postal Services Regulatory Authority (Agence de Régulation des Communications Électroniques et de Postes, hereinafter, "ARCEP") is responsible for the regulation, control and monitoring of the telecommunications sector. ARCEP is an independent administrative authority under the supervision of the Ministry of the Digital Economy, Communication and Post Office and the Ministry of Economy and Finance.

The main laws governing the telecommunications sector are: Order no. 08/PR/2012 of February 13, 2012, on the creation and organization of ARCEP, as amended by Order no. 005 of August 20, 2014; Decree no. 054 of June 15, 2005, on interconnection procedures and infrastructure sharing; and Decree no. 0844 of October 26, 2006, on duties, dues and contributions payable by telecommunications operators and et ARCEP deliberation n°0098/ARCEP/CR/2020 on subscriber identification.

MAIN REGULATORY OBLIGATIONS APPLYING TO GABON TELECOM

Gabon Telecom is required to pay industry dues and contributions. These include a contribution to the Universal Service Fund of an amount equivalent to 2% of revenue excluding interconnection charges, as well as a contribution to telecom research, training, and standardization, in an amount equivalent to 2% of revenue excluding interconnection charges.

In addition, Gabon Telecom is required to pay annual dues for the use of radio frequencies and numbers.

Finally, all operators pay a tax of 5% on telephone calls and a tax on incoming international communications of FCFA 47/min.

GABON TELECOM LICENSES

Licenses and authorization	Award date	Expiration Date	Term
Fixed-Line authorization	02/09/2007	02/09/2022	15 years
2G/3G/4G license	05/28/2017	05/28/2027	10 years

HIGHLIGHTS 2020

Regulatory highlights for 2020:

- the drop in the Mobile call termination rate as of January 1, from FCFA 10 to FCFA 8; Fixed-line call termination fell to FCFA 9 for 2020;
- the adoption, in March 2020, of a deliberation modifying subscriber identification procedures and setting the deadline for compliance at six months;
- the adoption of the amending finance law no. 019/2020 of July 17, 2020, introducing, in particular, an increase in the regulatory fee from 2% to 3% of revenue excluding interconnection charges and the removal of the cap on dues and regulatory contributions.

4.2.2.5 SOTELMA

Macroeconomic indicators

	2020	2019	2018
Population *(000)*	19,667	19,095	18,542
GDP per capita *(in USD)*	2,290	2,470	2,380
GDP growth	-2.0%	+5.0%	+5.0%
Inflation	+0.5%	+0.2%	+1.7%

Source: IMF (October 2020).

Sotelma SA is the incumbent operator in Mali: it emerged in 1990 from the break-up of the former Office des Postes et Télécommunications. The company was created by Order no. 89-32 of October 9, 1989, and ratified by Law no. 90-018 ANRM of February 27, 1990.

On July 31, 2009, following an international competitive privatization process, Maroc Telecom acquired 51% of Sotelma.

Maroc Telecom's representatives sit on the Board of Sotelma. None of Maroc Telecom executives holds any operational functions within these companies.

The consolidation methods for the Sotelma sub-group are summarized in Notes 1, 2 and 28 to the consolidated financial statements. In addition, Chapter 3.2.3.4 "Related-party transactions" illustrates the type of financial flows between Maroc Telecom and the Sotelma sub-group.

Fixed-Line Telephony, Data and Internet

Sotelma provides Fixed-Line telephony services (voice and data) as well as ADSL and FTTH Internet access to private customers, companies and the public sector.

At end-December 2020, the operator had a Fixed-Line customer base of 180 thousand lines, an increase of 5.1%. The Fixed-Line penetration rate is still low, however, at only 0.9% of the population at end-December 2020.

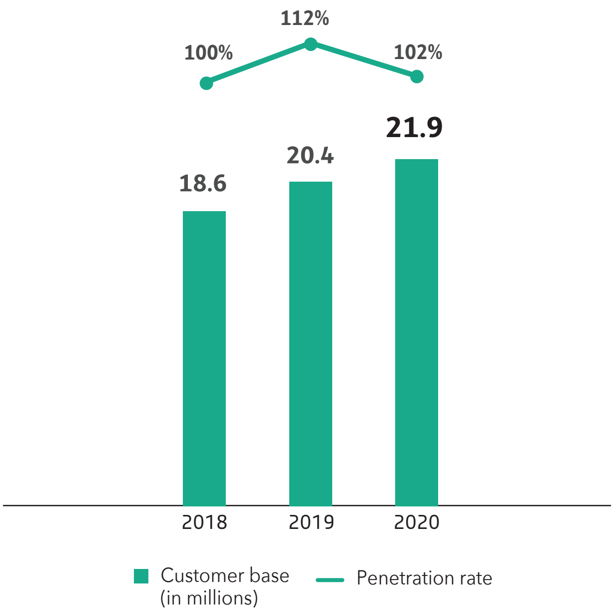
The operator is able to offer its Fixed-Line customers ADSL and FTTH broadband packages. It also offers Internet access via its CDMA network. At end-December 2020, Sotelma had 77 thousand Internet subscribers, a 5.2% increase, despite the impact of competition from the Mobile segment.

Mobile telephony

Sotelma's Mobile business consists of prepaid and postpaid services through voice and 3G/4G data plans. It also provides roaming services for Sotelma mobile subscribers abroad and for customers of foreign partner operators visiting Mali. Sotelma launched its m-payment service under the Mobicash brand in 2014.

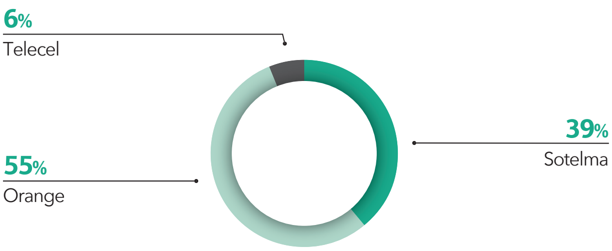
COMPETITION AND MARKET SHARE

MOBILE MARKET TRENDS IN MALI



Source: IMF (October 2020) and Dataxis (Q3 2020).

MOBILE MARKET SHARE IN MALI AT SEPTEMBER 30, 2020



Source: Dataxis (Q3 2020).

At September 30, 2020, the Mali market had 22 million Mobile customers, representing a penetration rate of 102%.

Three mobile operators are currently active in Mali: Sotelma, Orange, and Telecel. The latter launched its Mobile services in the first quarter of 2018.

At December 31, 2020, Sotelma had 9.7 million Mobile customers, a 30.0% increase on the previous year.

PERFORMANCE

The following table summarizes Sotelma's key operating data:

	Unit	2020	2019	2018
Mobile customer base	(000)	9,684	7,446	7,320
Fixed-Lines	(000)	180	171	164
Broadband access	(000)	77	73	69

Seasonality

Telecommunications activity in Mali rises during the rainy season, from June to September, when large numbers of Malian students abroad return home for their summer vacation. Other brief events give rise to major commercial opportunities, including religious holidays such as Tabaski (generally the day of the holiday and the following days) and year-end holidays (December). However, Mobile and Fixed-Line traffic falls substantially in the month of Ramadan, except for the last few days.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Mali is now governed by Order no. 2011-023/P-RM of September 28, 2016, on telecom and information and communication technologies in Mali, and Order no. 2016-014 of March 31, 2016, on the regulation of the telecommunications sector, information and communication technologies and the postal service. Established by Order no. 2016-014, the Malian Authority for the Regulation of Telecommunications and Postal Services (AMRTP) is an independent administrative authority responsible for regulating the telecommunications and information and communication technology sector and the postal sector.

The main provisions adopted to date under the Order on Telecommunications are Decree no. 2016-976 of December 27, 2016, laying down the detailed rules for implementation of national roaming, and Decree no. 2011-872 of December 30, 2011, on the sharing of infrastructure.

MAIN REGULATORY OBLIGATIONS APPLYING TO SOTELMA

Sotelma is required to pay a set of sector dues and contributions. Since 2013, Sotelma has been paying a total contribution of 3% of its revenues, net of interconnection charges, plus annual dues for the use of radio frequencies and numbering resources.

Further, Sotelma pays the tax on access to public telecommunications networks (TARTOP) set at 5% of global revenues.

Also, Law No. 2017-012 setting the regime of literary and artistic property sets the annual fees applicable to telephony companies at CFAF 250 per subscriber user of protected works.

Finally, a Radio and TV fee was introduced by interministerial order in May 2018. This fee is set at FCFA 1 per minute of communication.

SOTELMA LICENSES

Licenses and authorization	Award date	Expiration Date	Term
2G, 3G, 4G Fixed-Line license	07/31/2009	07/31/2024	15 years

(a) Extension of the current license to 4G in November 2018.

HIGHLIGHTS 2020

Regulatory highlights for 2020:

- The decrease, from January 1, 2020, the Mobile call termination of Sotelma from 7 Fcfa to 3 Fcfa and of Orange Mali from 5.7 Fcfa to 2.5 Fcfa. Atel's bonus down from 60% to 50%
- The adoption, in June 2020, of decision No. 20-0048-AMRTP-P on conditions and procedures for opening, accessing and operating the rights, USSD channel by telecommunications/communications operators by electronic mobile means.
- The adoption, in June 2020, of decision No. 20-0049-AMRTP-P setting the rights fees and charges for operating the USSD Canal.
- The adoption, in June 2020, of decision No. 20-0110-AMRTP-P setting the rates for Wholesale Internet & Leased Lines.

4.2.2.6 MOOV AFRICA CÔTE D'IVOIRE

Macroeconomic indicators

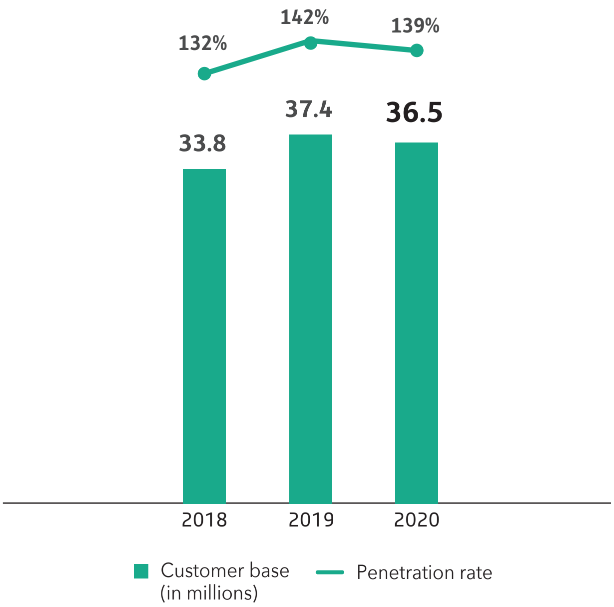
	2020	2019	2018
Population *(000)*	26,958	26,275	25,609
GDP per capita *(in USD)*	5,071	4,457	4,180
GDP growth	1.8%	7.5%	7.4%
Inflation	1.2%	1.0%	1.1%

Source: IMF (October 2020).

Mobile telephony

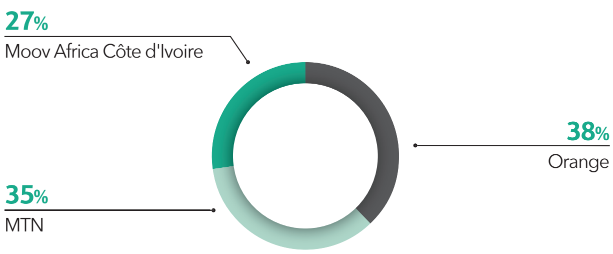
COMPETITION AND MARKET SHARE

MARKET TRENDS IN CÔTE D'IVOIRE



Source: IMF (October 2020) and Dataxis (Q3 2020).

CÔTE D'IVOIRE MARKET SHARE AT SEPTEMBER 30, 2020



Source: Dataxis (Q3 2020).

Moov Africa Côte d'Ivoire's Mobile business consists of prepaid and postpaid services through voice and 3G/4G data plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting Côte d'Ivoire. Moov Africa Côte d'Ivoire also offers an m-payment service under the Moov Money trade mark.

At September 30, 2020, the Ivorian market had 36.5 million Mobile customers, representing a penetration rate of 139%.

In this market, two major operators are active alongside Moov Côte d'Ivoire: Orange Côte d'Ivoire and MTN Côte d'Ivoire, following the market consolidation in April 2016.

PERFORMANCE

Moov Africa Côte d'Ivoire's Mobile customer base changed as follows:

	Unit	2020	2019	2018
Mobile customer base	(000)	10,050	8,975	8,646

At December 31, 2020, Moov Africa Côte d'Ivoire had 10.1 million Mobile customers (mainly prepaid), a year-on-year increase of 12.0% despite heightened competition and customer identification requirements. The market share of Moov Côte d'Ivoire was 27% at end-September 2020.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Côte d'Ivoire is governed by Order no. 2012-293 of March 21, 2012, on telecommunications and on information and communications technology.

The National Authority for the Regulation of Telecommunications/ICT of Côte d'Ivoire (ARTCI) is an independent administrative authority responsible for carrying out the regulatory function on behalf of the State and with quasi-judicial powers.

The main texts adopted to date under the Order on telecommunications are Decree nº 2012-934 of September 19, 2012, on the organization and operation of the ARTCI Authority, Decree no. 2013-300 of May 2, 2013, on the interconnection of telecommunications networks and services and local loop unbundling, Decree no. 2015-812 of December 18, 2015, on the approval of specifications appended to each individual category C1A license to establish networks and supply telecommunications/ICT services, Decree no. 2015-80 of February 4, 2015, defining the categories of telecommunications/ICT activities and establishing the procedures for accessing scarce resources and Decree no. 2017-193 of March 22, 2017, on the identification of subscribers to telecommunications/ICT services open to the public and users of cybercafes. The Moov Africa Côte d'Ivoire subsidiary, Moov Money Côte d'Ivoire has a license to operate a mobile payment business under the decision of the Central Bank of West African States (BCEAO) nº 210-01-2019, of July 23, 2019, on the Moov Money Côte d'Ivoire licensing agreement.

MAIN REGULATORY OBLIGATIONS APPLYING TO MOOV AFRICA CÔTE D'IVOIRE

Moov Africa Côte d'Ivoire is subject to various sector fees and contributions. These include the annual regulatory fee equal to 0.5% of its revenue; the Research, Training and Normalization Contribution equal to 0.5% of its revenue; the universal service contribution equal to 2% of its revenue, as well as the dues for the use of radio frequencies and numbering resources.

In addition to these dues and contributions, there is a tax on communications equal to 3% of their price before tax, and a tax on telecommunications companies set at 5% of revenues before tax (including interconnection and mobile payment receipts and income). Moov Africa Côte d'Ivoire is also subject to a tax for the promotion of culture in the amount of 0.2% of revenue.

MOOV AFRICA CÔTE D'IVOIRE LICENSES

Licenses and authorization	Award date	Expiration Date	Term
Global license	March 2016 [a]	March 2033	16 years

(a) March 2017 is the license start date.

HIGHLIGHTS 2020

Regulatory highlights for 2020:

- the adoption of two decisions relating to call termination levels and price caps for the wholesale National Roaming offer for the years 2020 and 2021. The level of call termination was kept at 7 Fcfa until the end of 2020;
- the decision to impose a fine of 657,345,520 Fcfa, pronounced in March 2020, against AT CDI for breaches of its quality of service obligations for the year 2018;
- adoption of the following regulatory decisions:
  - decision no. 2020-0599 of the Regulatory Council of the Telecommunications/ICT Regulatory Authority of Côte d'Ivoire dated September 9, 2020, implementing a service framework for the mobile telephone retail market and decision no. 2020-0616 to change the enforcement date of the first decision,
  - decision no. 2020-0598 of the Regulatory Council of the Telecommunications/ICT Regulatory Authority of Côte d'Ivoire dated September 9, 2020, placing a cap on rates for domestic and international services and decision no. 2020-0617 to change the enforcement date of the first decision,
  - decision no. 2020-0597 of the Regulatory Council of the Telecommunications/ICT Regulatory Authority of Côte d'Ivoire dated September 9, 2020, defining the procedures for allocating numbering resources for USSD codes for the provision of added-value services,
  - decision no. 2020-0596 of the Regulatory Council of the Telecommunications/ICT Regulatory Authority of Côte d'Ivoire dated September 9, 2020, for the adoption of the protocol for measuring the quality of service of mobile telephone networks in Côte d'Ivoire,
  - decision nº2020-0569 of the Regulatory Council of the Telecommunications/ICT Regulatory Authority of Côte d'Ivoire dated June 10, 2020, issuing a national numbering plan.

4.2.2.7 MOOV AFRICA BENIN

Macroeconomic indicators

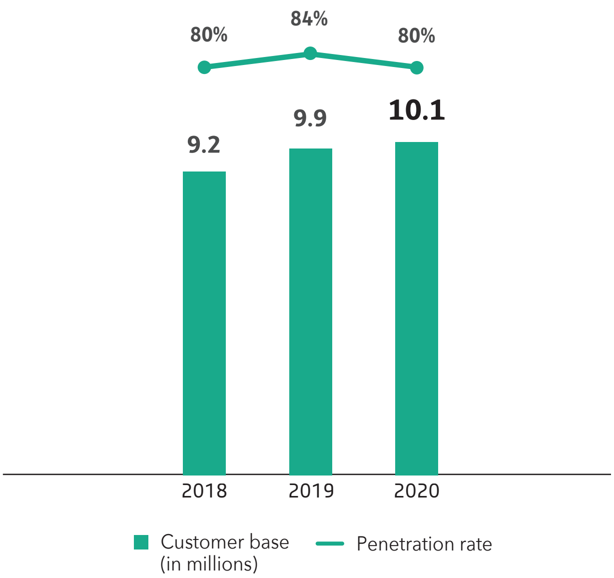
	2020	2019	2018
Population *(000)*	12,147	11,814	11,491
GDP per capita *(in USD)*	3,258	3,446	3,267
GDP growth	+2.0%	+7.0%	+7.0%
Inflation	+2.5%	-0.3%	+1.0%

Source: IMF (October 2020).

Mobile telephony

COMPETITION AND MARKET SHARE

MARKET TRENDS IN BENIN



Source: IMF (October 2020) and Dataxis (Q3 2020).

BENIN MARKET SHARE AT SEPTEMBER 30, 2020

Source: Dataxis (Q3 2020).

Moov Africa Benin's Mobile business consists of prepaid and postpaid services through voice and data (mainly SMS) plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting Benin. In addition to 3G and 4G services (the latter launched in April 2017), Moov Africa Benin offers an m-payment service under the Moov Money brand.

At September 30, 2020, the Benin market had 10 .1 million Mobile customers, representing a penetration rate of 80%.

PERFORMANCE

Moov Africa Benin's Mobile customer base changed as follows:

	Unit	2020	2019	2018
Mobile customer base	(000)	4,682	4,377	4,279

At December 31, 2020, Moov Africa Benin had 4.7 million Mobile customers (mainly prepaid), a year-on-year increase of 6.9%. Moov Africa Benin had a market share of 45% at the end of September 2020.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Benin is principally governed by Law no. 2017-20 of April 20, 2018, on the digital code in the Republic of Benin, its implementing decrees and other regulatory texts.

The Regulatory Authority for Electronic Communications and Post Office (hereinafter ARCEP BENIN) is an independent administrative structure having legal personality and financial and management independence. It works independently, impartially, fairly, and transparently. It is responsible, among other duties defined by the above-mentioned law, for regulating, managing, and monitoring the activities of the electronic communications and postal sectors.

The Benin Agency for Universal Electronic and Postal Communications Service (ABSU CEP) is placed under the auspices of the Ministry for Electronic Communications and Post Office. It implements government policy in the field of universal service.

MAIN REGULATORY OBLIGATIONS APPLYING TO MOOV AFRICA BENIN

Moov Africa Benin is required to pay various sector dues and contributions. These include:

- contributions to the general engagements of the State and to the development of the industry, paid yearly, and broken down as follows:
  - contribution to universal access engagements and expenses in the amount of 1% of its revenues in the previous year, excluding tax and interconnection expenses,
  - contribution to the functioning of the Regulatory Authority in the amount of 1% of revenues in the previous year, excluding tax and interconnection expenses,
  - the contribution to research, development, training and standardization in the field of telecommunications amounting to 0.5% of its revenue for the previous year excluding taxes and interconnection charges,
  - the contribution to regional planning and environmental protection expenses of 0.5% of its revenue for the previous year, excluding taxes and interconnection charges;

- other dues:
  - contribution to development in the amount of 2% of its revenues, excluding tax and interconnection charges,
  - communications dues at 10% of its monthly revenues,
  - a contribution of 5% of the sale price of electronic communications services on public networks,
  - a tax for the development of sport to be paid by large companies which amounts to one per thousand of revenue excluding all taxes for the previous year.

Lastly, Moov Africa Benin pays dues for the use of radio frequencies and numbering resources. It must also pay handling fees when it files an application.

MOOV AFRICA BENIN LICENSES

Licenses and authorization	Award date	Expiration Date	Term
License for the establishment and operation of mobile telecommunications networks	06/07/2013	06/07/2033	20 years

HIGHLIGHTS 2020

Regulatory highlights for 2020:

- in March 2020, Moov Africa Benin was notified of the new specifications relating to the establishment and operation of mobile telephony networks, brought into line with the Digital Code in the Republic of Benin;
- the extension of the scope of activities of the Beninese Digital Infrastructure Company (SBIN) which becomes the third-largest Mobile operator in the Benin market;
- the adoption of the following decrees:
  - decree no. 2020-281 of May 13, 2020, setting the conditions for establishing and operating Internet of Things networks and services in the Republic of Benin,
  - decree no. 2020-249 of April 22, 2020, introducing the conditions for the identification of the users of electronic communication services;
- the adoption of the following decrees:
  - order no. 016/MND/DC/SGM/CTJ/CJ/SA/016SGG20 of September 22, 2020, on the procedures for managing the national numbering and addressing plan in the Republic of Benin,
  - order no. 014/MND/DC/SGM/CTJ/SA/0025SGG20 of August 28, 2020, laying down the rules applicable to electronic communications activities subject to the authorization regime,
  - order no. 013/MND/DC/SGM/CTJ/CJ/SA/026SGG20 of August 28, 2020, laying down the constituent elements, procedures and special conditions for the operation of electronic communications activities under the self-reporting regime in the Republic of the Benin,
  - order no. 097/MISP/MND/DC/SGM/ANIP/SA015SGG20 of June 25, 2020, recognizing the value of a national identification document for the benefit of the Personal Identification Certificate issued by the National Agency for the Identification of Persons;
- adoption of the following ARCEP decisions:
  - decision 2020-347 of December 14, 2020, setting the voice and SMS interconnection tariffs on electronic communications networks in the Republic of Benin;
  - decision 2020-348 of December 15, 2020, on the radioelectric channel arrangement plan for frame-relay systems in the Republic of Benin;
  - decision no. 2020-350/ARCEP of December 15, 2020, approving the protocol for measuring the coverage and the experiential quality of networks in the Republic of Benin;
  - decision no. 2020-349/ARCEP of December 15 establishing the numbering plan in the Republic of Benin;
  - decision no. 2020-283/ARCEP/PT/SE/DJPC/DCT/GU on September 21, 2020, setting the terms for the transfer of identification data of users of electronic communications services by operators in the Republic of Benin;
  - decision no. 2020 210/ARCEP/PT/SE/DJPC/DCT/GU of July 17, 2020, setting the terms for the deployment of access points to the pay services of mobile electronic communications networks open to the public in the Republic of Benin;
  - decision no. 2020 209/ARCEP/PT/SE/DCT/DJPC/GU of July 17, 2020, setting the network coverage obligations of the operator Moov Africa Benin;
  - decision no. 2020 207/ARCEP/PT/SE/DJPC/DCT/GU of July 17, 2020, setting the quality of service indicators for mobile electronic communications networks open to the public in the Republic of Benin;
  - decision no. 2020-202/ARCEP/PT/SE/DJPC/DAF/DCT/DEM/DAR/GU of July 14, 2020, setting the terms for the allocation and operating conditions of USSD codes in the Republic of Benin;
  - decision no. 2020-118/ARCEP/PT/SE/DJPC/GU of April 15, 2020, suspending the termination of SIM cards by operators of electronic communications networks and services in the Republic of Benin.

4.2.2.8 MOOV AFRICA TOGO

Macroeconomic indicators

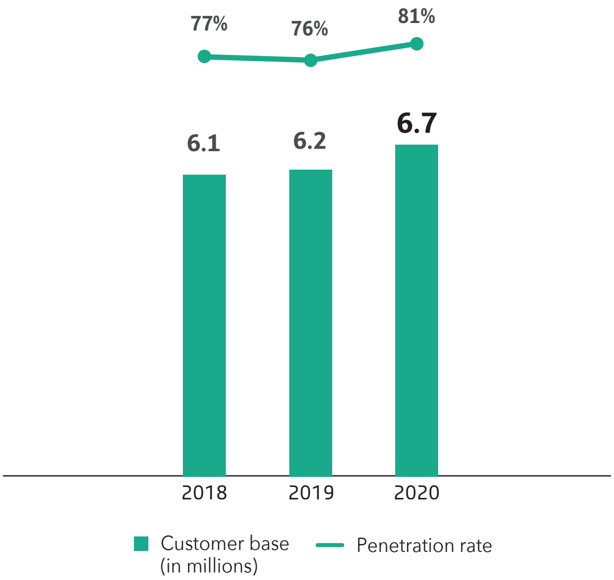
	2020	2019	2018
Population *(000)*	8,285	8,195	7,994
GDP per capita *(in USD)*	1,551	1,826	1,750
GDP growth	+0.0%	+5.1%	+4.9%
Inflation	+1.4%	+1.4%	+1.0%

Source: IMF (October 2020).

Mobile telephony

COMPETITION AND MARKET SHARE

MARKET TRENDS IN TOGO



Source: IMF (October 2020) and Dataxis (Q3 2020).

TOGOLESE MARKET SHARE AT SEPTEMBER 30, 2020

Source: Dataxis (Q3 2020).

Moov Africa Togo's Mobile business consists of prepaid and postpaid services through voice and data (mainly SMS) plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting Togo. To offer these services. Moov Africa Togo launched 4G on July 1, 2018, just one year after the commercial launch of 3G services. An m-payment service under the Flooz brand is also offered.

At September 30, 2020, the Togo market had 6.7 million Mobile customers, representing a penetration rate of 81%.

Two Mobile operators are currently active in Togo: Moov Africa Togo and Togocel.

PERFORMANCE

Moov Africa Togo's Mobile customer base changed as follows:

	Unit	2020	2019	2018
Mobile customer base	(000)	3,380	3,030	3,405

At December 31, 2020, Moov Africa Togo had 3.4 million Mobile customers (almost all prepaid), with a market share of 48% at end-September 2020.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Togo is governed by Law no. 2012-018 of December 17, 2012, on electronic communications, as amended by Law no. 2013-003 of February 19, 2013.

The Telecommunications Regulatory Authority (Autorité de Régulation des Télécommunications, ART&P) has legal personality, independent management, and financial autonomy. As part of the digital transformation process, the ART&P has been given a Management Committee. Subsequently, by decree, a new Chief Executive Officer was appointed to the French Regulatory Authority, renamed the French Electronic Communications and Postal Services Regulatory Authority (ARCEP).

It is under the technical supervision of the ministry responsible for the telecommunications sector. The responsibilities of ART&P include implementing and monitoring the application of the legislation in force.

The main texts adopted to date pursuant to the law on electronic communications are:

- decree no. 2014-088/PR of March 31, 2014, on the legal regimes applicable to electronic communications activities as amended by Decree no. 2018-145/PR of October 3, 2018;
- decree no. 2014-112/PR of April 30, 2014, on interconnection and access to electronic communications networks as amended by Decree no. 2018-144/PR of October 3, 2018;
- decree no. 2018-174/PR setting the rates, methods of recovery and allocation of fees and charges payable by operators of electronic communications networks and services, suppliers of equipment and devices and installers of electrical radio equipment;
- decree no. 2019-022/PR on the powers, organization and functioning of the National Cybersecurity Agency (ANCy);
- decree no. 2019-094/PR on the operation and funding arrangements for the digital sovereignty fund;
- decree no. 2019-095/PR on operators of essential services, essential infrastructure and related obligations.

In addition to the law on electronic communications, other laws govern the activity of telecommunications operators:

- law no. 2017-007 on electronic transactions;
- law no. 2018-026 on cybersecurity and the fight against cybercrime;
- law no. 2019-014 on the protection of personal data.

4

MAIN REGULATORY OBLIGATIONS APPLY TO MOOV AFRICA TOGO

Moov Africa Togo must pay regulatory dues of 0.5% of revenue, excluding tax and interconnection charges; an annual contribution to the Universal Service Fund in an amount equivalent to 2% of revenue, excluding taxes and interconnection charges; an annual contribution to telecom research, training, and standardization, in an amount equivalent to 0.25% of revenue, excluding taxes and interconnection charges; and an annual contribution to the digital sovereignty fund of 0.25% of revenue, excluding taxes and interconnection charges.

MOOV AFRICA TOGO LICENSES

Licenses and authorization	Award date	Expiration Date	Term
2G/3G/4G	June 2018	December 2036	18 years

HIGHLIGHTS 2020

Regulatory highlights for 2020:

- the drop in the Mobile call termination rate to 15 FCFA as of January 1, 2020;
- the adoption, on December 23, 2020, of Decree no. 2020-116/PR on the national deployment of fiber-optic electronic communications networks;
- the adoption of Decree no. no. 2020-023/PR of April 7, 2020, appointing members of the ARCEP Management Committee;
- the adoption, in September 2020, of the law on the biometric identification of natural persons in Togo;
- the adoption of the following decisions:
  - decision no. 013/ART & P/DG/20 on the systematic disclosure of data by the operators of networks and electronic communications services open to the public,
  - decision no. 061/ART & P/DG/20 setting price caps for service providers to access the USSD codes,
  - decision no. 038/ARCEP/DG/20 setting price caps applicable by operators for access by service providers to the USSD codes from January 1, 2021,
  - decision no. 229/ART & P/DG/20 issuing formal notice to Moov Africa Togo for failures reported on its network,
  - decision no. 2020-001/ARCEP/CD issuing formal notice to Moov Africa Togo to cease all rate differentiation practices for voice and SMS communications,
  - decision no. 2020-005/ARCEP/CD issuing formal notice to Moov Africa Togo for breach of its obligation of continuity and consistency in the provision of electronic communication services.

4.2.2.9 MOOV AFRICA NIGER

Macroeconomic indicators

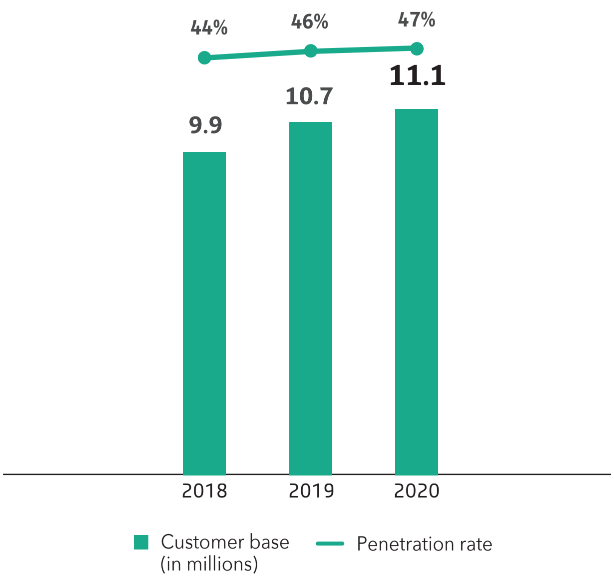
	2020	2019	2018
Population *(000)*	24,207	23,311	22,443
GDP per capita *(in USD)*	1,185	1,106	1,062
GDP growth	+0.5%	+6.3%	+6.5%
Inflation	+4.4%	-1.3%	+2.7%

Source: IMF (October 2020).

Mobile telephony

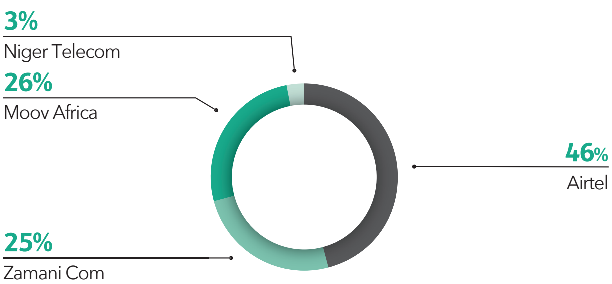
COMPETITION AND MARKET SHARE

MARKET TRENDS IN NIGER



Source: IMF (October 2020) and Dataxis (Q3 2020).

NIGERIAN MARKET SHARE AT SEPTEMBER 30, 2020



Source: Dataxis (Q3 2020).

Moov Africa Niger's Mobile business consists of prepaid and postpaid services through voice and data plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting Niger. In addition to its 3G service (launched in July 2017), Moov Africa Niger offers an m-payment service under the Flooz brand.

At September 30, 2020, the Niger market had 11.1 million Mobile customers, representing a penetration rate of 47%.

In this market, three operators are active alongside Moov Africa Niger: Airtel Niger, Zamani Com and Niger Telecom (created on December 28, 2016, by the merger of the two Nigerien state-owned telecommunications companies: Sonitel and Sahelcom).

PERFORMANCE

Moov Africa Niger's Mobile customer base changed as follows:

	Unit	2020	2019	2018
Mobile customer base	(000)	3,005	2,922	2,485

At December 31, 2020, Moov Africa Niger had 3 million Mobile customers (mainly prepaid), a year-on-year increase of 2.8%. Moov Africa Niger had a market share of 26% at the end of September 2020.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Niger is governed by Law no. 2018-45 of July 12, 2018, regulating electronic communications in Niger.

The Agency for the regulation of electronic and postal communications (hereinafter ARCEP) is responsible for regulating business activities in the electronic communications and postal sectors nationwide, pursuant to Law no. 2018-47 of July 12, 2018.

The main implementing texts for the law on the regulation of electronic communications are Decree no. 2018-736/PRN/MPT/EN of October 19, 2018, on direction, priorities and funding for access to and universal service of electronic communication services, Decree no. 2018-737/PRN/MPT/EN of October 19, 2018, on the terms for controlling the rates of electronic communications services, Decree no. 2018-738/PRN/MPT/EN of October 19, 2018, on the general conditions for interconnection and access, Decree no. 2020-331/PRN/MISP/D/ACR/MPT/EN/MJ on the identification of buyers and/or users of mobile telephony and Internet services open to the public.

MAIN REGULATORY OBLIGATIONS APPLYING TO MOOV AFRICA NIGER

Moov Africa Niger is required to pay various sector dues and contributions. These include the annual contribution to financing universal access to services, amounting to no more than 2% of revenues, net of taxes and excluding interconnection fees. It is also required to pay regulatory dues of up to 2% of revenues, net of taxes and excluding interconnection charges; an annual training and research contribution of no more than 1% of revenues, net of taxes and interconnection charges; and radio and numbering dues proportional to the resources allocated.

Moov Africa Niger is also subject to the payment of a tax on the use of telecommunications networks (TURTEL) equal to 3% of revenue excluding taxes and interconnection charges and the tax on incoming international traffic of CFAF 88 per minute.

MOOV AFRICA NIGER LICENSES

Licenses and authorization	Award date	Expiration Date	Term
2G	December 2015	December 11, 2030	15 years
3G	December 2015	June 29, 2032	15 years

HIGHLIGHTS 2020

Regulatory highlights for 2020:

- the adoption of two decrees granting Orange Niger the renewal of its 2G/3G license and a 4G license for a 15-year period;
- the adoption, in May 2020, of Decree no. 2020-331/PRN/MISP/D/ACR/MPT/EN/MJ on the identification of the buyers and/or users of mobile telephony and Internet services open to the public, limiting the number of numbers associated with an identity document to five;
- the adoption, in June 2020, of a decree setting the minimum tariff for the termination of an international call to Niger and defining the terms of payment for operators in the event of transit;
- the adoption, in July 2020, of two decrees: one determining the terms and conditions for the reservation, allocation and withdrawal of numbering resources and setting the numbering fee, raising the numbering fees, and one on radio spectrum management;
- the adoption, in July 2020, of a decision on the conditions and procedures for opening access to and operating the USSD channel for operators with a license to establish and operate an overland mobile telecommunications network;
- the adoption in December 2020 of the decision approving the technical and pricing offer for Moov Africa Niger's interconnection and access for the year 2021. The decision sets the termination of calls at Fcfa 4.9 for all operators, USSD channel access tariffs, load leasing rates (LL) and rates for passive infrastructure sharing services;
- the adoption, in December 2020, of two of the decisions relating to the definition of the relevant electronic communications markets for the period 2021-2023 and to the list of operators exercising a significant influence on these markets in respect of 2021.

4.2.2.10 MOOV AFRICA CENTRAFRIQUE

Macroeconomic indicators

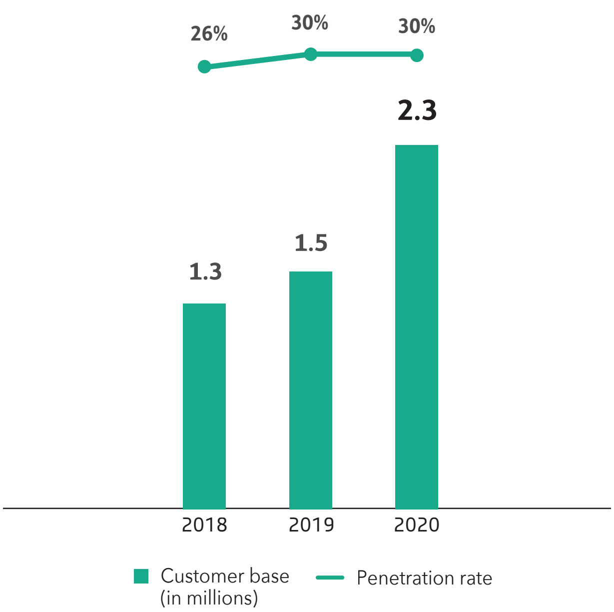
	2020	2019	2018
Population *(000)*	4,830	5,181	5,081
GDP per capita *(in USD)*	920	823	789
GDP growth	-1.0%	+4.5%	+3.8%
Inflation	+2.9%	+3.0%	+1.6%

Source: IMF (October 2020).

Mobile telephony

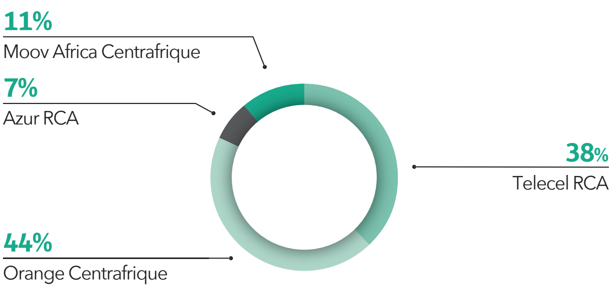
COMPETITION AND MARKET SHARE

MARKET TRENDS IN CENTRAL AFRICAN REPUBLIC



Source: IMF (October 2020) and Dataxis (Q3 2020).

CENTRAL AFRICAN MARKET SHARE AT SEPTEMBER 30, 2020



Source: Dataxis (Q3 2020).

Moov Centrafrique's Mobile business consists of prepaid and postpaid services through voice and data plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting the Central African Republic.

At September 30, 2020, the Central African Republic had 2.3 million Mobile customers, representing a penetration rate of 30%.

In this market, three operators are active alongside Moov Centrafrique: Telecel RCA, Orange Centrafrique and Azur RCA.

PERFORMANCE

Moov Africa Centrafrique's Mobile customer base changed as follows:

	Unit	2020	2019	2018
Mobile customer base	(000)	189	168	140

At December 31, 2020, Moov Africa Centrafrique had 189 thousand Mobile customers (almost all prepaid), a 12.0% drop compared with December 2019. Moov Africa Centrafrique had a market share of 11% at end-September 2020.

Regulations

OVERVIEW

The legal framework applicable to the electronic communications sector in the Central African Republic is primarily based on Law no. 18.002 of January 17, 2018, governing electronic communications in the Central African Republic, as brought into compliance by Law no. 19.001 of January 4, 2019.

The Telecommunications Regulatory Agency (Agence de Régulation des Télécommunications – ARCEP), is an independent public agency under the supervision of the Telecommunications Minister. This entity is governed by Decree no. 18,259 approving the Articles of Association of ARCEP and Decree no. 19,012 appointing the members of the Board of Directors of ARCEP.

The main implementing texts of Law No. 18,002 governing electronic communications in the Central African Republic as brought into compliance by Law No. 19.001 of January 4, 2019, are Decree no. 19.0541 of February 20, 2019, setting the terms of interconnection and access to electronic communications networks open to the public, Decree no. 19.042 of February 20, 2019, defining the obligations governing the sharing of electronic communications infrastructure, Decree no. 19.043 of February 20, 2019, setting terms and conditions for the provision and of financing of the universal electronic communications service fund and Decree no. 19.045 of February 20, 2019, establishing the legal regime governing electronic communications activities, interministerial Decree no. 004 of June 22, 2020, setting the costs of licenses, payment terms and conditions of pricing, modification and renewal in the field of electronic communications in the Central African Republic and interministerial Decree no. 005 of 22 June 2020 setting the fees and charges for setting up and/or operating of electronic communications networks and services applicable in the Central African Republic.

On December 14, 2015, AT Centrafrique signed the specifications for its technologically neutral license.

MAIN REGULATORY OBLIGATIONS APPLYING TO MOOV AFRICA CENTRAFRIQUE

Moov Africa Centrafrique must pay a range of industry dues and contributions of 3.5% of its annual revenue, in addition to a contribution for universal service of 2% of revenue. AT RCA also pays a tax on incoming international traffic of FCFA 40/min, a tax amounting to 1% of the revenues generated by the sale of handsets, and a tax of 2% of revenues, excluding Internet revenues, as excise duty.

MOOV AFRICA CENTRAFRIQUE LICENSES

Licenses and authorization	Award date	Expiration Date	Term
Global Mobile	June 2008	June 2038	30 years

HIGHLIGHTS 2020

Regulatory highlights for 2020:

- the adoption of interministerial Decree no. 004 of June 22, 2020, setting the costs of licenses, the terms and conditions of payment, modification and renewal in the field of electronic communications in the Central African Republic;
- the adoption of Interministerial Order no. 005 of June 22, 2020, setting the fees and charges for setting up and/or operating of electronic communications networks and services applicable in the Central African Republic;
- the adoption of inter-ministerial Decree no. 0015 of December 29, 2020, setting the rate for international call traffic to the Central African Republic and the proportionate share payable to the Central African State.

4.2.2.11 MOOV AFRICA CHAD

Macroeconomic indicators

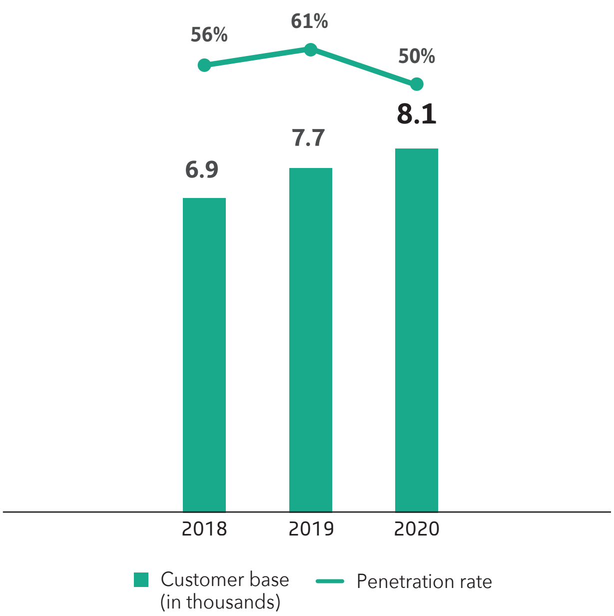
	2020	2019	2018
Population *(000)*	16,426	15,947	15,478
GDP per capita *(in USD)*	1,531	1,826	1,750
GDP growth	-0.7%	+3.0%	+2.3%
Inflation	+2.8%	-1.0%	+4.0%

Source: IMF (October 2020).

Mobile telephony

COMPETITION AND MARKET SHARE

MARKET TRENDS IN CHAD



Source: IMF (October 2020) and Dataxis (Q3 2020).

CHAD MARKET SHARE AT SEPTEMBER 30, 2020

Source: Dataxis (Q3 2020).

Moov Africa Chad's Mobile operations consist of prepaid and postpaid services through calling and 3G/4G data plans. It also provides roaming services for its mobile subscribers abroad and for customers of foreign partner operators visiting Chad.

At September 30, 2020, the Chadian market had 8.1 million Mobile customers, representing a penetration rate of 50%.

In this market, a single operator is active alongside Moov Africa Moov Africa Chad: Airtel Tchad.

PERFORMANCE

Moov Africa Chad's Mobile customer base changed as follows:

	Unit	2020	2019	2018
Mobile customer base	(000)	4,577	3,975	

At December 31, 2020, Moov Africa Chad had 4.6 million Mobile customers (almost all prepaid). The market share of Moov Africa Chad was 53% at end-September 2020.

Regulations

OVERVIEW

The regulatory framework for telecommunications in Chad is mainly governed by Law no. 013/PR/2014 of March 14, 2014, regulating electronic and postal communications and Law no. 014/PR/2014 of March 21, 2014, on electronic communications and postal activities.

The Electronic Communications, Postal and Print Media Distribution Regulatory Authority (hereinafter ARCEP) is responsible for regulating business activities in the electronic communications and postal sectors nationwide, pursuant to Law no. 013/PR/2014 of March 14, 2014. It is placed under the supervision of the Ministry responsible for the Post Office and the Digital Economy.

The main implementing regulations for the aforementioned laws are Decree no. 2372/PR/MPNTIC/2015 of December 8, 2015, on the calculation and setting of fees and charges for electronic communications, and Decree no. /PM/MPNTIC/2014 of December 16, 2014, on the organization and functioning of the French Electronic Communications and Postal Regulatory Authority (ARCEP), Decree no. 0098/PR/PM/MPNTIC/2016 of January 21, 2016, determining the use of the Universal Electronic Communications Service Fund ("the FSUCE"), Decree no. 593 PR/PM/MPNTIC/2017 of June 2, 2017, setting out the obligations of operators in terms of service quality and penalties for non-compliance and Decree no. 527/PR/PM/MPNTI/2012 setting out the procedures for managing the National Numbering Plan, the conditions for using numbering resources and the related fees.

MAIN REGULATORY OBLIGATIONS FOR MOOV AFRICA CHAD

Moov Africa Chad is subject to QoS and coverage obligations set out in its specifications and other regulatory texts.

Moov Africa Tchad is subject to a category of so-called sectoral fees and contributions. The 2020 Finance Law stipulates a fee of 9% deducted from the revenues to be distributed among ARCEP (3%), the Budget Department (1%), the Agency for the Development of Information and Communications Technology ("ADETIC") (3%), the National Agency for IT Security and Electronic Certification ("ANSICE") (1%), and the specialist higher education institution for ICT (École Nationale Supérieure des TIC, ENASTIC) (1%).

There is also a tax on incoming international traffic of FCFA 20/call, a fee on international incoming traffic of FCFA 66/min, as well as frequency and numbering dues.

Moov Africa Chad must also pay an excise duty of 18% of monthly declared revenues.

MOOV AFRICA CHAD LICENSES

Licenses and authorization	Award date	Expiration Date	Term
2G/3G/4G	June 23, 2014	November 24, 2024	10 years
ISP license	November 30, 2018	November 30, 2024	6 years

HIGHLIGHTS 2020

Regulatory highlights for 2020:

- the enactment of the Finance Law 2020 establishing the following provisions:
  - repeal of the 18% excise tax on Internet revenues,
  - decrease in the tax on incoming international traffic to FCFA 20 /call instead of FCFA 50/call,
  - increase in the fine per unidentified subscriber to FCFA 2,500;
- the drop in the Mobile call termination rate as of January 1, 2020, from FCFA 25 to FCFA 15;
- the adoption of a decree, introducing the fee on incoming international traffic of up to FCFA 66 per minute in favor of the Center for the Control of Electronic Communications Traffic in Chad.
- the decision of the ARCEP, dated September 23, 2020, fining Moov Africa Chad CFAF 10 million for using a short number without authorization.
- the adoption by ARCEP, in October 2020, of a decision on the alignment of On-net and Off-net tariffs.
- the decision to impose a fine of FCFA 4115,715,626 for QOS breaches following the audit carried out between July and September 2020.
- the decision to cancel the QoS memorandum of understanding signed on June 14, 2019, between ARCEP and Millicom and the imposition of a fine of FCFA 0.071 billion.
- the adoption, in October 2020, of Decree no. 2025 on number portability.
- the adoption, in December 2020, of the following decrees:
  - order no. 012/PR/MPEN/DG/2020 of December 7, 2020, setting the terms and conditions for the sharing of electronic communications and infrastructures,
  - order no. 043/PR/MPEN/DG/2020 of December 7, 2020, laying down the terms and conditions for obtaining authorization to install network infrastructures and the authorization to sell electronic communication equipment.

4.2.2.12 CASANET

A wholly owned Maroc Telecom subsidiary, Casanet is a major player in New Information and Communication Technologies (NICT) in Morocco. Its services are organized into networks and systems, IT solutions, Cloud Computing and online content and services.

- networks and Systems:
  - networks,
  - security,
  - systems,
  - seamless communications;
- IT solutions:
  - specific development,
  - business solutions (CRM tool);
- Cloud services:
  - hosting,
  - integration of SMS campaign solutions,
  - GPS technology,
  - collaboration,
  - My Cloud;
- online Content and services:
  - production of digital content and online services for Menara.ma (editorial team of the online newspaper Menara.ma, various services for Retail customers, such as Menara Jobs, Menara Real Estate and classified ads),
  - online directory service www.pj.ma,
  - mobile sites.

4.3 Legal and arbitration proceedings

To the Company's knowledge, there are no pending or potential government, legal, or arbitration proceedings that may have, or have had in the past 12 months (i.e. from 1 January to 31 December 2020), a significant effect on the financial position or profits of the Company and/or Group, with the exception of the following disputes:

Wana dispute

Maroc Telecom was notified of ANRT Management Committee's decision no. ANRT/CG/no. ANRT/CG/no. 01/2020 of January 17, 2020, on practices in the telecommunications sector and more specifically in the implementation of unbundling offers by Itissalat Al-Maghrib on January 27, 2020.

The decision follows a referral from Wana Corporation to the ANRT regarding the implementation of unbundling.

This decision carrying a financial penalty of MAD 3.3 billion and injunctions relating to the technical and pricing aspects of the unbundling offers was implemented by Itissalat Al-Maghrib.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5

FINANCIAL REPORT

5.1 Consolidated results of the past three years

Maroc Telecom Group's consolidated financial data is summarized in the following table. Selected financial data from the three fiscal years ended December 31, 2018, 2019, and 2020, were drawn from Group consolidated financial statements prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and audited by the Statutory auditors.

5.1.1 Consolidated results in moroccan dirhams

STATEMENT OF COMPREHENSIVE INCOME

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Revenues	**36,769**	**36,517**	**36,032**
Operating expenses	24,750	28,286	24,980
Earnings from operations	**12,018**	**8,231**	**11,052**
Earnings from continuing operations	10,505	8,220	11,040
Net earnings	**6,289**	**3,598**	**6,938**
Attributable to equity holders of the parent	5,423	2,726	6,010
Earnings per share *(in MAD)*	**6.17**	**3.10**	**6.84**
Diluted earnings per share *(in MAD)*	6.17	3.10	6.84

STATEMENT OF FINANCIAL POSITION

Assets

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Noncurrent assets	48,579	51,485	48,053
Current assets	14,960	13,365	14,078
TOTAL ASSETS	**63,540**	**64,851**	**62,131**

Shareholders' Equity And Liabilities

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Share capital	5,275	5,275	5,275
Shareholders' equity, attributable to equity holders of the parent	12,721	12,069	15,668
Noncontrolling interests	3,968	3,934	3,822
Shareholders' equity	16,688	16,003	19,490
Noncurrent liabilities	5,314	4,939	4,185
Current liabilities	41,538	43,908	38,456
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**63,540**	**64,851**	**62,131**

5.1.2 Consolidated results in euros

The Group reports its financial data in Moroccan dirhams. This section is intended to provide investors with comparable data in Euros.

For 1 euro	12/31/2020	12/31/2019	12/31/2018
The closing rate at the balance sheet	10.9081	10.7495	10.9503
Average rate used for the income statement	10.8258	10.7928	11.0936

The above table shows the average dirham/euro conversion rates used in preparing the financial statements for fiscal years 2018, 2019 and 2020.

The exchange rates are shown for indicative purposes only, to help the reader. the Group does not guarantee that the amounts expressed in dirhams were, could have been or could be converted to euros at those exchange rates or at any other rate.

The following table shows selected financial data for Maroc Telecom Group, presented in euros at the exchange rate used in preparing the Group's consolidated statement of financial position and income statement for fiscal years 2018, 2019 and 2020.

STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	12/31/2020	12/31/2019	12/31/2018
Revenues	**3,396**	**3,383**	**3,248**
Cost of purchases	2,286	2,621	2,252
Earnings from operations	**1,110**	**763**	**996**
Earnings from continuing operations	970	762	995
Net earnings	**581**	**333**	**625**
Attributable to equity holders of parent	501	253	542
Earnings per share *(in Euro)*	**0.57**	**0.29**	**0.62**
Diluted earnings per share *(in Euro)*	0.57	0.29	0.62

STATEMENT OF FINANCIAL POSITION

Assets

(in € millions)	12/31/2020	12/31/2019	12/31/2018
Noncurrent assets	4,454	4,790	4,388
Current assets	1,371	1,243	1,286
TOTAL ASSETS	**5,825**	**6,033**	**5,674**

Shareholders' Equity And Liabilities

(in € millions)	12/31/2020	12/31/2019	12/31/2018
Share capital	484	491	482
Shareholders' equity, attributable to equity holders of the parent	1,166	1,123	1,431
Noncontrolling interests	364	366	349
Shareholders' equity	1,530	1,489	1,780
Noncurrent liabilities	487	460	382
Current liabilities	3,808	4,085	3,512
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**5,825**	**6,033**	**5,674**

5.2 Overview

The discussion and analysis that follow should be read in conjunction with the entire document, particularly with the audited consolidated financial statements that comprise the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity, and the notes to the financial statements for the years ended December 31, 2018, 2019, and 2020.

In this document, in addition to the financial indicators published in accordance with IFRS (International Financial Reporting Standards), Maroc Telecom published financial indicators not defined by IFRS. These data are presented as additional information and must not be replaced by or confused with the financial indicators as defined by the IFRS standards.

The other performance indicators used are described below:

EBITA: the difference between EBITA and EBIT is made up of the amortization of intangible assets linked to corporate groupings, amortization of acquisition goodwill and other intangible assets linked to corporate groupings, the proportionate share in the net profit of equity-accounted companies, and certain current and non-current liability provisions.

EBITDA: this item of financial data is used by Maroc Telecom as a financial indicator in internal presentations (business plans, reporting, etc.) and external presentations (presentations to analysts and investors, etc.). It is a measurement unit useful for assessing the Group's operational performance over and above its EBIT.

CFFO: Maroc Telecom considers cash flows from operations (CFFO), which is not strictly an accounting measurement, as a relevant indicator to measure the Group's operational and financial performance. CFFO includes net cash flow from operating activities before tax, as set out in the cash flow statement, as well as the dividends received from companies booked at equity and non-consolidated equity investments. CFFO also includes net capital expenditure, which corresponds to net uses of cash for acquisitions and disposals of tangible and intangible assets. The difference between CFFO and net cash flow from operating activities is made up of the dividends received from companies booked at equity and non-consolidated equity investments, net industrial investments, which are included in cash flow allocated to investment activities, and net taxes paid.

EBIT -
+/- Impairments (reversals) on non-current assets
+/- Capital losses (gains) on disposals of non-current assets
+ Depreciation and impairment
EBITA -
+ other income and expenses from ordinary activities
+/- share in the net earnings of equity affiliates
EBITDA – Operating income before depreciation, capital gains (losses) and reversals (losses) of depreciations on non-current assets

5.2.1 Scope of consolidation

As at December 31, 2020, Maroc Telecom consolidated the following companies in its financial statements:

MAURITEL

Maroc Telecom acquired on April 12, 2001, 51.5% of the voting rights of Mauritel, the incumbent operator in Mauritania and operator of a fixed-line and mobile telecommunications network, subsequent to the merger of Mauritel SA (fixed line) and Mauritel Mobile. Mauritel SA is owned by the holding company Compagnie Mauritanienne de Communications (CMC), in which Maroc Telecom holds an 80% equity stake and consequently a 41.2% interest in Mauritel. Mauritel has been fully consolidated by Maroc Telecom since July 1, 2004.

ONATEL

On December 29, 2006, Maroc Telecom acquired a 51% stake in the Burkinabe operator Onatel. the Group increases its stake in Onatel, its stake is 61% as of April 17, 2018. The subsidiary has been fully consolidated in Maroc Telecom's financial statements since January 1, 2007.

GABON TELECOM

On February 9, 2007, Maroc Telecom acquired 51% of the capital of Gabon Telecom. Gabon Telecom has been fully consolidated by Maroc Telecom since March 1, 2007.

Gabon Telecom bought out Maroc Telecom to acquire 100% of the subsidiary Atlantique Telecom Gabon, which was absorbed by Gabon Telecom on June 29, 2016.

SOTELMA

On July 31, 2009, Maroc Telecom acquired a 51% stake in Mali's incumbent operator, Sotelma. Sotelma has been fully consolidated by Maroc Telecom since August 1, 2009.

CASANET

Casanet is a Moroccan provider of internet access created in 1995. In 2008, the company became a 100% subsidiary of Maroc Telecom and expands its activities by specializing in information engineering. Casanet has been fully consolidated by Maroc Telecom since January 1, 2011.

ATLANTIQUE TELECOM CÔTE D'IVOIRE

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

MOOV AFRICA BENIN

On January 26, 2015, Maroc Telecom acquired 100% of the capital of the Benin mobile operator. Etisalat Benin has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

MOOV AFRICA TOGO

On January 26, 2015, Maroc Telecom acquired a 95% stake in the capital of the Togo mobile operator. Atlantique Telecom Togo has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

MOOV AFRICA NIGER

On January 26, 2015, Maroc Telecom acquired 100% of the capital of the Niger mobile operator. Atlantique Telecom Niger has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

MOOV AFRICA CENTRAFRIQUE

On January 26, 2015, Maroc Telecom acquired 100% of the capital of the Central African Republic mobile operator. Atlantique Telecom RCA has been fully consolidated in the financial statements of Maroc Telecom since January 31, 2015.

MOOV AFRICA CHAD

On June 26, 2019, Maroc Telecom acquired 100% of the capital of the Chadian operator Millicom Chad. Millicom Chad has been fully consolidated by Maroc Telecom since July 1, 2019.

MOOV AFRICA BRAND

The new visual identity "Moov Africa" is launched on January 1, 2021. The ten subsidiaries of Maroc Telecom Group (present in Mauritania, Burkina Faso, Gabon, Mali, Ivory Coast, Benin, Togo, Niger, Central African Republic and Chad) are now united around a common identity.

OTHER NON-CONSOLIDATED INVESTMENTS

Investments that are not material in relation to the consolidated financial statements 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, MT Fly, Moov Money as well as minority interests held in Médi1 TV, RASCOM, Autoroutes du Maroc, Arabsat and other investments.

5.2.2 Comparison of results by geographical area

GROUP CONSOLIDATED ADJUSTED RESULTS*

IFRS *(in MAD million)*	Q4-2020	Q4-2019	Change	Change on a like-for-like basis [1]	2020	2019	Change	Change on a like-for-like basis [1]
Revenues	9,271	9,209	+0.7%	+0.4%	36,769	36,517	+0.7%	-0.8%
Adjusted EBITDA	4,740	4,525	+4.8%	+4.6%	19,100	18,922	+0.9%	+0.5%
Margin (%)	*51.1%*	*49.1%*	*+2.0 pt*	*+2.1 pt*	*51.9%*	*51.8%*	*+0.1 pt*	*+0.7 pt*
Adjusted EBITA	2,886	2,552	+13.1%	+13.1%	11,598	11,540	+0.5%	+0.8%
Margin (%)	*31.1%*	*27.7%*	*+3.4 pt*	*+3.5 pt*	*31.5%*	*31.6%*	*-0.1 pt*	*+0.5 pt*
Group share of adjusted Net Income	1,475	1,382	+6.7%	+6.7%	6,001	6,029	-0.5%	-0.4%
Margin (%)	*15.9%*	*15.0%*	*+0.9 pt*	*+0.9 pt*	*16.3%*	*16.5%*	*-0.2 pt*	*+0.1 pt*
CAPEX [2]	1,417	2,184	-35.1%	-34.9%	3,448	6,788	-49.2%	-50.6%
Of which frequencies and licenses	*124*	*102*			*135*	*1,418*		
CAPEX/Rev (excluding frequencies and licenses)	*13.9%*	*22.7%*	*-8.7 pt*	*-8.7 pt*	*9.0%*	*14.7%*	*-5.7 pt*	*-5.5 pt*
Adjusted CFFO	4,498	4,185	+7.5%	+7.4%	15,719	13,352	+17.7%	+17.8%
Net debt	17,619	17,350	+1.6%	+2.4%	17,619	17,350	+1.6%	+2.4%
Net debt/EBITDA [3]	*0.9x*	*0.9x*			*0.8x*	*0.9x*		

* *Details of the financial indicator adjustments are provided in Appendix 1.*

5.2.2.1 COMPARISON OF FINANCIAL DATA FOR FISCAL YEARS 2020 AND 2019

5.2.2.1.1 Group consolidated results

REVENUES

Maroc Telecom Group generated revenues [4] of MAD 36,769 million, up 0.7% (-0.8% on a like-for-like basis [1]). The increase in the revenues of the Moov Africa subsidiaries and Fixed Broadband in Morocco offsets the slowdown in Mobile activities in Morocco, heavily impacted by the competitive context.

In the fourth quarter alone and despite the decrease in Mobile call termination rates in Morocco in December 2020, the Group's revenues increased by 0.7% (+0.4% on a like-for-like basis [1]), thanks to the sustained increase in the activities of the Moov Africa subsidiaries and Fixed Broadband in Morocco.

EARNING FROM OPERATIONS BEFORE DEPRECIATION AND AMORTIZATION

At the end of December 2020, Maroc Telecom Group's adjusted earnings from operations before depreciation and amortization (EBITDA) reached MAD 19,100 million, up 0.9% (+0.5% on a like-for-like basis [1]). The adjusted EBITDA margin was 51.9%, up 0.1 pt (+0.7 pt on a like-for-like basis [1]), thanks to rigorous cost management.

EARNINGS FROM OPERATIONS

At the end of 2020, Maroc Telecom Group's adjusted earnings from operations (EBITA) [5] amounted to MAD 11,598 million, up 0.8% on a like-for-like basis [1], thanks to the increase in EBITDA. The adjusted EBITA margin stood at 31.5%, up 0.5 pt on a like-for-like basis [1].

GROUP SHARE OF NET INCOME

Th The adjusted Group share of Net Income decreased slightly by 0.4% on a like-for-like basis [1].

INVESTMENTS

The capital expenditures [2] excluding frequencies and licenses, down 38.3% over one year, were adapted to the context of the health crisis and focused on meeting strong demand for Fixed Internet access, extensions of Data infrastructures, and quality of service. They represent 9.0% of revenues, a level in line with the objective announced for the year.

CASH-FLOW

Adjusted Cash Flow From Operations (CFFO) [6] improved by +17.8% on a like-for-like basis [1], reaching MAD 15,719 million mainly due to the decrease in investments.

At 31 December 2020, Maroc Telecom Group's consolidated net debt [7] represented 0.8 times [3] the Group's annual EBITDA.

HIGHLIGHTS OF THE FOURTH QUARTER

In Morocco, the ANRT is implementing a multi-annual framework for Mobile and Fixed termination rates, implying a 35% reduction in Mobile tariffs for Maroc Telecom vs. 25% for Orange and 22% for Inwi, maintaining asymmetry.

In Mauritania, Mauritel obtained a 4G licence for a total amount of MAD 124 million.

The new visual identity "Moov Africa" was launched on January 1, 2021. The ten subsidiaries of the Maroc Telecom Group (based in Mauritania, Burkina Faso, Gabon, Mali, Côte d'Ivoire, Benin, Togo, Niger, Central African Republic and Chad) are now united around a common visual identity.

DIVIDEND

At the General Meeting of shareholders of April 30, 2021, the Supervisory Board of Maroc Telecom will propose the distribution of a dividend of MAD 4.01 per share, representing a total amount of MAD 3.5 billion.

OUTLOOK FOR MAROC TELECOM GROUP FOR 2021 AT CONSTANT SCOPE AND EXCHANGE RATES

Based on recent market developments and insofar as no new major exceptional event disrupts the Group's activity, Maroc Telecom forecasts for 2021, at constant scope and exchange rates:

- Decrease in revenues;
- Decrease in EBITDA;
- CAPEX of approximately 15% of revenues, excluding frequencies and licenses.

5.2.2.1.2 Activities in Morocco

IFRS *(in MAD million)*	Q4-2020	Q4-2019	Change	2020	2019	Change
Revenues	**5,152**	**5,378**	**-4.2%**	**20,881**	**21,690**	**-3.7%**
Mobile	3,219	3,557	-9.5%	13,351	14,276	-6.5%
Services	*3,084*	*3,523*	*-12.4%*	*13,009*	*14,046*	*-7.4%*
Equipment	*135*	*35*	*ns*	*342*	*230*	*+48.9%*
Fixed-line	2,424	2,306	+5.1%	9,517	9,261	+2.8%
*O/w data Fixed-line**	*966*	*886*	*+9.1%*	*3,608*	*3,186*	*+13.2%*
Eliminations and other income	-491	-485		-1,987	-1,846	
EBITDA	**2,979**	**2,948**	**+1.1%**	**11,950**	**12,294**	**-2.8%**
Margin (%)	*57.8%*	*54.8%*	*+3.0 pt*	*57.2%*	*56.7%*	*+0.5 pt*
Adjusted EBITA	**2,024**	**1,917**	**+5.6%**	**8,079**	**8,294**	**-2.6%**
Margin (%)	*39.3%*	*35.6%*	*+3.6 pt*	*38.7%*	*38.2%*	*+0.5 pt*
CAPEX [(2)]	**584**	**1,289**	**-54.7%**	**1,466**	**3,022**	**-51.5%**
Of which frequencies and licenses		*102*			*102*	
CAPEX/Rev (excluding frequencies and licenses)	*11.3%*	*22.1%*	*-10.8 pt*	*7.0%*	*13.5%*	*-6.4 pt*
Adjusted CFFO	**3,246**	**3,000**	**+8.2%**	**10,300**	**9,425**	**+9.3%**
Net debt	**11,515**	**11,101**	**+3.7%**	**11,515**	**11,101**	**+3.7%**
Net debt/EBITDA [(3)]	*0.9x*	*0.9x*		*0.9x*	*0.8x*	

* *Fixed-Line Data includes Internet, ADSL TV and corporate Data services.*

The Group's activities in Morocco generated revenues down 3.7% compared with 2019, affected in particular by the effects of the Covid-19 pandemic on Mobile activities and partially offset by the solid momentum of Fixed and Internet. This change was more marked in the fourth quarter of the year due in particular to the fall in national call termination prices, which has applied from December 1st, 2020.

At the end of 2020, the adjusted earnings from operations before depreciation and amortisation (EBITDA) amounted to MAD 11,950 million, down 2.8% compared with 2019. The adjusted EBITDA margin increased by 0.5 pt to a high level of 57.2%, thanks to the control of operating costs.

The adjusted earnings from operations (EBITA) [(5)] reached MAD 8,079 million, down 2.6%. It represents an adjusted margin rate of 38.7%, up 0.5 pt.

Adjusted Cash Flow From Operations (CFFO) [(6)] in Morocco increased by 9.3% to MAD 10,300 million due to efficient investment management adapted to the context of the crisis.

MOBILE

	Unit	12/31/2020	12/31/2019	Change
Customer base [(8)]	**(000)**	**19,498**	**20,054**	**-2.8%**
Prepaid	(000)	17,181	17,752	-3.2%
Postpaid	(000)	2,317	2,302	+0.6%
Of which 3G/4G+ internet [(9)]	*(000)*	*11,060*	*11,789*	*-6.2%*
ARPU [(10)]	**(MAD/month)**	**54.3**	**58.3**	**-6.9%**

At the end of 2020, the Mobile customer base [8] totaled 19.5 million customers, down 2.8% over one year.

Mobile revenues fell by 6.5% compared to the same period in 2019, to MAD 13,351 million impacted by the Covid-19 pandemic effects and the competitive context.

The 2020 combined ARPU [10] stood at MAD 54.3, down 6.9% over one year.

FIXED-LINE AND INTERNET

	Unit	12/31/2020	12/31/2019	Change
Fixed-lines	(000)	2,008	1,882	+6.6%
Broadband access [11]	(000)	1,738	1,573	+10.4%

The Fixed customer base maintained its good momentum and increased by 6.6% to 2 million lines. The Broadband customer base now has 1.7 million subscribers, up 10.4%.

The Fixed and Internet activities in Morocco continue to improve their performance and generate revenues of MAD 9,517 million, up 2.8% compared to 2019. This growth accelerated in the last three months of the year, thanks to the enthusiasm for the FTTH offers and the ADSL service.

5.2.2.1.3 International activities

FINANCIAL INDICATORS

IFRS *(in MAD million)*	Q4-2020	Q4-2019	Change	Change on a like-for-like basis [1]	2020	2019	Change	Change on a like-for-like basis [1]
Revenues	**4,367**	**4,102**	**+6.4%**	**+5.8%**	**16,883**	**16,095**	**+4.9%**	**+1.4%**
Of which Mobile services	*4,031*	*3,752*	*+7.4%*	*+6.8%*	*15,507*	*14,693*	*+5.5%*	*+1.7%*
EBITDA	**1,761**	**1,576**	**+11.7%**	**+11.2%**	**7,150**	**6,629**	**+7.9%**	**+6.5%**
Margin (%)	*40.3%*	*38.4%*	*+1.9 pt*	*+2.0 pt*	*42.4%*	*41.2%*	*+1.2 pt*	*+2.0 pt*
Adjusted EBITA	**861**	**635**	**+35.7%**	**+35.7%**	**3,520**	**3,246**	**+8.4%**	**+9.6%**
Margin (%)	*19.7%*	*15.5%*	*+4.3 pt*	*+4.4 pt*	*20.8%*	*20.2%*	*+0.7 pt*	*+1.6 pt*
CAPEX [2]	**832**	**895**	**-7.0%**	**-6.3%**	**1,982**	**3,766**	**-47.4%**	**-50.0%**
Of which frequencies and licenses	*124*				*135*	*1,316*		
CAPEX/Rev (excluding frequencies and licenses)	*16.2%*	*21.9%*	*-5.7 pt*	*-5.6 pt*	*10.9%*	*15.2%*	*-4.3 pt*	*-3.8 pt*
Adjusted CFFO	**1,252**	**1,185**	**+5.7%**	**+5.3%**	**5,419**	**3,927**	**+38.0%**	**+38.4%**
Net debt	**7,517**	**8,748**	**-14.1%**	**-12.3%**	**7,517**	**8,748**	**-14.1%**	**-12.3%**
Net debt/EBITDA [3]	*1.0x*	*1.3x*			*1.0x*	*1.3x*		

The Group's international activities recorded revenues of MAD 16,883 million, up 1.4% on a like-for-like basis [1], explained by the recovery in post-lockdown activities and the growth in Data Mobile and Mobile Money services.

In 2020, the adjusted earnings from operations before depreciation and amortisation (EBITDA) amounted to MAD 7,150 million, up 7.9% (+6.5% on a like-for-like basis [1]). The adjusted EBITDA margin was 42.4%, up 1.2 pt (+2.0 pt on a like-for-like basis [1]). This performance comes from the improvement in the gross margin rate and rigorous cost management.

During the same period, the adjusted earnings from operations (EBITA) [5] improved by 8.4% (+9.6% on a like-for-like basis [1]) to MAD 3,520 million, thanks to the increase in EBITDA.

Adjusted Cash Flow From Operations (CFFO) [6] from international activities improved by +38.4% on a like-for-like basis [1] to MAD 5,419 mi.

OPERATING INDICATORS

	Unit	12/31/2020	12/31/2019	Change
Mobile				
Customer base (8)	**(000)**	**49,226**	**43,531**	
Mauritania		2,641	2,470	+6.9%
Burkina Faso		9,388	8,546	+9.8%
Gabon		1,632	1,621	+0.6%
Mali		9,684	7,447	+30.0%
Côte d'Ivoire		10,050	8,975	+12.0%
Benin		4,682	4,377	+6.9%
Togo		3,380	3,030	+11.6%
Niger		3,005	2,922	+2.8%
Central African Republic		189	168	+12.0%
Chad		4,577	3,975	+15.2%
Fixed-line				
Customer Base	**(000)**	**337**	**324**	
Mauritania		57	56	+0.9%
Burkina Faso		75	75	-0.3%
Gabon		25	22	+13.9%
Mali		180	171	+5.1%
Fixed-line Broadband				
Customer base (11)	**(000)**	**131**	**116**	
Mauritania		18	10	+82.7%
Burkina Faso		14	15	-2.2%
Gabon		22	18	+19.9%
Mali		77	73	+5.2%

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Notes:

(1) "Like-for-like" refers to the effects of consolidating Moov Africa Chad as if it had taken place on January 1, 2019, and an unchanged MAD/Ouguiya/CFA franc exchange rate.

(2) CAPEX corresponds to purchases of tangible and intangible assets recognized for the period.

(3) The ratio Net Debt/EBITDA excludes the impact of IFRS 16.

(4) Maroc Telecom consolidates in its financial statements Casanet and Moov Africa subsidiaries in Mauritania, Burkina Faso, Gabon, Mali, Côte d'Ivoire, Benin, Togo, Niger, Central African Republic and Chad since July 1, 2019.

(5) EBITA corresponds to EBIT before the amortization of intangible assets acquired through business combinations, write-downs of goodwill and other intangible assets acquired through business combinations, and other income and expenses relating to financial investment transactions and transactions with shareholders (except when recognized directly in equity).

(6) CFFO includes net cash flow from operations before tax, as set out in the cash flow statement, as well as the dividends received from companies accounted for by the equity method and non-consolidated equity investments. CFFO also includes net capital expenditure, which corresponds to net uses of cash for acquisitions and disposals of tangible and intangible assets.

(7) Loans and other current and non-current liabilities less cash and cash equivalents, including cash held in escrow for bank loans.

(8) The active customer base consists of prepaid customers who have made or received a voice call (excluding ERPT or Call-Center calls) or received an SMS/MMS or used data services (excluding ERPT services) during the past three months, and postpaid customers who have not terminated their agreements.

(9) The active customer base for 3G and 4G+ Mobile Internet includes holders of a postpaid subscription agreement (with or without a voice offer) and holders of a prepaid internet subscription agreement who have made at least one top-up during the past three months or whose top-up is still valid and who have used the service during that period.

(10) ARPU is defined as revenues (generated by inbound and outbound calls and by data services) net of promotional offers, excluding roaming and equipment sales, divided by the average customer base for the period. In this instance, blended ARPU covers both the prepaid and postpaid segments.

(11) The broadband customer base includes ADSL access, FTTH and leased lines as well as the CDMA customer base in Mauritania, Burkina Faso and Mali.

APPENDIX 1: RELATIONSHIP BETWEEN ADJUSTED FINANCIAL INDICATORS AND PUBLISHED FINANCIAL INDICATORS

Adjusted 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.

			12/31/2020			12/31/2019
(in MAD million)	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	**11,950**	**7,150**	**19,100**	**12,294**	**6,629**	**18,922**
Exceptional items:						
Dispute resolution	**+420**		**+420**			
Published EBITDA	**12,370**	**7,150**	**19,520**	**12,294**	**6,629**	**18,922**
Adjusted EBITA	8,079	3,520	11,598	8,294	3,246	11,540
Nonrecurring items: Restructuring costs					-9	-9
Dispute resolution	+420		+420			
ANRT fine				-3,300		-3,300
Published EBITA	**8,499**	**3,520**	**12,018**	**4,994**	**3,237**	**8,231**
Adjusted Net Income – Group share			**6,001**			**6,029**
Nonrecurring items:						
Restructuring costs						-4
Dispute resolution			+469			
Covid contributions			-1,047			
ANRT fine						-3,300
Published Net Income – Group share			**5,423**			**2,726**
Adjusted CFFO	**10,300**	**5,419**	**15,719**	**9,425**	**3,927**	**13,352**
Nonrecurring items:						
License payments		-143	-143	-102	-1,835	-1,937
ANRT fine	-3,300		-3,300			
Published CFFO	**7,000**	**5,277**	**12,276**	**9,324**	**2,091**	**11,415**

2020 CFFO was marked by the disbursement of MAD 3,300 million linked to the full payment of the ANRT fine in Morocco as well as MAD 143 million for licences obtained in Mauritania, Gabon and Togo.

2019 CFFO included the payment of MAD 1,937 million corresponding to the licences obtained in Burkina Faso, Mali, Côte d'Ivoire and Togo as well as the widening of the bandwidth spectrum in Morocco.

APPENDIX 2: IMPACT OF THE ADOPTION OF IFRS 16

As at end-December 2020, the impacts of this standard on Maroc Telecom's key indicators were as follows:

			12/31/2020
(in MAD million)	Morocco	International	Group
Adjusted EBITDA	+266	+292	+557
Adjusted EBITA	+33	+29	+62
Group share of adjusted Net Income			-17
Adjusted CFFO	+266	+292	+557
Net debt	+838	+801	+1,639

5.2.2.2 COMPARISON OF FINANCIAL DATA FOR FISCAL YEARS 2019 AND 2018

5.2.2.2.1 Group consolidated results

REVENUES

In 2019, Maroc Telecom Group generated total revenues of MAD 36,517 million, up 1.3% (+0.9% on a like-for-like basis). This performance reflects both the continued growth in activities in Morocco and the resilience of international activities despite the increased competition and regulatory pressure.

In the fourth quarter alone, the Group's revenues were up 3.5% (+1.0% on a like-for-like basis), thanks to the sustained growth of mobile data in Morocco and in the subsidiaries.

EARNING FROM OPERATIONS BEFORE DEPRECIATION AND AMORTIZATION

Thanks to a robust management of costs, Maroc Telecom Group earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 18,922 million, up 3.4% on a like-for-like basis. The EBITDA margin reached 51.8%, up 1.2 pt on a like-for-like basis.

EARNINGS FROM OPERATIONS

At the end of 2019, Maroc Telecom Group's adjusted earnings from operations (EBITA) amounted to MAD 11,540 million, up 4.3% on a like-for-like basis. This increase was mainly due to an increased EBITDA. The adjusted EBITA margin increased by 0.9 pt (+1.0 pt on a like-for-like basis) to 31.6%.

GROUP SHARE OF NET INCOME

The Group share of adjusted Net Income was up 1.0% on a like-for-like basis.

INVESTMENTS

The capital expenditures reached MAD 6,788 million up 2.2% year-on-year and representing 14.7% of revenues (excluding frequencies and licences). This level of capital expenditures remains in line with the stated objective for the year.

CASH-FLOW

Adjusted Cash Flow From Operations (CFFO) was up 33.8% (+29.0% on a like-for-like basis), to MAD 13,352 million due to the increased EBITDA and effective management of working capital requirements (WCR).

At December 31, 2019, Maroc Telecom Group's consolidated net debt represented 0.9 time the Group's annual EBITDA excluding the impact of IFRS16.

5.2.2.2.2 Activities in Morocco

IFRS *(in MAD million)*	**12/31/2019**	**12/31/2018**
Revenues	**21,690**	**21,414**
Mobile	**14,276**	**13,966**
Services	*14,046*	*13,731*
Equipment	*230*	*235*
Fixed-line	**9,261**	**9,239**
*Of which fixed-line data**	*3,186*	*2,935*
Eliminations and other income	**-1,846**	**-1,790**
EBITDA	**12,294**	**11,460**
Margin (%)	*56.7%*	*53.5%*
Adjusted EBITA	**8,294**	**7,620**
Margin (%)	*38.2%*	*35.6%*
CAPEX	**3,022**	**2,749**
Of which frequencies & licenses	102	
CAPEX/revenues (excl. frequencies & licenses)	*13.5%*	*12.8%*
Adjusted CFFO	**9,425**	**7,498**
Net debt	**11,101**	**10,422**
Net debt/EBITDA	*0.8x*	*0.9 x*

* *Fixed-line data includes internet, ADSL TV and data services to businesses.*

At end-December 2019, activities in Morocco had generated revenues of MAD 21,690 million, up 1.3%, thanks to a 2.2%-increase in revenues from Mobile, still sustained by Data.

At the end of 2019, earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 12,294 million, up 7.3% (+5.3% on a like-for-like basis), thanks to the improvement of gross margin and the reduction in operational costs. The EBITDA margin was thus unchanged at the high rate of 56.7%, up 2.1 pt on a like-for-like basis.

The adjusted earnings from operations (EBITA) reached MAD 8,294 million, up 8.8% (+8.5% on a like-for-like basis) thanks to the increase in EBITDA. The adjusted EBITA margin was 38.2%, up 2.5 pt on a like-for-like basis.

Adjusted Cash Fows From Operations (CFFO) in Morocco were up 22.7% (on a like-for-like basis), to MAD 9,425 million, in connection with the increase in EBITDA and optimal management of working capital requirements.

MOBILE

	Unit	12/31/2019	12/31/2018
Customer base	**(000)**	**20,054**	**19,062**
Prepaid	(000)	17,752	17,068
Postpaid	(000)	2,302	1,993
Of which 3G/4G+ internet	*(000)*	*11,789*	*10,828*
ARPU	**(MAD/MONTH)**	**58.3**	**58.6**

By the end of 2019, the Mobile customer base totaled 20.1 million customers, up 5.2% year-on-year, thanks to combined increases of postpaid and prepaid by 15.5% and 4.0% respectively.

Revenues from Mobile amounted to MAD 14,276 million up 2.2%, driven by the growth in mobile data, the traffic of which continues to increase significantly (+36% in 2019).

In 2019, blended ARPU amounted to MAD 58.3, down slightly by 0.5% year-on-year.

FIXED-LINE AND INTERNET

	Unit	12/31/2019	12/31/2018
Fixed-lines	(000)	1,882	1,818
Broadband access	(000)	1,573	1,484

At the end of December 2019, growth in the Fixed line customer base continued (+3.5% year-on-year), bringing the number of lines to 1,882 thousand. The Broadband customer base increased by 6.1% to 1.6 million subscribers.

The Fixed-Line and Internet activities in Morocco generated revenues of MAD 9,261 million, up 0.2%.

5.2.2.2.3 International activities

FINANCIAL INDICATORS

IFRS *(in MAD million)*	12/31/2019	12/31/2018
Revenues	**16,095**	**16,041**
Of which Mobile services	*14,693*	*14,647*
EBITDA	**6,629**	**6,397**
Margin (%)	*41.2%*	*39.9%*
Adjusted EBITA	**3,246**	**3,431**
Margin (%)	*20.2%*	*21.4%*
CAPEX	**3,766**	**3,894**
Of which frequencies & licenses	*1,316*	*719*
CAPEX/revenues (excluding frequencies & licenses)	*15.2%*	*19.8%*
Adjusted CFFO	**3,927**	**2,484**
Net debt	**8,748**	**6,514**
Net debt/EBITDA	*1.3x*	*1.0 x*

In a difficult competitive and regulatory environment, the Group's international activities generated revenues of MAD 16,095 million, practically unchanged compared with the same period in 2018 (+0.3% on a reported basis and -0.6% on a like-for-like basis). This change is mainly attributable to the reduction in Mobile termination rates and in international incoming revenues, partially offset by the increase in mobile data and Mobile Money services. Excluding the impact of the reduction in call termination rates, revenues were up 1.2% on a like-for-like basis.

In 2019, earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 6,629 million, unchanged on a like-for-like basis. The EBITDA margin rose 0.2 points on a like-for-like basis to 41.2%. This performance was due to an improved gross margin related to the reduction in call termination, despite the fiscal and sectoral growing pressure in certain countries. Excluding the impact of fiscal and sectoral taxes, the EBITDA margin would have been improved by 1.7 pt.

Over the same period, adjusted earnings from operations (EBITA) (5) were down 5.4% (- 5.0% on a like-for-like basis) to MAD 3,246 million, owing to increased amortization and depreciation expenses.

Adjusted cash flows from operations (CFFO) from International activities were up by 58.1% (+47.3% on a like-for-like basis) to MAD 3,927 million. This performance is explained by optimal management of working capital requirements.

OPERATING INDICATORS

	Unit	12/31/2019	12/31/2018
Mobile			
Customer base	**(000)**	**43,531**	**37,926**
Mauritania		2,470	2,397
Burkina Faso		8,546	7,634
Gabon		1,621	1,620
Mali		7,447	7,320
Côte d'Ivoire		8,975	8,646
Bénin		4,377	4,279
Togo		3,030	3,405
Niger		2,922	2,485
Central African Republic		168	140
Chad		3,975	
Fixed-line			
Customer base	**(000)**	**324**	**318**
Mauritania		56	55
Burkina Faso		75	77
Gabon		22	22
Mali		171	164
Fixed-line Broadband			
Customer base	**(000)**	**116**	**114**
Mauritania		10	13
Burkina Faso		15	15
Gabon		18	17
Mali		73	69

5.2.3. Transition from separate financial statements to consolidated financial statements

The consolidated financial statements are derived from the separate financial statements of Maroc Telecom and its subsidiaries, as prepared under the generally accepted accounting principles of each country. Various adjustments have been made to these separate financial statements, in compliance with IFRS consolidation and presentation requirements.

The main adjustments to the presentation of the statement of comprehensive income are the:

- Recognition of revenues related to the point loyalty program (fidelio) at the time of exchange or expiration of points;
- Recognition of sales commissions as consolidated operating expenses. These costs were initially netted against revenues in the separate financial statements;
- Activation of payroll costs relating to the deployment of fixed assets;
- Recognition of SIM cards in intangible assets;
- Inventory values of handsets sold but not activated are adjusted to account for the recognition of revenues upon activation;
- Elimination of capitalized costs from the balance sheet and recognition in the income statement of the change in the period;
- The recognition in the income statement of the exchange adjustements;
- Recognition of the impact of unwinding the retirement benefits provision discounting in financial income;
- Capitalization of deferred taxes on temporary differences arising from the separate financial statements, IFRS adjustments and tax loss carryforwards;
- Reclassification under net operating income of noncurrent operating items, and under net financial income of noncurrent financial items;
- The identification of leases for the right of use and the capitalization of rental expenses that meet the duration and value criteria required by IFRS 16 in fixed assets. This restatement gives rise to the creation of a new financial liability and the corresponding interest charges and the recognition of depreciation of rental expenses converted into fixed assets;
- Reclassification under current assets of assets held for sale;
- Reclassification of the corporate income tax liability component of tax debts;
- Reclassification under current items, of loan, financial debt and provision components maturing in less than a year.

The other consolidation adjustments basically concern all consolidation transactions (elimination of consolidated securities, intra-group transactions and internal capital gains or losses, etc..).

5.3 Consolidated financial statements at December 31 2018, 2019 and 2020

Pursuant to Regulation (EC) no. 1606/2002 of the European Parliament of July 19, 2002, Maroc Telecom Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IAS/IFRS), as endorsed by the European Union.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

Opinion

We have audited the accompanying consolidated financial statements of Itissalat Al-Maghrib (IAM) SA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. These consolidated financial statements show an amount of consolidated equity of MMAD 16,688 including a consolidated net profit of MMAD 6,289.

These statements were approved by the Management Board on January 26, 2021 in the evolving context of the health crisis of the Covid-19 epidemic, on the basis of the information available at that date.

In our opinion, the consolidated financial statements referred to in the first paragraph above, are regular, sincere and provide in all material aspects a true and fair view of the financial position of the group comprising the persons and entities of Itissalat Al-Maghrib (IAM) SA at December 31, 2020, and the financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with Moroccan auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Morocco, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Our Response
Revenue recognition for telecommunication activities Revenues in the consolidated financial statements at December 31, 2020 amount to MAD 36,769 million. There is an inherent risk in the recognition of recorded revenues, given the multitude of products, the complexity of information systems and the impact of changes in pricing models (pricing structures, incentive systems, rebates, etc.). The application of revenue recognition accounting standards involves a number of key judgments and estimates. As a result, we consider revenue from telecommunications activities as a key issue in our audit. Revenue recognition methods are detailed in note 3.15 of the consolidated financial statements.	With the assistance of our IT (Information Technology) specialists, we reviewed the key processes and controls implemented by IAM SA, including the IT systems used for revenue recognition purposes. In particular, we have: ● Gained an understanding of the general control environment, including IT, implemented by the company; ● Identified and assessed the key controls implemented by the company and relevant to our audit; ● Tested the operating effectiveness of the relevant controls, in particular on the application systems involved in the process of generating, evaluating and accounting revenues; ● Performed analytical procedures and tested a sample of manual entries as of December 31, 2020.

5

Valuation of goodwill

As part of its development, the Group has been led to carry out external growth operations and to recognize several goodwills.

These goodwills, which corresponds to the difference between the price paid and the fair value (market value) of the assets and liabilities acquired, are described in note 3 of the consolidated financial statements.

Each year, management ensures that the carrying amount of the goodwill attached to each CGU, shown in the balance sheet at December 31, 2020, in the amount of MAD 9,315 million, does not exceed its recoverable amount and does not present a risk of impairment.

The terms of the impairment test and details of the assumptions used are described in note 3.

The recoverable amount is determined by reference to the value in use calculated on the basis of the present value of the cash flows expected from the group of assets comprising it.

The determination of the recoverable amount of goodwill is based on management's judgment, particularly assumptions of future income of concerned CGU and the discount rate applied to cash flow projections.

We therefore considered the valuation of goodwill as a key point of the audit.

We examined the compliance of the methodology used by the Group with the applicable accounting standards.

We also performed a review of the procedures related to impairment tests of goodwill and verified in particular that:

- the completeness of the elements making up the carrying amount of each CGUs tested and the consistency of the methods used to determine this amount with the cash flow projections used to determine value in use;
- the reasonableness of the cash flow projections and the reliability of the estimates by examining the main reasons for differences between forecasts and actual results;
- the consistency of these cash flow projections with management's latest estimates;
- the consistency of the growth rate used for the projected cash flows with market analyses;
- the calculation of the discount rate applied to the cash flows expected from each CGU; and
- management's sensitivity analysis of value in use to changes in the main assumptions used.
- finally, we have verified that note 3 provides appropriate disclosures.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with IFRS as adopted by EU, and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Moroccan auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Moroccan auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Casablanca, February 18, 2021

The Statutory auditors

Deloitte Audit
French original signed by
Sakina Bensouda-Korachi

Coopers Audit Maroc SA
French original signed by
Abdelaziz Almechatt

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in MAD million)	Note	12/31/2020	12/31/2019	12/31/2018
Goodwill	3	9,315	9,201	8,548
Other intangible assets	4	8,120	8,808	7,681
Property, plant, and equipment	5	28,319	31,037	31,301
Droit d'usage de l'actif	34	1,592	1,630	0
Titres mis en équivalence	6	0	0	0
Noncurrent financial assets	7	654	470	299
Deferred tax assets	8	580	339	224
Noncurrent assets		**48,579**	**51,485**	**48,053**
Inventories	9	271	321	348
Trade accounts receivable and other	10	11,816	11,380	11,839
Short term financial assets	11	130	128	138
Cash and cash equivalents	12	2,690	1,483	1,700
Assets available for sale		54	54	54
Current assets		**13,365**	**13,365**	**14,078**
TOTAL ASSETS		**64,851**	**64,851**	**62,131**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in MAD million)	Note	12/31/2020	12/31/2019	12/31/2018
Share capital		5,275	5,275	5,275
Retained earnings		2,023	4,069	4,383
Net earnings		5,423	2,726	6,010
Shareholders' equity attributable to equity holders of the parent	13	12,721	12,069	15,668
Noncontrolling interests		3,968	3,934	3,822
Shareholders' equity		**16,688**	**16,003**	**19,490**
Noncurrent provisions	14	521	504	464
Borrowings and other long-term financial liabilities	15	4,748	4,178	3,475
Deferred tax liabilities	8	45	258	246
Other noncurrent liabilities		0	0	0
Noncurrent liabilities		**5,314**	**4,939**	**4,185**
Trade accounts payable	16	24,007	23,794	24,095
Current tax liabilities		671	733	906
Current provisions	14	1,247	4,634	1,325
Borrowings and other short term financial liabilities	15	15,612	14,748	12,129
Current liabilities		**41,538**	**43,908**	**38,456**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**63,540**	**64,851**	**62,131**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in MAD million)	Note	12/31/2020	12/31/2019	12/31/2018
Revenues	17	**36,769**	**36,517**	**36,032**
Cost of purchases	18	-5,416	-5,670	-6,011
Payroll costs	19	-3,005	-3,098	-2,891
Taxes and duties	20	-3,344	-3,183	-2,818
Other operating income (expenses)	21	-8,746	-5,610	-5,923
Net depreciation, amortization, and provisions	22	-4,240	-10,724	-7,337
Earnings from operations		**12,018**	**8,231**	**11,052**
Other income and charges from ordinary activities		-1,513	-11	-11
Income from equity affiliates	23	0	0	0
Earnings from continuing operations		**10,505**	**8,220**	**11,040**
Income from cash and cash equivalents		17	2	3
Gross borrowing costs		-888	-756	-527
Net borrowing costs		**-871**	**-754**	**-524**
Other financial income and expenses		26	-38	99
Net financial income (expense)	24	**-844**	**-792**	**-425**
Income tax	25	-3,372	-3,830	-3,677
Net income		**6,289**	**3,598**	**6,938**
Exchange gain or loss from foreign activities		134	-226	-239
Other income and expenses		-14	43	-5
Total comprehensive income for the period		**6,409**	**3,415**	**6,693**
Net income		**6,289**	**3,598**	**6,938**
Attributable to equity holders of the parent		5,423	2,726	6,010
Noncontrolling interests	26	866	873	928
Total comprehensive income for the period		**6,409**	**3,415**	**6,693**
Attributable to equity holders of the parent		5,511	2,604	5,855
Noncontrolling interests	26	899	811	839
Earnings per share		**12/31/2020**	**12/31/2019**	**12/31/2018**
Net earnings attributable to equity holders of the parent *(in MAD million)*		5,423	2,726	6,010
Number of shares at December 31		*879,095,340*	*879,095,340*	*879,095,340*
Net earnings per share (in MAD)	27	**6.17**	**3.10**	**6.84**
Diluted net earnings per share (in MAD)	27	**6.17**	**3.10**	**6.84**

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CONSOLIDATED STATEMENT OF CASH FLOW

(in MAD million)	Note	12/31/2020	12/31/2019	12/31/2018
Earnings from operations		12,018	8,231	11,052
Depreciation, amortization and other non-cash movements		2,719	10,721	7,318
Gross cash from operating activities		**14,738**	**18,952**	**18,370**
Other changes in net working capital		139	419	-883
Net cash from operating activities before tax		**14,877**	**19,372**	**17,487**
Income tax paid		-3,789	-4,091	-2,967
Net cash from operating activities (A)	12	**11,088**	**15,281**	**14,520**
Purchase of PP&E and intangible assets		-4,141	-7,949	-8,075
Purchases of consolidated investments after acquired cash		0	-1,096	-469
Investments in equity affiliates		0		0
Increase in financial assets		-249	-73	-194
Disposals of PP&E and intangible assets		14	6	31
Decrease in financial assets		144	287	335
Dividends received from non-consolidated investments		14	6	2
Net cash used in investing activities (B)		**-4,219**	**-8,819**	**-8,369**
Capital increase				0
Dividends paid by Maroc Telecom	13	-4,870	-6,003	-5,732
Dividends paid by subsidiaries to their noncontrolling interests		-855	-838	-798
Changes in equity		**-5,725**	**-6,841**	**-6,529**
Proceeds from borrowings and increase in other long-term financial liabilities		2,307	2,270	1,347
Payments on borrowings and decrease in other noncurrent financial liabilities		0		0
Proceeds from borrowings and increase in other short-term financial liabilities		1,167	2,860	1,933
Payments on borrowings and decrease in other current financial liabilities		-2,687	-4,548	-2,682
Change in net current accounts		0		0
Net interest paid (cash only)		-626	-473	-575
Other cash expenses (income) used in financing activities		-35	-13	6
Change in borrowings and other financial liabilities		**125**	**96**	**29**
Net cash used in financing activities (D)	12	**-5,600**	**-6,744**	**-6,501**
Translation adjustment and other non-cash items (G)		**-62**	**65**	**40**
TOTAL CASH FLOWS (A)+(B)+(D)+(G)	12	**1,207**	**-217**	**-310**
Cash and cash equivalents at beginning of period		**1,483**	**1,700**	**2,010**
Cash and cash equivalents at end of period	12	**2,690**	**1,483**	**1,700**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In MAD millions)	Note	Share capital	Earnings and retained earnings	Other comprehensive income	Total Group share	Non controling interest	Total capitaux propres
Restated position at January 1, 2018		**5,275**	**10,710**	**-150**	**15,835**	**3,916**	**19,750**
Total comprehensive income for the period			**6,010**	**-156**	**5,855**	**839**	**6,694**
Change in gains and losses recognized directly in equity and recyclable in profit or loss			0	-155	-155	-84	-239
Gains and losses on translation				-155	-155	-84	-239
Change in gains and losses recognized directly in equity and recyclable in profit or loss				-1	-1	-5	-5
Actuarial difference				13	13	-5	9
Actuarial gains and loses				-14	-14		-14
Capital increase					0		0
Capital decrease					0		0
Share-based compensation					0		0
Change in percentage without assumption/loss of control			-346		-346	-126	-471
Change in percentage with assumption/loss of control					0		0
Dividends			-5,696		-5,696	-807	-6,503
Treasury stock			20		20		20
Other adjustements					0		0
Restated position at December 31, 2018		**5,275**	**10,699**	**-306**	**15,668**	**3,822**	**19,490**
Total comprehensive income for the period			**2,726**	**-122**	**2,604**	**811**	**3,415**
Change in gains and losses recognized directly in equity and recyclable in profit or loss			0	-147	-147	-79	-226
Gains and losses on translation				-147	-147	-79	-226
Change in gains and losses recognized directly in equity and recyclable in profit or loss				25	25	18	43
Actuarial difference				25	25	18	43
Actuarial gains and loses					0		0
Capital increase					0		0
Capital decrease					0		0
Share-based compensation					0		0
Change in percentage without assumption/loss of control					0		0
Change in percentage with assumption/loss of control			14		14		14
Dividends			-6,003		-6,003	-857	-6,860
Treasury stock			-1		-1		-1
Other adjustements			-213		-213	157	-56
Position at December 31, 2019		**5,275**	**7,222**	**-428**	**12,069**	**3,933.7**	**16,003**
Total comprehensive income for the period			**5,423**	**88**	**5,511**	**899**	**6,409**
Change in gains and losses recognized directly in equity and recyclable in profit or loss			0	100	100	34	134
Gains and losses on translation				100	100	34	134
Revaluation differences					**0**		**0**
Revaluation differences on hedging instruments					0		0
Revaluation differences on equity instruments					0		0
Change in gains and losses recognized directly in equity and recyclable in profit or loss				-12	-12	-2	-14
Actuarial difference				-1	-1	-2	-3
Revaluation differences on equity instruments				-11	-11	0	-11
Capital increase					0		0
Capital decrease					0		0
Share-based compensation					0		0
Change in percentage without assumption/loss of control					0		0
Change in percentage with assumption/loss of control					0		0
Dividends			-4,870		-4,870	-865	-5,735
Treasury stock					0		0
Other adjustements			11		11		11
Position at December 31, 2020		**5,275**	**7,786**	**-340**	**12,721**	**3,968**	**16,688**

At December 31, 2020, Maroc Telecom's share capital comprised 879,095,340 ordinary shares. Ownership of the shares was divided as follows:

- Etisalat: 53% through a holding company 91.3%-owned by Etisalat and 8.7%-owned by the Abu Dhabi Development Fund;
- Kingdom of Morocco: 22%;
- Other: 25%.

The reserves consist mainly of accumulated prior year retained earnings of which MAD 3,073 million of undistributable reserves at December 31, 2020 and Group part net income for the current year.

Note 1 Accounting principles and valuation methods

Group companies are consolidated on the basis of their fiscal year ending December 31, 2020 except for CMC, whose fiscal year ends March 31, 2020.

The financial statements and notes were approved by the Management Board on January 26, 2021.

NEW ACQUISITION:

Maroc Telecom finalized the acquisition of Moov Africa Chad in 2019. Maroc Telecom has a 100% interest in the capital of the new subsidiary.

Moov Africa Chad has been fully consolidated since July 1, 2019.

In accordance with international standards, the goodwill of the new subsidiary was determined as of June 30, 2020. Goodwill as of December 31, 2020 is as follows:

(in MAD million)	12/31/2020
Aggregate net equity at 12/31/2020	374
Overall acquisition price	1,175
Goodwill	801

1.1 BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2020, 2019, AND 2018

Pursuant to Regulation (EC) no. 1606/2002 of July 19, 2002, concerning the adoption of international accounting standards, the consolidated financial statements of Maroc Telecom Group for the year ended December 31, 2019, were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), applicable as endorsed by the European Union (EU). For purposes of comparison, the 2020 financial statements also include financial information on 2019 and 2018.

1.2 COMPLIANCE WITH ACCOUNTING STANDARDS

The consolidated financial statements of Maroc Telecom SA have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations endorsed by the European Union and mandatory at December 31, 2020. The accounting standards applied to the consolidated financial statements do not differ from those issued by the International Accounting Standards Board (IASB).

1.2.1 Standards and interpretations applied by Maroc Telecom for fiscal year 2020

All the new standards, interpretations and amendments published by the IASB and mandatory in the European Union from January 1, 2020 have been applied.

IMPACT OF APPLICATION OF THE STANDARDS AND INTERPRETATIONS ADOPTED IN 2020

On October 12, 2020, the IASB published in the official bulletin the amendment to IFRS 16 Leases on rent relief related to Covid-19. Analyses carried out by the Group have not revealed any significant difference between the economic lives and the terms of the contracts.

1.2.2 Standards and interpretations applied by Maroc Telecom for fiscal year 2020

The Group considers that improvements texts planned for 2021 will have no material impact on its consolidated statements.

1.3 PRESENTATION AND PRINCIPLES GOVERNING THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENT

Pursuant to IFRS principles, the consolidated financial statements have been prepared on an historical-cost basis, with the exception of certain asset and liability categories.

The categories concerned are mentioned in the notes below. The consolidated financial statements are presented in Dirham and all values are rounded to the nearest million unless otherwise noted. They include the accounts of Maroc Telecom and its subsidiaries after elimination of intra-group transactions.

1.3.1 Statement of comprehensive income

Maroc Telecom has chosen to present its statement of comprehensive income in a format that breaks down income and expenses by type.

1.3.1.1 EARNINGS FROM OPERATIONS AND EARNINGS FROM CONTINUING OPERATIONS

Earnings from operations, which in documents previously issued by Maroc Telecom was called operating income, includes revenues, cost of purchases, payroll costs, taxes and duties, other operating income and expenses, as well as net depreciation, amortization and provisions.

Earnings from continuing operations includes earnings from operations, other income from continuing operations, other expenses on continuing operations (including impairment of goodwill and other intangible assets), as well as the share of net earnings of equity associates.

1.3.1.2 FINANCING COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

Net financing costs comprise:

- Gross financing costs which includes interest payable on loans calculated using the effective-interest rate method;
- Financial income received from cash investments.

Other financial income and expenses mainly include gains and losses on currency translation (other than those relating to operating activities recognized under earnings from operations), dividends received from non-consolidated companies, earnings from consolidated activities or companies not recognized under earnings from discontinued activities or in the process of being discontinued.

1.3.2 Statement of financial position

Assets and liabilities with maturities shorter than the operating cycle, i.e. generally less than 12 months, are recognized under current assets or liabilities. If their maturities are longer than this, they are recognized under noncurrent assets or liabilities, except for operating expenses.

1.3.3 Consolidated statement of cash flows

Maroc Telecom Group has chosen to present its consolidated cash flow statement using the indirect method. Working capital requirements from operations correspond to changes in the balance sheet items of trade receivables, inventories and trade payables.

1.3.4 Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires Maroc Telecom to make certain estimates and assumptions that it deems reasonable and realistic. Despite regular reviews of these estimates and assumptions based on past or anticipated achievements, facts and circumstances may lead to changes in these estimates and assumptions that could have an impact on the carrying value of Group assets, liabilities, equity, or earnings.

The main estimates and assumptions concern changes in the following items:

- provisions: risk estimates, performed on an individual basis; the occurrence of events during risk-measurement procedures may lead at any time to a reassessment of the risk in question (see Note 14);
- impairment of trade receivables and inventories: estimates of nonrecovery risk for trade receivables and obsolescence risk for inventories;
- employee benefits: assumptions, updated annually, include the probability of employees remaining with the Group until retirement, expected changes in future compensation, the discount rate, and the inflation rate (see Note 14);
- revenue recognition: estimates of benefits granted as part of customer-loyalty programs, to be deducted from certain revenue items, and of deferred revenue relating to distributors (see Note 17);
- goodwill: valuation methods adopted for the identification of intangible assets acquired through business combinations (see Note 3);
- goodwill, indefinite useful lives of intangible assets, and assets in progress: assumptions are updated annually for impairment tests performed on each of the Group's cash-generating units (CGUs), determined by future cash flows and discount rates;
- deferred taxes: estimates concerning the recognition of deferred tax assets are updated annually; estimates include the Group's future tax results and expected changes in temporary differences between assets and liabilities (see Note 8);
- IFRS 16: the discount rate is estimated by taking into account risk, economic conditions and country specificities.

1.3.5 Consolidation methods

The generic name Maroc Telecom refers to the group of companies composed of the parent company Itissalat Al-Maghrib SA and its subsidiaries.

A list of the Group's principal subsidiaries is presented in Note 2, "Scope of consolidation at December 31, 2018, 2019, and 2020".

Maroc Telecom's scope of consolidation comprises wholly owned companies exclusively; therefore the only consolidation method employed by the Group is that of full consolidation.

The accounting method described below was applied consistently to all the periods presented in the consolidated financial statements.

FULL CONSOLIDATION

All companies in which Maroc Telecom has a controlling interest, namely those in which it has the power to govern financial and operational policies to obtain benefits from their operations, are fully consolidated.

The new standard for consolidation, introduced by IFRS 10 as replacement of IAS 27 (amended) - Consolidated and Separate Financial Statements and by SIC 12 Special Purpose Vehicles, is based on the following three criteria that must be met simultaneously for Maroc Telecom to assume control:

- Maroc Telecom has power over the subsidiary when it has existing rights that give it the ability to direct the relevant activities (i.e., the activities that significantly affect the investee's returns); Power arises from existing and/or potential voting rights and/or contractual arrangements. The voting rights must be substantial (i.e., they may be employed at any time and without limitation, particularly during votes on important activities). Assessment of whether a parent has power over a subsidiary depends on the relevant activities of the subsidiary, it's decision-making procedures, and the breakdown of votes among the other shareholders;
- Maroc Telecom has exposure or rights to variable returns from its involvement with the subsidiary. These returns may vary in accordance with the subsidiary's performance. The notion of return is defined broadly and includes dividends and other forms of distributed economic benefits, the investment's valuation, cost savings, synergies, etc.;
- Maroc Telecom has the ability to exercise its power to affect the returns. Any power that cannot affect returns is considered non-controlling.

The Group's consolidated financial statements are presented as those of a single economic entity with two types of owners: 1. the owners of Maroc Telecom Group (shareholders of Maroc Telecom SA), and 2. holders of non-controlling interests (minority shareholders of the subsidiaries). A non-controlling interest is defined as a stake in a subsidiary that cannot be directly or indirectly attributed to a parent company (hereinafter "non-controlling interests"). Consequently any changes in percentage of ownership of a parent company in a subsidiary that do not result in the loss of control affects only equity, because control is not changed within the economic entity.

TRANSACTION ELIMINATED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Revenues, expenses, and balance-sheet positions resulting from intra-group transactions are eliminated during the preparation of the consolidated financial statements.

1.3.6 Business combinations

BUSINESS COMBINATIONS FROM JANUARY 1, 2009

The acquisition method is used to account for business combinations. Under this method, upon the initial consolidation of an entity over which the Group has acquired exclusive control:

- the identifiable assets acquired and the liabilities assumed are measured at their fair value on the acquisition date;
- the noncontrolling interests are measured either at fair value or at their proportionate share of the acquiree's identifiable net assets. This option is available on a transaction-by-transaction basis.

On the acquisition date, goodwill is measured as the difference between:

- the fair value of the consideration transferred plus the amount of noncontrolling interest in the acquiree, and, in a business combination achieved in stages, the acquisition-date fair value of the equity interest held previously by the acquirer in the acquiree; and
- the net amount on the acquisition date for identifiable assets acquired and liabilities assumed.

The fair-value measurement of noncontrolling interests increases goodwill up to the share attributable to the noncontrolling interests, thereby resulting in the recognition of full goodwill. The purchase price and its allocation must be completed within 12 months of the acquisition date. If goodwill is negative, it is recognized as profit directly in profit or loss. After the acquisition date, goodwill is measured at its initial amount, less any recorded impairment losses;

The following principles also apply to business combinations:

- beginning on and after the acquisition date, to the extent possible, goodwill is allocated to each cash-generating unit likely to benefit from the business combination;
- any adjustment to the purchase price is recorded at fair value on the acquisition date, and any subsequent adjustment after the purchase-price allocation period is recognized in profit or loss;
- acquisition-related costs are recognized as expenses when incurred;
- in the event of acquisition of an additional interest in a consolidated subsidiary, Maroc Telecom recognizes the difference between the acquisition cost and the carrying value of noncontrolling interests as a change in equity attributable to shareholders of Maroc Telecom.

Goodwill is not amortized.

BUSINESS COMBINATIONS PRIOR TO JANUARY 1, 2009

Pursuant to IFRS 1, Maroc Telecom elected not to restate business combinations that occurred before January 1, 2004. IFRS 3, as published by the IASB in March 2004, had already retained the acquisition method. Its provisions, however, differed from those of the revised standard on the following main points:

- noncontrolling interests were measured on the basis of their proportionate share in the acquired net identifiable assets; the option of fair-value measurement did not exist;
- contingent consideration was recognized in the cost of acquisition only if payment was likely to occur and the amounts could be measured reliably;

- costs attributable directly to the acquisition were recognized under the cost of the business combination;
- in the event of acquisition of an additional interest in a consolidated subsidiary, Maroc Telecom recognizes as goodwill the difference between the acquisition cost and the carrying value of acquired noncontrolling interests.

1.3.7 Foreign-currency translation

Foreign-currency transactions are initially recorded in the functional currency at the exchange rate prevailing on the date of the transaction. At the end of the period, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate prevailing on that date. All translation differences are recognized in profit or loss for the period.

1.3.8 Translation of financial statements for foreign activities

Assets and liabilities relating to foreign activities, including goodwill and fair-value adjustments arising from consolidation, are translated into Moroccan dirhams at the exchange rate prevailing at the end of the period.

Income and expenses are translated into dirhams at the average exchange rate over the period.

Foreign exchange differences arising from translation are recorded as foreign currency translation differences, as a separate component of shareholders' equity.

1.3.9 Assets

1.3.9.1 OTHER INTANGIBLE ASSETS

Intangible assets acquired separately are recorded at cost, and intangible assets acquired in connection with a business combination are recorded at their fair value at the acquisition date. Subsequent to initial recognition, the historical cost model is applied to intangible assets that are amortized when they are ready for use. Depreciation is recorded for assets with limited useful life. The useful lives are reviewed at each closing.

The estimated useful lives are between 2 and 5 years.

IAS 38 does not recognize brands, subscriber bases and market segments generated internally as intangible assets.

Licenses for the operation of telecommunications networks are recorded at historical cost and are amortized on a straight-line basis as of the effective date of the service for the period of validity of the license.

The Maroc Telecom Group chose not to use the option offered by IFRS 1 to choose to measure certain intangible assets at fair value on January 1, 2004 at this date.

Expenditures posted to intangible enterprises are capitalized only if they enhance the future economic benefits associated with the asset. Other expenses are recognized as expenses when incurred.

1.3.9.2 RESEARCH AND DEVELOPMENT COSTS

Research costs are expensed when incurred. Development expenses are capitalized when the project can reasonably be considered feasible.

Pursuant to IAS 38 Intangible Assets, development costs are capitalized only after the technical and financial feasibility of the asset for sale or use have been established, where it is likely that the future economic benefits attributable to the asset will flow to the Company, and where the cost of the asset can be measured reliably.

1.3.9.3 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes acquisition or production costs as well as costs directly attributable to transporting the asset to its physical location and to preparing it for use in operations. For the purposes of IAS 23, borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are included in the cost of the asset. Other borrowing costs are recognized as an expense for the period in which they are incurred. When property, plant, and equipment include significant components with various useful lives, the components are recorded and depreciated separately.

Property assets comprising the items "land" and "buildings" are derived in part from the contribution in kind granted in 1998 by the Moroccan government (in connection with the breakup of ONPT) to Maroc Telecom when it was established.

When these assets were transferred, the property titles could not be registered with the property registry.

Fully 97.97% of such assets had been assigned property titles at the end of December 2020. Although uncertainty over the property titles remains, the risk is limited, because the Moroccan government has guaranteed Maroc Telecom use of the transferred property as at this time, and because to date there have been no significant incidents related to this situation.

The assets transferred by the Moroccan government on February 26, 1998, to establish Maroc Telecom as a public operator were recorded as a net amount in the opening statement of financial position, as approved by:

- the Postal Services and Information Technology Act no. 24-96;
- the joint order no. 341-98 of the Ministry of Telecommunications and the Ministry of Finance, Commerce, and Industry, approving the inventory of assets transferred to Maroc Telecom Group.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Useful lives are reviewed at the end of each reporting period and are as follows:

- Construction and buildings 20 years
- Civil engineering projects 15 years
- Network equipment:
- Transmission (mobile) 10 years
- Switching 8 years
- Transmission (fixed line) 10 years
- Fixtures and fittings
  - 10 years for various facilities
  - 20 years for the fitting out of buildings
- Computer equipment 5 years
- Office equipment 10 years
- Transportation equipment 5 years

Assets not yet in service are recorded as assets in progress. Assets financed through finance leases are recorded at the lower of the fair value of the asset and the present value of the minimum lease payments, and related debt is recorded under "Borrowings and other financial liabilities." These assets are depreciated on a straight-line basis over their estimated useful lives.

Depreciation of assets acquired under finance leases is recorded as a general depreciation expense.

Maroc Telecom has elected not to apply the option provided in IFRS 1 to remeasure property, plant, and equipment at fair value as at January 1, 2004.

The carrying value of an item of property, plant, and equipment includes the replacement cost of a component of such an item if this cost is incurred, if it is probable that the future economic benefits associated with the asset will flow to Maroc Telecom Group, and if the cost can be measured reliably.

All maintenance costs are expensed when incurred.

1.3.9.4 IMPAIRMENT OF FIXED ASSETS

Goodwill and other intangible assets with indefinite useful lives are subject to an impairment test at the close of each annual period, and are also tested whenever there is an indication that they may be impaired. The carrying value of other fixed assets is also subject to an impairment test whenever events or circumstances indicate that the carrying value of such assets may not be recoverable. The impairment test compares the asset's carrying amount with its recoverable amount (i.e., the higher of fair value less disposal costs and value in use).

The recoverable amount is determined for an individual asset as long as the asset generates cash inflows that are largely independent of those from other assets or groups of assets. If such is the case, as it is for goodwill, the recoverable amount is determined for the cash-generating unit. Maroc Telecom has selected as its cash generating units its fixed and Mobile business units (BU).

1.3.9.5 ACCOUNTING TREATMENT OF LEASE ASSETS

The MT Group adopted IFRS 16 with effect from January 1, 2019. The application of this standard removes the IAS 17 distinction between operating leases and finance leases, and requires the recognition of almost all leases on the balance sheet with an asset representing the right-of-use of the leased asset for the duration of the lease term, in exchange for a liability in respect of the obligation to pay rent.

1.3.9.5.1 Definition of right-of-use

Maroc Telecom's right-of-use is derived from its leases. Under IFRS 16, "a contract is, or contains, a lease if it conveys to the tenant the right to control the use of an identified asset for a period of time in exchange for consideration". This definition provided by the standard focuses on two main points: the identification of the asset and the control of its use by the lessee.

Following the analysis of the leases of its various subsidiaries and regions, the Group has defined four main categories of right-of-use:

- Land;
- Buildings;
- Technical facilities;
- Transportation equipment.

Acquisition costs are not capitalized in accordance with the transitional provisions provided for in paragraph C10d.

1.3.9.5.2 Exemptions

Based on the criteria provided, the MT Group has included in the scope of application of the standard all eligible contracts with the exception of:

- Contracts relating to intangible assets (licenses and software);
- Leases for which the Group is the lessor;
- Contracts meeting the low-value exemption (asset replacement value below the equivalent of $5,000) or the short-term exemption (remaining term at the transition date is less than 12 months).

These exemptions are provided for by the standard and applied by the Group.

1.3.9.5.3 Separation of contact components

IFRS 16 includes a clause on the separation of contract components: "Where a contract is or contains a lease, the entity shall recognize each lease component of the contract as a separate lease, independent of the non-lease components of the contract, unless it applies the simplification measure set out in paragraph 15".

The MT Group has opted for the simplification option by recognizing the lease components and related non-lease components as one single lease component. As mentioned in paragraph 15, the choice is made by category of underlying assets and does not apply to embedded derivatives that meet the conditions defined in paragraph 4.3.3 of IFRS 9 "Financial Instruments".

1.3.9.5.4 Definition of lease term

In order to quantify the IFRS 16 impacts of a contract, the MT Group must define the period for which it is enforceable. The enforceable period, as defined by paragraph 18 of IFRS 16, includes the period during which the contract is non-cancellable, to which is added:

- the portion of the contractual term in which the entity has a termination option that it is reasonably certain not to exercise;
- the period for which the entity has an extension option that it is reasonably certain to exercise.

Reasonable certainty is at the discretion of the Group. The latter exercises its options in accordance with the facts and circumstances and in such a way as to preserve its economic and competitive interests.

As underlined by the IFRS IC in its decision on the economic definition of the enforceable period, as well as the CNCC (French National Institute of Statutory Auditors) and the ANC (French Accounting Standards Authority) through their analysis work, the enforceable period is not limited to the contractual terms. In reality, it is linked to the economic advantage derived by the lessee from the asset and the significant penalties that may apply in the event of termination of the contract prior to the end of the economic term. Ultimately, the enforceable period may be modified independently of the contractual terms when the reality of the economic context is more meaningful.

Documentation work has been carried out to identify and measure the impact of the decisions made on the consolidated financial statements. The results of the analyses carried out reveal no significant differences between the Group's current model for measuring the enforceable periods of contracts and the new provisions introduced by the IFRS IC.

Due to their proximity to operations, the regional departments and subsidiaries are best placed to assess the advantages of the options for each contract. To take into account the specificities and completeness of the contracts, the decision was taken to appoint these entities as the parties responsible for determining the enforceable periods of the contracts.

1.3.9.5.5 Determining the discount rate

The discount rate is also a fundamental parameter used to accurately measure the impacts of IFRS 16. Indeed, this element is a condition imposed by the standard which stipulates: *"At the start date [of a lease], the lessee must measure the lease liability at the present value of the lease payments that have not yet been paid. The present value of lease payments should be calculated using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the lessee must use its incremental borrowing rate."*

The Group has opted for the incremental borrowing rate: the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment. It is determined by reference to currency risk, country risk, entity risk and maturity. As a result, each entity and each maturity has a different discount rate.

To ensure its reliability, the Group recommends an approach of regular direct consultation with its banking partners in order to update the Group's debt ratios by maturity and by subsidiary twice a year.

1.3.9.5.6 Measurements

When adopting IFRS 16, the Group is required to perform two measurements. A first measurement, at the effective date of the contract, called the initial measurement, and a second after the effective date of the contract called the subsequent measurement.

a) Initial measurement

The initial measurement of the liability is based on the present value of unpaid lease payments, using the discount rate.

At the effective date, the Group also measures the cost of the asset on the basis of:

- the initial measurement of the lease liability;
- the amount of rent paid on or before the effective date (after deduction of any lease incentives received)

b) Subsequent measurement

After the effective date of the contract, the standard provides for three models of subsequent measurement: the cost model, the fair value model and the revaluation model.

The MT Group has chosen to apply the cost model in order to maintain consistency with the preferred models for other standards. Under the terms of this model, the right-of-use asset is measured at cost, less any accumulated depreciation and any accumulative impairment losses, and adjusted for any remeasurement of the lease liability.

The Group must depreciate the right-of-use asset in accordance with the depreciation provisions of IAS 16 "Property, plant and equipment". The depreciation period corresponds to the period between the effective date of the contract and the earlier of the end of the useful life of the underlying asset and the end of the lease term. However, if the depreciation period is longer than that of the contract, the depreciation period shall match the lease term.

Under the cost model, impairment of the right-of-use asset is determined in accordance with IAS 36 "Impairment of Assets".

1.3.9.5.7 Lease modifications

In the event of a lease modification, on the effective date of the modification, the MT Group:

a) allocates the consideration provided for in the amended lease in accordance with the terms of the standard (paragraphs 13 to 16);

b) determines the lease term as amended in accordance with the terms of the standard (paragraphs 18 and 19);

c) remeasures the lease liability by discounting the revised lease payments using the incremental borrowing rate on the effective date of the modification.

Paragraph 44 of the standard states that a change in the scope of a lease and the consideration for the lease does not constitute a contract amendment. These two conditions together require the creation of a separate lease.

1.3.9.5.8 Presentation

The elements of IFRS 16 must be presented in the Group's primary financial statements. The standard suggests two ways of doing so: the first consists of highlighting the impacted items by asset category and the second requires the creation of a separate section dedicated to the IFRS 16 elements. The MT Group has opted for the second presentation. On the asset side of the balance sheet, the right-of-use asset and its depreciation constitute a separate category of fixed assets. On the liability side, the lease obligation is included in the Group's financial liabilities, but a separate line is included in the notes.

1.3.9.5.9 Out-of-scope contracts

Contracts outside the scope of IFRS 16 are recognized as rental expenses and appear in the Group income statement.

1.3.9.5.10 Application to portfolios

IFRS 16 allows for the grouping of leases with similar characteristics in a portfolio, and the application of the measures by portfolio, provided that it is reasonably expected that the effects on the financial statements of applying a portfolio approach will not differ materially from applying IFRS 16 to the individual leases within that portfolio.

The MT Group has chosen to continue to recognize individual leases and not opted for a portfolio approach.

1.3.9.5.11 Combining contract

According to Appendix B paragraph B2 of the standard, two or more contracts are accounted for as a single contract when:

a) contracts are negotiated as a package and have an overall business objective that would not be understood if the contracts were not considered collectively;

b) the amount of consideration to be paid under one of the contracts depends on the price or performance of the other contract; or

c) the right-of-use of underlying assets conferred by the contracts (or some of the right-of-use of underlying assets conferred by each of the contracts) constitute a single lease component as described in paragraph B32.

If one of the aforementioned conditions is met, the Group must combine the contracts entered into at the same time or nearly the same time with the same party (or parties related to said party) and recognize them as one single contract.

1.3.9.5.12 Deferred taxes

As the standard is not clear as to whether or not deferred tax should be recognized on the initial recognition of a right of use and a lease liability when IFRS 16 is implemented, Maroc Telecom Group does not recognize deferred tax on contracts subject to IFRS 16 at the time of recognition.

1.3.9.6 FINANCIAL ASSETS

The Group has applied the provisions of IFRS 9 to financial instruments that were not derecognized on the initial application date of January 1, 2017. All financial assets recognized within the scope of IFRS 9 have been measured at amortized cost or fair value based on the two criteria mentioned above, hereinafter the categories of financial assets identified by Maroc Telecom:

- Financial assets classified as held-to-maturity and loans and receivables are measured at amortised cost in accordance with IFRS 9 because they are held in a business model to collect contractual cash flows. These cash flows consist solely of the payment of principal and interest on the outstanding principal.
- Equity securities classified as available-for-sale have been irrevocably classified as fair value through other comprehensive income.
- Investments in treasury shares held for trading continue to be measured at fair value through net income.
- Held-for-trading financial assets continue to be measured at fair value through net income under IFRS 9 because these investments are managed as a trading portfolio and settlement is based on changes in the fair value of the underlying securities and interest.

Thus, no change in the classification of the Group's active financial instruments has been identified in accordance with the new IFRS 9 standard, which has not generated any material impact on the financial statements.

1.3.9.7 INVENTORIES

Inventories are composed of:

- goods corresponding to inventory intended for sale to customers when their line is opened and consisting of Fixed-line, Mobile internet or Multimedia terminals and their accessories, with the exception of SIM cards. These inventories are valued using the CUMP method;
- handsets delivered to distributors and not activated at the balance sheet date are recognized in inventories, while handsets not activated within nine months of delivery are recognized simultaneously in revenue and costs.
- materials and supplies corresponding to items not dedicated to the network. These inventories are valued at their average acquisition cost.

Inventories are valued at the lower of cost or net realizable value. Impairment is recognized on the basis of the prospects for the sale and condition of the inventory (whether for mobile, fixed-line, internet or technical assets).

1.3.9.8 TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

This item comprises trade receivables and other receivables, initially recognized at fair value and subsequently at amortized cost less impairment losses.

Trade accounts receivable includes trade receivables and government receivables:

- trade receivables: receivables held against individuals, distributors, businesses, and national and international operators;
- Government receivables: held against local authorities and the Moroccan government.

1.3.9.9 CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" include cash on hand, sight deposits, current accounts, and short-term, highly liquid investments with maturities of three months or less.

1.3.10 Assets held for sale and discontinued operations

A noncurrent asset or a group of assets and liabilities qualifies as held for sale when its carrying value may be recovered principally through its disposal and not by its continued utilization. To qualify as held for sale, the asset must be available for immediate sale and the disposal must be highly probable. Such assets and liabilities are reclassified as assets held for sale and as liabilities associated with assets held for sale, without possibility of offset. The reclassified assets are recorded at the lower of fair value (net of disposal fees) and cost less accumulated depreciation and impairment losses, and are no longer depreciated.

An operation is qualified as discontinued when the criteria for classification as an asset held for sale have been met or when Maroc Telecom has sold the operation. Discontinued operations are reported on a single line of the statement of comprehensive income for the periods reported, comprising the earnings after tax of the discontinued operations until the divestiture date and the gain or loss after tax on the sale or fair-value measurement, less costs to sell the assets and liabilities of the discontinued operations. In addition, operating, investing, and financing cash flows generated by discontinued operations are reported on the statement of cash flows.

FINANCIAL LIABILITIES

Financial liabilities comprise borrowings, accounts payable, and bank overdrafts.

BORROWINGS

All borrowings are initially accounted for at fair value of the amount received, net of borrowing costs.

The allocation of borrowings to current and noncurrent liabilities is performed on the basis of contractual maturity.

1.3.11 Provisions

Provisions are recognized when, at the end of the reporting period, the Group has a legal, regulatory, or contractual obligation as a result of past events, when it is probable that an outflow of resources (without any expected related inflow) will be required to settle the obligation, and when the obligation can be estimated reliably. Where the effect of the time value of money is material, provisions are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money. If no reliable estimate can be made of the amount of the obligation, no provision is recorded and a disclosure is made in the notes to the consolidated financial statements.

Restructuring provisions are recorded when the Group has approved a formal and detailed restructuring program and has either begun to implement the program or has announced the program publicly. Future operating expenses are not provisioned.

Pension commitments are estimated for the subsidiaries, taking into account actuarial assumptions. The Group applies the projected unit credit method to recognize the value of its defined benefit obligation as a liability on the balance sheet.

1.3.12 Deferred taxes

Deferred taxes are accounted for using the liability method, for differences existing at closing between the tax-base value of assets and liabilities and their carrying value on the balance sheet.

Deferred tax liabilities are recognized for all taxable temporary differences:

- except for temporary differences generated by the initial recognition of goodwill; and
- for taxable temporary differences arising from investments in subsidiaries, affiliates, and joint ventures, unless the date on which the temporary difference will reverse can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, tax-loss carry forwards, and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists to make use of those deductible temporary differences, tax-loss carryforwards, and unused tax credits:

- except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction that is not a business combination and that at the transaction date does not impact accounting earnings, taxable income, or taxable losses;
- for deductible temporary differences arising from investments in subsidiaries, affiliates, and joint ventures, deferred tax assets are recorded to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference can be utilized.

The carrying value of deferred tax assets is reviewed at each closing date and reduced to the extent that it is no longer probable that a taxable profit will be available to allow the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, on the basis of tax rates (and tax regulations) enacted or substantially enacted by the closing date.

Taxes for items credited or charged directly to equity are recognized in equity, not in profit or loss.

1.3.13 Trade accounts payable

Trade accounts payable include trade payables and other accounts payable. These are measured initially at historical cost and subsequently at amortized cost.

1.3.14 Share-based compensation

Pursuant to IFRS 2, share-based compensation is recorded as a payroll cost at the value of the equity instruments granted, which are assessed using a binomial model. However, depending on whether the equity instruments granted are settled through the issuance of Maroc Telecom shares or in cash, the valuation of the expense differs:

- For equity-settled instruments, the value of the instruments granted is initially estimated and fixed at grant date, then allocated over the vesting period on the basis of features of equity-settled instruments. The obligation is recorded in equity;
- For cash-settled instruments, the value of the instruments granted is initially estimated and fixed at grant date and is then re-estimated at each reporting date; the expense is adjusted pro rata for subsequent changes in the value of the vested rights. The obligation is allocated over the vesting period on the basis of features of cash-settled instruments. The corresponding obligation is recorded as a noncurrent provision.

Pursuant to the transitional provisions of IFRS 1 for IFRS 2, Maroc Telecom elected to apply IFRS 2 retroactively, to January 1, 2004.

In 2018, 2019 and 2020 no compensation paid in shares is recognized.

1.3.15 Revenues

Maroc Telecom revenues arise primarily from the sale of Mobile, Fixed-line and Internet telecommunication services and from the sale of equipment:

- Mobile, Fixed-line and Internet revenues consist of:
  - Revenues from subscriptions to classic offers as well as the amounts of postpaid plans;
  - Revenues from outgoing national and international calls (excluding rate plans), as and when they are used;
  - Income from incoming national and international calls;
  - Revenues generated by ADSL, Fiber Optic and Mobile Internet offers;
  - Revenues generated by mobile customers not resident in Morocco using Maroc Telecom's networks (Roamers);
  - Revenues generated by data transmission provided to the business market and to Internet service providers and other telecom operators;
  - Revenues from the sale of advertising inserts in printed and electronic directories, which are taken into account when they are published;
  - Revenues generated by Value-Added Services (VAS).
- Equipment sales include all sales of equipment (mobile terminals, broadband equipment, connected objects and accessories).

Income from contracts with customers is recognized under revenues when the provider's obligations are met immediately or gradually. Revenues from incoming and outgoing call traffic are recognized when the service is provided. For prepaid services, revenues are recognized as calls are made. Revenues from equipment is recognized when the line is activated.

Revenue from contracts with customers is recognized if the following conditions are met:

- the parties to the contract have approved it (in writing, orally, or according to other normal business practices) and have The parties to the contract have approved it (in writing, orally, or according to other normal business practices) and have undertaken to fulfill their respective obligations;
- the Company can identify each party's rights to the goods or services to be provided;
- the Company can identify the payment terms agreed for the goods or services to be provided;
- The contract has commercial substance (causes an identifiable and measurable change in the economic circumstances of the entity or associated risk);
- It is probable that the entity will receive the consideration to which it is entitled in exchange for the goods or services that it will provide to the customer.

Revenues from telephone subscriptions are recognized on a straight-line basis over the subscription contract period.

Revenues from Value-Added Services (VAS) are recognized as follows:

- Sales of services developed by Maroc Telecom are recorded gross;
- Sales of services to customers managed by Maroc Telecom on behalf of content providers (mainly premium-rate numbers) are recorded net of related expenses.

- When sales are made via a third-party distributor supplied by the Group and involve a discount on the retail price, revenues are recorded as gross revenues and commissions granted are recognized as operating expenses.

The criteria for determining whether Maroc Telecom is acting as a "principal" or "agent" are analyzed in line with the indicators in paragraph B37 of IFRS 15: "Entity acting as principal or agent".

Benefits granted by Maroc Telecom and its subsidiaries to customers under loyalty programs in the form of free services or reductions are recognized in accordance with IFRS 15 and deferred until such time as the acquired points are used or expire.

1.3.16 Cost of purchases

Purchases consumed mainly include purchases of Mobile and Fixed-line equipment and interconnection costs.

1.3.17 Other operating income and expenses

This item comprises mainly commissions to distributors, network-maintenance expenses, advertising and marketing costs, and restructuring charges.

1.3.18 Net financing costs

Net financing costs include interest payable on loans (calculated using the effective-interest method) and interest on investments.

Investment income is recognized in the statement of earnings when acquired.

1.3.19 Tax expenses

Tax expense includes income tax payable and deferred tax expense (or income). Tax is expensed unless it applies to items recorded directly to equity.

1.4 CONTRACTUAL COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

On an annual basis, Maroc Telecom and its subsidiaries draw up a detailed list of all contractual obligations, financial and commercial commitments and contingent obligations to which they are party or exposed. This list is regularly updated by the relevant departments and reviewed by the Group's management.

Off-balance sheet commitments to suppliers of fixed assets are measured on the basis of actual orders placed. The commitment corresponds to the difference between the orders issued and the completion of these orders.

In addition, commitments relating to real estate lease contracts are estimated on the basis of the notice period provided for in the termination clause of the contract. The Group only includes commitments that do not fall within the scope of the new IFRS16 standard.

1.5 SEGMENT DATA

A segment is a distinguishable component of the Group that is engaged either in providing products or services within a particular economic environment (geographical segment) or in providing related products or services (business segment) and is subject to risks and returns that are different from those of other segments.

In order to comply with the internal reporting indicators set out in IFRS 8, Maroc Telecom has chosen to present its main financial and operating indicators by geographical area, through the creation, in parallel with Morocco, of a new international segment grouping its current subsidiaries in Mauritania, Burkina Faso, Gabon, Mali, Cote d'Ivoire, Benin, Togo, Niger, Central African and Chad.

1.6 NET CASH POSITION

It corresponds to cash, cash equivalents and cash blocked for borrowing less borrowings.

1.7 EARNING PER SHARE

Earnings per share, as presented in the statement of comprehensive income, are calculated by dividing net earnings (Group share) for the period by the average number of shares outstanding over the period.

Diluted earnings per share are calculated by dividing:

- net profit of the fiscal year (Group share); and
- by the average number of shares outstanding over the period plus the average number of ordinary shares that would have been issued upon conversion of all potentially dilutive instruments that are convertible into ordinary shares.

At December 31, 2020, there were no potentially dilutive instruments.

Note 2 Scope of consolidation

The scope of consolidation of Maroc Telecom Group expanded with the acquisition of a new subsidiary in Chad (Moov Africa Chad), the impact of which on the consolidated financial statements has been taken into account since July 1, 2019, the effective date of entry into the scope of consolidation of MT.

Company	Legal form	% Group interest	% Capital held	Consolidation method
Maroc Telecom	**SA**	**100%**	**100%**	**FC**
Avenue Annakhil Hay Riad Rabat-Maroc				
Compagnie Mauritanienne de Communication (CMC)	**SA**			
Dec 31, 20		**80%**	**80%**	**FC**
Dec 31, 19		80%	80%	FC
Dec 31, 18		80%	80%	FC
563, Avenue Roi Fayçal Nouakchott-Mauritanie				
Mauritel SA	**SA**			
Dec 31, 20		**41%**	**52%**	**FC**
Dec 31, 19		41%	52%	FC
Dec 31, 18		41%	52%	FC
Avenue Roi Fayçal Nouakchott-Mauritanie				
Onatel	**SA**			
Dec 31, 20		**61%**	**61%**	**FC**
Dec 31, 19		61%	61%	FC
Dec 31, 18		61%	61%	FC
705, AV. de la nation 01 BP10000 Ouagadougou – Burkina Faso				
Gabon Telecom	**SA**			
Dec 31, 20		**51%**	**51%**	**FC**
Dec 31, 19		51%	51%	FC
Dec 31, 18		51%	51%	FC
Immeuble 9 étages, BP 40 000 Libreville-Gabon				
Sotelma	**SA**			
Dec 31, 20		**51%**	**51%**	**FC**
Dec 31, 19		51%	51%	FC
Dec 31, 18		51%	51%	FC
ACI 2000 près du palais de sport BP-740 – Bamako, Mali				
Casanet	**SA**			
Dec 31, 20		**100%**	**100%**	**FC**
Dec 31, 19		100%	100%	FC
Dec 31, 18		100%	100%	FC
Imm Riad 1, RDC, Avenue Annakhil Hay Riad Rabat-Maroc				
Atlantique Telecom Côte d'Ivoire	**SA**			
Dec 31, 20		**85%**	**85%**	**FC**
Dec 31, 19		85%	85%	FC
Dec 31, 18		85%	85%	FC
Abidjan-Plateau, Immeuble KARRAT, Avenue Botreau Roussel				
Moov Africa Benin	**SA**			
Dec 31, 20		**100%**	**100%**	**FC**
Dec 31, 19		100%	100%	FC
Dec 31, 18		100%	100%	FC
Cotonou, îlot 553, quartier Zongo Ehuzu, zone résidentielle, avenue Jean Paul 2, immeuble Etisalat				
Moov Africa Togo	**SA**			
Dec 31, 20		**95%**	**95%**	**FC**
Dec 31, 19		95%	95%	FC
Dec 31, 18		95%	95%	FC
Boulevard de la Paix, Route de l'Aviation, Immeuble Moov-Etisalat - Lomé				

Company	Legal form	% Group interest	% Capital held	Consolidation method
Moov Africa Niger	SA			
Dec 31, 20		**100%**	**100%**	**FC**
Dec 31, 19		100%	100%	FC
Dec 31, 18		100%	100%	FC
720 Boulevard du 15 avril Zone Industrielle, BP 13 379, Niamey				
Moov Africa Centrafrique	SA			
Dec 31, 20		**100%**	**100%**	**FC**
Dec 31, 19		100%	100%	FC
Dec 31, 18		100%	100%	FC
Bangui, BP 2439, PK 0, Place de la République, Immeuble SOCIM, rez-de-chaussée				
Prestige Telecom Côte d'Ivoire	SA			
Dec 31, 18		100%	100%	FC
Grand Bassam Zone Franche VITIB ex-Complexe IIAO, 01 BT 8592 Abidjan				
Moov Africa Chad	SA			
Dec 31, 20		**100%**	**100%**	**FC**
Dec 31, 19		100%	100%	FC
N'Djamena, BP 6505, Avenue Charles DE GAULLE, Chad				

Note 3 Goodwill

(In MAD millions)	12/31/2020	12/31/2019	12/31/2018
Mauritel	136	136	136
Onatel	1,838	1,838	1,838
Gabon Telecom	654	647	656
Sotelma	4,651	4,584	4,669
Moov subsidiaries	1,229	1,211	1,243
Casanet	5	5	5
Moov Africa Chad	801	780	
TOTAL NET	**9,315**	**9,201**	**8,548**

From July 1, 2009, business combinations are recognized using the full goodwill method. Goodwill is allocated to cash generating units (CGU) identified under IAS 36. Goodwill of Sotelma and the new Moov subsidiaries has been calculated in accordance with the revised IFRS 3 standard.

Goodwill is tested for impairment at least once a year and whenever there is evidence of loss of value.

An impairment test consists of comparing the carrying amount of each CGU with its market value. The latter is estimated on the basis of discounted cash flows, derived from individual 5-year business plans. In the case of Casanet, the market value is estimated using the stock market multiples method. The recently acquired subsidiary in Chad will be tested for impairment in 2020. The goodwill of Millicom Chad presented in the financial statements at 31 December 2020 is final; the calculation has been finalized and published in the consolidated financial statements for the first half of 2020.

Goodwill-impairment tests are based on the following assumptions:

CGU	Valuation method	Discount rate in local currency	Perpetual growth rate in local currency
Mauritel	DCF*	13.50%	1.50%
Onatel	DCF	13.00%	1.50%
Gabon Telecom	DCF	11.50%	1.50%
Sotelma	DCF	12.00%	3.00%
Moov subsidiaries	DCF	[8% - 14%]	3.00%
Casanet	Market multiples	Average of 11,3 x 2020 EBITDA and 12,4 x 2021 EBITDA	

* *Discounted Cash Flows*

GOODWILL VARIATION TABLE

(in MAD million)	Beginning of period	*Impairment*	Translation adjustment	Reclassification	Change in scope of consolidation	End of period
2018	**8,695**	**0**	**-147**	**0**	**0**	**8,548**
Mauritel	136		0			136
Onatel	1,838					1,838
Gabon Telecom	668		-12			656
Sotelma	4,776		-107			4,669
Casanet	5					5
Moov subsidiaries	1,271		-28			1,243
2019	**8,548**	**0**	**-129**	**0**	**782**	**9,201**
Mauritel	136		0			136
Onatel	1,838					1,838
Gabon Telecom	656		-9			647
Sotelma	4,669		-86			4,584
Casanet	5					5
Moov subsidiaries	1,243		-23		-9	1,211
Millicom Chad			-11		791	780
2020	**9,201**	**0**	**104**	**10**	**0**	**9,315**
Mauritel	136		- 0			136
Onatel	1,838					1,838
Gabon Telecom	647		7			654
Sotelma	4,584		68			4,651
Casanet	5					5
Moov subsidiaries	1,211		18			1,229
Moov Africa Chad	780		12	10		801

Note 4 Other intangible assets

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Software	1,093	1,442	1,508
Telecom license	5,344	5,682	4,554
Other intangible assets	1,683	1,685	1,618
NET TOTAL	**8,120**	**8,808**	**7,681**

The "telecom licenses" item includes the following licenses:

- The 2G licenses of Itissalat Al-Maghrib SA, Mauritel, Moov Africa Togo, Moov Africa Niger and Moov Africa Chad;
- The 3G licenses of Itissalat Al-Maghrib SA, Mauritel, Moov Africa Togo, Moov Africa Niger and Moov Africa Chad;
- The global Mobile licenses of Gabon Telecom, Moov Africa Benin and Moov Africa Central African Republic;
- The global licenses of Onatel, Sotelma and AT Côte d'Ivoire;
- The 4G licenses of Itissalat Al-Maghrib SA, Mauritel, Sotelma, Moov Africa Togo and Moov Africa Chad.

"Other intangible non-current assets" primarily includes patents, trademarks, and assets reflecting business combinations such as customer bases identified when measuring the goodwill of acquired subsidiaries.

2020

(In MAD million)	12/31/2019	Acquisitions and additions	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	12/31/2020
Gross	**25,387**	**687**	**-673**	**166**	**0**	**-35**	**25,532**
Software	9,222	287	-667	42		-46	8,838
Telecom license	9,882	124		110		0	10,116
Other intangible assets	6,283	276	-6	14		10	6,578
Amortization and impairment	**-16,578**	**-1,415**	**672**	**-92**	**0**	**2**	**-17,412**
Software	-7,780	-620	666	-28		18	-7,745
Telecom license	-4,200	-500		-52		-19	-4,772
Other intangible assets	-4,598	-295	6	-11		3	-4,895
NET TOTAL	**8,808**	**-728**	**-1**	**74**	**0**	**-33**	**8,120**

Intangible assets recorded a gross increase of MAD 687 million relating to new acquisitions, detailed as follows:

- Investments in software amounting to MAD 287 million;
- Investments in patents and trademarks amounting to MAD 187 million in Morocco;
- Investments in telecom licenses amounting to MAD 124 million.

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2019

(In MAD million)	12/31/2018	Acquisitions and additions	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	12/31/2019
Gross	**22,752**	**2,324**	**-4**	**-236**	**644**	**-94**	**25,387**
Software	8,662	668	-4	-74	89	-119	9,222
Telecom license	8,165	1,316		-144	543	2	9,882
Other intangible assets	5,925	340		-18	12	23	6,283
Amortization and impairment	**-15,071**	**-1,382**	**3**	**134**	**-270**	**7**	**-16,578**
Software	-7,154	-624	3	54	-66	7	-7,780
Telecom license	-3,610	-447		66	-199	-10	-4,200
Other intangible assets	-4,307	-311		14	-5	10	-4,598
NET TOTAL	**7,681**	**942**	**0**	**-102**	**374**	**-86**	**8,808**

2018

(in MAD million)	12/31/2017	Acquisitions and additions	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	12/31/2018
Gross	**21,574**	**1,628**	**-150**	**-244**	**0**	**-57**	**22,752**
Software	8,478	486	-147	-75		-80	8,662
Telecom license	7,588	719		-149		6	8,165
Other intangible assets	5,507	423	-3	-20		17	5,925
Amortization and impairment	**-14,089**	**-1,286**	**148**	**126**	**0**	**29**	**-15,071**
Software	-6,804	-562	146	52		14	-7,154
Telecom license	-3,299	-382		71		0	-3,610
Other intangible assets	-3,985	-342	2	4		15	-4,307
NET TOTAL	**7,485**	**342**	**-2**	**-118**	**0**	**-27**	**7,681**

The reclassification column concerns transfers between line items of intangible assets.

Note 5 Property, plant, and equipment

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Land	1,659	1,637	1,593
Buildings	3,020	3,041	2,982
Technical installations, machinery and equipment	22,659	25,321	25,542
Transportation, equipment	242	279	319
Office equipment, furniture, and fittings	627	634	617
Other property, plant, and equipment	111	125	248
NET TOTAL	**28,319**	**31,037**	**31,301**

The “Other property, plant, and equipment” item mainly includes advances and deposits for property, plant and equipment orders.

2020

(in MAD million)	12/31/2019	Acquisitions & dotations	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	Assets held for sale	12/31/2020
Gross	**113,637**	**2,761**	**-1,147**	**483**	**0**	**23**	**0**	**115,758**
Land	1,663	14		9		1		1,686
Buildings	9,393	253	-5	15		17		9,671
Technical plant, machinery and equipment	95,601	2,186	-1,078	429		114		97,252
Transportation, equipment	781	8	-35	6		0		760
Office equipment furniture and fittings	5,948	164	-27	22		34		6,141
Other property, plant, and equipment	252	137	-2	4		-143		248
Depreciation and impairment	**-82,600**	**-5,613**	**1,142**	**-349**	**0**	**-19**	**0**	**-87,439**
Land	-26	-2		1				-27
Buildings	-6,352	-293	5	-12		1		-6,651
Technical plant, machinery, and equipment	-70,280	-5,066	1,072	-311		-9		-74,593
Transportation equipment	-502	-45	35	-5		0		-517
Office equipment, furniture, and fittings	-5,313	-199	26	-19		-9		-5,514
Other property, plant, and equipment	-127	-9	3	-2		-2		-137
NET TOTAL	**31,037**	**-2,852**	**-4**	**134**	**0**	**4**	**0**	**28,319**

Acquisitions of property, plant and equipment amounted to MAD 2,761 million, mainly due to investments made in network infrastructure in 2020, as follows

- MAD1,192 million in Morocco;
- MAD1,569 million in subsidiaries.

2019

(in MAD million)	12/31/2018	Acquisitions & dotations	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	Assets held for sale	12/31/2019
Gross	**107,145**	**4,464**	**-84**	**-816**	**3,024**	**-96**	**0**	**113,637**
Land	1,619	21	-17	-14	55	0		1,663
Buildings	9,008	264		-31	105	46		9,393
Technical plant, machinery and equipment	89,605	3,917	-53	-727	2,652	207		95,601
Transportation, equipment	792	22	-14	-10	57	-66		781
Office equipment furniture and fittings	5,720	194	0	-28	149	-87		5,948
Other property, plant, and equipment	401	46		-7	7	-196		252
Depreciation and impairment	**-75,843**	**-5,637**	**83**	**557**	**-1,921**	**161**	**0**	**-82,600**
Land	-26	-2		1				-26
Buildings	-6,027	-306	17	24	-32	-28		-6,352
Technical plant, machinery, and equipment	-64,062	-5,046	53	496	-1,729	9		-70,280
Transportation equipment	-473	-59	14	8	-48	56		-502
Office equipment, furniture, and fittings	-5,103	-219	0	25	-112	95		-5,313
Other property, plant, and equipment	-152	-6		3		29		-127
NET TOTAL	**31,301**	**-1,173**	**0**	**-260**	**1,104**	**65**	**0**	**31,037**

2018

(in MAD million)	12/31/2017	Acquisitions & dotations	Disposals and withdrawals	Translation adjustment	Change in scope of consolidation	Reclassification	Assets held for sale	12/31/2018
Gross	**103,303**	**5,015**	**-341**	**-840**	**0**	**7**	**0**	**107,145**
Land	1,631	13	-9	-15		-1		1,619
Buildings	8,650	401	-3	-31		-9		9,008
Technical plant, machinery and equipment	86,534	3,985	-308	-745		138		89,605
Transportation, equipment	549	273	-19	-10		0		792
Office equipment furniture and fittings	5,604	193	-2	-31		-44		5,720
Other property, plant, and equipment	336	150	-1	-8		-77		401
Depreciation and impairment	**-71,213**	**-5,572**	**354**	**568**	**0**	**20**	**0**	**-75,843**
Land	-24	-2		0		0		-26
Buildings	-5,774	-281	3	26		0		-6,027
Technical plant, machinery, and equipment	-59,922	-4,963	330	503		-11		-64,062
Transportation equipment	-457	-51	19	8		7		-473
Office equipment, furniture, and fittings	-4,892	-264	2	27		24		-5,103
Other property, plant, and equipment	-144	-12	0	3		0		-152
NET TOTAL	**32,090**	**-557**	**13**	**-272**	**0**	**28**	**0**	**31,301**

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Note 6 Investments in equity affiliates

No equity interest was accounted for by the equity method in 2018, 2019 and 2020.

Note 7 Noncurrent financial assets

(in MAD million)	Note	12/31/2020	12/31/2019	12/31/2018
Unconsolidated investments	7.1	87	87	73
Other financial assets		567	383	226
NET TOTAL		**654**	**470**	**299**

At December 31, 2020, other long-term investments mainly comprised:

- MAD 483 million in guarantee deposits for the mobile money business at the Moov Africa Togo, Moov Africa Benin, Moov Africa Central African Republic and Moov Africa Chad subsidiaries;
- MAD 50 million in cash blocked for borrowings at Moov Africa Togo and Sotelma;
- loans granted for an amount of MAD 34 million.

At December 31, 2020, the maturities of other financial assets were as follows:

(in MAD million)	Note	12/31/2020	12/31/2019	12/31/2018
Due in less than 12 months		437	244	168
Due in 1 to 5 years		95	105	57
Due in more than 5 years		35	33	0
NET TOTAL		**567**	**383**	**226**

7.1 UNCONSOLIDATED INTERESTS

2020

(in MAD million)	Percentage held	Gross value	Impairment	Carrying amount
Arabsat	NS	12		12
Autoroute du Maroc	NS	20	4	16
Thuraya	NS	10	8	2
Médi1 TV	8%	169	161	9
RASCOM	9%	45	35	11
Sonatel	NS	7		7
CMTL	25%	6	6	0
INMARSAT	NS	12	12	0
IMT/GIE	20%	0		0
MT Fly	100%	20	20	0
Hôtels de la Gare	NS	1	1	0
MT CASH	100%	20		20
Incubateur numérique Gabon	5%	0		0
Moov Money	100%	10		10
TOTAL		**333**	**246**	**87**

In 2020, the share of non-consolidated companies in gross value is up 4% mainly due to the increase in the gross value of MT Cash and Moov Money in which Maroc Telecom holds 100% of the shares.

2019

(in MAD million)	Percentage held	Gross value	Impairment	Carrying amount
Arabsat	NS	12		12
Autoroute du Maroc	NS	20	4	16
Thuraya	NS	10	8	2
Médi1 TV	8%	169	147	23
RASCOM	9%	45	34	10
Sonatel	NS	8		8
CMTL	25%	6	6	0
INMARSAT	NS	12	12	0
IMT/GIE	20%	1		1
MT Fly	100%	20	20	0
Hôtels de la Gare	NS	1	1	0
MT CASH	100%	10		10
Incubateur numérique Gabon	5%	0		0
Moov Money	100%	5		5
TOTAL		**319**	**231**	**87**

2018

(in MAD million)	Percentage held	Gross value	Impairment	Carrying amount
Arabsat	NS	12		12
Autoroute du Maroc	NS	20	4	16
Thuraya	NS	10	8	2
Fond d'amorçage Sindibad	10%	5	5	0
Médi1 TV	8%	169	147	23
RASCOM	9%	46	35	11
Sonatel	NS	9		9
CMTL	25%	6	6	0
INMARSAT	NS	12	12	0
IMT/GIE	20%	1		1
MT Fly	100%	20	20	0
Hôtels de la GARE	NS	1	1	0
TOTAL		**310**	**237**	**73**

Note 8 Change in deferred taxes

8.1 NET POSITION

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Assets	580	339	224
Liabilities	45	258	246
NET POSITION	**534**	**81**	**-23**

8.2 CHANGE IN DEFERRED TAXES

2020

(in MAD million)	12/31/2019	Charge to profit or loss	Impact on shareholders' equity	Change in scope of consolidation	Reclassifications	Translation adjustment	12/31/2020
Assets	339	372	2		-138	6	580
Liabilities	258	11	0		-224	0	45
NET POSITION	**81**	**361**	**1**	**0**	**86**	**5**	**534**

Deferred tax assets varied by MAD 241 million while deferred tax liabilities decreased by MAD 212 million compared to 2019, mainly through reclassifications.

The change in the amount of deferred tax assets recognized in the income statement is 372 million and is mainly due to the recognition of the Covid-19 donation expense.

2019

(in MAD million)	12/31/2018	Charge to profit or loss	Impact on shareholders' equity	Change in scope of consolidation	Reclassifications	Translation adjustment	12/31/2019
Assets	224	64	-14	18	51	-5	339
Liabilities	246	4	2	7	-1	-1	258
NET POSITION	**-23**	**60**	**-15**	**10**	**52**	**-4**	**81**

2018

(in MAD million)	12/31/2017	Charge to profit or loss	Impact on shareholders' equity	Change in scope of consolidation	Reclassifications	Translation adjustment	12/31/2018
Assets	273	-25	-28		9	-5	224
Liabilities	244	15	-1		-11	-1	246
NET POSITION	**29**	**-39**	**-27**	**0**	**19**	**-5**	**-23**

COMPONENTS OF DEFERRED TAXES

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Impairment deductible in later period	55	55	55
Restatement (IFRS) of revenues	-26	-19	-21
Deferred losses	62	62	62
Other	443	-17	-119
NET POSITION	**534**	**81**	**-23**

Note 9 Inventories

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Inventories	419	498	530
Impairment (-)	-148	-177	-182
NET TOTAL	**271**	**321**	**348**

Gross inventories at December 31, 2020 mainly comprise inventories in Morocco, including:

- MAD 102 million in inventories;
- MAD 71 million of inventories of consumable materials and supplies.

The breakdown of inventories at the level of subsidiaries follows the same trend as that of Maroc Telecom.

Changes in inventories are recorded under purchases consumed.

Impairment of inventories is recorded under "Net depreciation, impairment and provisions".

Note 10 Trade accounts receivable and other

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Trade receivables and related accounts	8,263	8,112	8,534
Other receivables and accruals	3,553	3,268	3,305
NET TOTAL	**11,816**	**11,380**	**11,839**

10.1 TRADE RECEIVABLES AND RELATED ACCOUNTS

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Trade receivables	15,020	14,422	14,882
Government receivables	1,338	1,480	1,391
Depreciation of trade receivables (-)	-8,095	-7,790	-7,739
NET TOTAL	**8,263**	**8,112**	**8,534**

Net trade receivables are down compared to 2019.

10.2 OTHER RECEIVABLES AND ACCRUALS

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Trade receivables, advances, and deposits	211	186	464
Employee receivables	82	79	59
Tax receivables	1,558	1,371	1,064
Other receivables	1,383	1,282	1,298
Accruals	319	351	419
NET TOTAL	**3,553**	**3,268**	**3,305**

The "tax receivables" item mainly represents VAT and corporate income tax receivables.

In 2020, the balance of tax receivables amounts to MAD 1,558 million (compared to MAD 1,371 million in 2019), an increase of 14%. This is essentially the recoverable VAT which increased by MAD 78 million. The increase in advances and deposits is recorded in the international subsidiaries in particular.

Note 11 Short-term financial assets

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Term deposit > 90 days			
Escrow account	130	126	138
Marketable securities			
Other short-term financial assets		3	
NET TOTAL	**130**	**128**	**138**

Maroc Telecom commissioned Rothschild Martin Maurel to execute a liquidity contract on the Paris stock exchange and a share price adjustment agreement on the Casablanca stock exchange to maintain the liquidity of its stock.

Note 12 Cash and cash equivalents

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Cash	2,644	1,479	1,664
Cash equivalents	47	4	35
CASH AND CASH EQUIVALENTS	**2,690**	**1,483**	**1,700**

Cash and cash equivalents increased by MAD 1,207 million. This change is in line with the increase in borrowings and bank overdrafts compared to 2019 and comes mainly from the international segment.

CHANGE IN CASH AND CASH EQUIVALENTS

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Net cash from operating activities	11,088	15,281	14,520
Net cash used in investing activities	-4,219	-8,819	-8,369
Net cash used in financing activities	-5,600	-6,744	-6,501
Foreign-currency translation adjustments	-61	65	40
CHANGE IN CASH AND CASH EQUIVALENTS	**1,207**	**-217**	**-310**
Cash and cash equivalents at beginning of period	1,483	1,700	2,010
Cash and cash equivalents at end of period	2,690	1,483	1,700
CHANGE IN CASH AND CASH EQUIVALENTS	**1,207**	**-217**	**-310**

The increase in cash and cash equivalents is due to the general decline in investment and financing cash disbursements as well as a decrease in net cash from operating activities. Indeed, the Group has adapted its investment projects to the global pandemic context.

Net cash from operating activities

In 2020, net cash from operating activities amounted to MAD 11,088 million, down MAD 4,193 million compared with 2019. This change is consistent with the impact of the Covid-19 global pandemic on the flows generated by the business.

Net cash used in investing activities

Net cash used in investing activities amounted to MAD -4,219 million, a decrease of MAD 4,600 million compared with 2019. This change is explained by the adjustment of investment projects to the global pandemic context as well as the optimization of these expenses in fiscal year 2020.

Net cash used in financing activities

This cash flow is mainly due to dividend payments to shareholders for MAD 5,725 million and debt servicing disbursements of MAD 2,687 million. The main cash inflows during the period were MAD 2,307 million in borrowings contracted with banks and MAD 1,128 million in overdraft facilities dedicated to the financing of current operations.

Note 13 Dividends

13.1 DIVIDENDS

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Dividends paid by subsidiaries to their noncontrolling interests			
Total (A)	**855**	**857**	**807**
Dividends paid by Maroc Telecom to its shareholders			
-Kingdom of Morocco	1,071	1,801	1,709
-Société de Participation dans les Télécommunications (SPT)	2,581	3,182	3,019
-Other	1,217	1,020	968
Total (B)	**4,870**	**6,003**	**5,696**
TOTAL DIVIDENDS PAID (A)+(B)	**5,725**	**6,860**	**6,503**

13.2 DIVIDENDS ALLOCATED IN FISCAL YEAR 2020

Dividends distributed by Maroc Telecom and its subsidiaries to their shareholders decreased by 17% compared to 2019 under the impact of the MAD3.3 billion penalty recognized in the 2019 financial statements.

Note 14 Provisions

Provisions for contingencies and losses are analyzed as follows:

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Noncurrent provisions	**521**	**504**	**464**
Provisions for life annuities	15	15	16
Provisions for termination benefits	373	345	389
Provisions for disputes with third parties	113	123	38
Other provisions	20	20	21
Current provisions	**1,247**	**4,634**	**1,325**
Provisions for voluntary redundancy plan	-	-	-
Provisions for employee-related expenses	-	-	-
Provisions for disputes with third parties	1,209	4,596	1,268
Other provisions	38	37	57
TOTAL	**1,768**	**5,137**	**1,789**

"Non-current provisions" mainly include provisions for retirement indemnities, provisions for disputes with third parties, provisions for life annuities and non-current tax provisions.

"Current provisions" mainly include provisions for litigation with third parties and current tax provisions.

2020

(in MAD million)	12/31/2019	Charges	Used	Change in scope of consolidation	Translation adjustment	Reversals	Reclassification	12/31/2020
Noncurrent provisions	**504**	**28**	**-94**	**-**	**5**	**-**	**78**	**521**
Provisions for life annuities	15							15
Provisions for termination benefits	345	17	-19		3		28	373
Provisions for disputes with third parties	123	3	-65		2		50	113
Other provisions	20	9	-10		0		0	20
Current provisions	**4,634**	**468**	**-3924**	**-**	**8**	**-**	**62**	**1,247**
Provisions for voluntary redundancy plan	-							-
Provisions for employee-related expenses	-							-
Provisions for disputes with third parties	4,596	468	-3924		7		62	1,209
Other provisions	37				1			38
TOTAL	**5,137**	**496**	**-4018**	**-**	**13**	**-**	**140**	**1,768**

Overall, the decrease in provisions between 2019 and 2020 is induced by the reversal of the MAD 3.3 billion penalty provision applied by the regulator in 2019 which was recorded as an expense in fiscal year 2020.

2019

(in MAD million)	12/31/2018	Charges	Used	Change in scope of consolidation	Translation adjustment	Reversals	Reclassification	12/31/2019
Noncurrent provisions	**464**	**108**	**-28**	**39**	**-10**	**0**	**-70**	**504**
Provisions for life annuities	16						-1	15
Provisions for termination benefits	389	13	0	6	-8		-55	345
Provisions for disputes with third parties	38	87	-20	34	-1		-15	123
Other provisions	21	8	-9		0			20
Current provisions	**1,325**	**3,574**	**-498**	**241**	**-12**	**0**	**4**	**4,634**
Provisions for voluntary redundancy plan								0
Provisions for employee-related expenses								0
Provisions for disputes with third parties	1,268	3,574	-416	241	-11		-59	4,596
Other provisions	57		-82		-1		63	37
TOTAL	**1,789**	**3,683**	**-527**	**280**	**-22**	**0**	**-66**	**5,137**

2018

(in MAD million)	12/31/2017	Charges	Used	Change in scope of consolidation	Translation adjustment	Reversals	Reclassification	12/31/2018
Noncurrent provisions	**570**	**57**	**-113**	**0**	**-11**	**-13**	**-26**	**464**
Provisions for life annuities	17		-1					16
Provisions for termination benefits	428	46	-59		-9		-17	389
Provisions for disputes with third parties	94	11	-53		-1	-11	-1	38
Other provisions	32				-1	-2	-8	21
Current provisions	**838**	**813**	**-266**	**0**	**-10**	**-53**	**4**	**1,325**
Provisions for voluntary redundancy plan	0							0
Provisions for employee-related expenses	0							0
Provisions for disputes with third parties	834	759	-266		-9	-53	4	1,268
Other provisions	4	54			-1			57
TOTAL	**1,408**	**870**	**-379**	**0**	**-20**	**-67**	**-22**	**1,789**

Note 15 Borrowings and other financial liabilities

15.1 NET CASH POSITION

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Bank loans due in more than one year	3,553	2,935	3,475
Lease obligation at more than 1 year	1,195	1,244	
Bank loans due in less than one year	2,352	2,559	2,748
Lease obligation at less than 1 year	444	408	
Bank overdrafts	12,816	11,780	9,381
Borrowing and other financial liabilities	**20,360**	**18,926**	**15,605**
Cash and cash equivalents	2,690	1,483	1,700
Cash held in escrow for repayment of bank loans	50	94	34
NET CASH POSITION	**-17,619**	**-17,349**	**-13,872**

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Outstanding debt and accrued interest (A)	20,360	18,926	15,605
Cash assets (B)	2,741	1,577	1,733
NET CASH POSITION (B)- (A)	**-17,619**	**-17,349**	**-13,872**

The Group's financial debt increased by 8% compared to 2019. This change is explained by:

- The MAD 1,283 million increase in subsidiaries' debts, mainly to finance investments and licenses;
- The increase in the IFRS16 rental obligation for MAD90 million;
- The increase in bank overdrafts for MAD 1,344 million;
- The repayment of financial debts for MAD 1,283 million.

15.2 NET CASH BY MATURITY

The breakdown by maturity is based on the repayment terms and conditions of the borrowings:

2020

(in MAD million)	< 1 year	1-5 years	> 5 years	Total
Bank loans	2,352	3,129	424	5,905
Lease obligation	444	952	243	1,639
Bank overdrafts	12,816			12,816
Borrowing and other financial liabilities	**15,612**	**4,081**	**667**	**20,360**
Cash and cash equivalents	2,690			2,690
Cash held in escrow for repayment of bank loans	50			50
NET CASH POSITION	**-12,871**	**-4,081**	**-667**	**-17,619**

2019

(in MAD million)	< 1 year	1-5 years	> 5 years	Total
Bank loans	2,560	2,469	465	5,494
Lease obligation	408	1,151	93	1,652
Bank overdrafts	11,780			11,780
Borrowing and other financial liabilities	**14,748**	**3,620**	**558**	**18,926**
Cash and cash equivalents	1,483			1,483
Cash held in escrow for repayment of bank loans	94			94
NET CASH POSITION	**-13,171**	**-3,620**	**-558**	**-17,349**

2018

(in MAD million)	< 1 year	1-5 years	> 5 years	Total
Bank loans	2,748	3,433	43	6,223
Lease obligation				
Bank overdrafts	9,381			9,381
Borrowing and other financial liabilities	**12,129**	**3,433**	**43**	**15,605**
Cash and cash equivalents	1,700			1,700
Cash held in escrow for repayment of bank loans	34			34
NET CASH POSITION	**-10,396**	**-3,433**	**-43**	**-13,872**

15.3 STATEMENT OF ANALYSIS

Company	Loan *(in MAD millions)*	Currency	Maturity	12/31/2020	12/31/2019	12/31/2018
Maroc Telecom	Loan Etisalat	EUR	January-19			728
Maroc Telecom	Loan Etisalat	USD	November-19			1,979
Maroc Telecom	Banks, overdrafts IAM	MAD	December-19	11,243	10,404	8,118
Maroc Telecom	IFRS 16	MAD		835	901	
Mauritel	Leasing contracts ZTE 12 site solaire	USD	August-19		0	5
Mauritel	Loan 4G	MRO	-	98	0	0
Mauritel	Loan QNB	MRO	July-19		0	28
Mauritel	overdraft Mauritel	MRO	-	18	31	49
Mauritel	IFRS 16	MRO		33	38	
Onatel	Credit Spot Bicia B Onatel	FCFA	30-avr.-21	100	125	84
Onatel	Credit Spot SGBF Onatel	FCFA	March-19	0	0	7
Onatel	Credit Spot SGBF Onatel	FCFA	April-19	0	0	80
Onatel	Credit Spot CBAO Onatel	FCFA	September-21	68	0	53
Onatel	Credit Spot Orabank Onatel	FCFA	30-avr.-21	20	25	20
Onatel	Credit Spot Bicia B Onatel	FCFA	April-19	0	0	45
Onatel	Credit Spot WBI Onatel	FCFA	May-21	19	45	
Onatel	Credit Spot UAB Onatel	FCFA	May-21	70	45	
Onatel	Loan BICIA 2016	FCFA	août-22	34	50	68
Onatel	Loan CBAO 2015	FCFA	May-21	8	25	42
Onatel	Loan SGBB 2015	FCFA	May-21	8	25	42
Onatel	Loan Orabank 2019 LTN	FCFA	September-26	79	83	0
Onatel	Loan SGBF 2019 LTN	FCFA	March-26	155	166	0
Onatel	loan BABF NºE565978/1 2019 LTN	FCFA	March-26	310	333	0
Onatel	loan BABF NºE593684/1 2019 LTN	FCFA	March-26	116	125	0
Onatel	loan BABF NºA162934/1 2019 LTN	FCFA	March-26	116	125	0
Onatel	loan BABF NºE599998/1 2019 LTN	FCFA	March-26	78	83	0
Onatel	loan CBAO BURKINA 2019 LTN	FCFA	March-26	139	150	0
Onatel	loan CBAO BENIN 2019 LTN	FCFA	March-26	31	33	0
Onatel	loan CBAO NIGER 2019 LTN	FCFA	March-26	31	33	0
Onatel	loan CBAO SENEGAL 2019 LTN	FCFA	March-26	108	117	0
Onatel	Banks, overdrafts Onatel	FCFA	December-19	0	40	32
Onatel	IFRS 16	FCFA		58	42	
Gabon Telecom	loan AFD	FCFA	December-20	2	2	2
Gabon Telecom	loan UGB (CMT 1)	FCFA	December-20	0	182	359
Gabon Telecom	loan UGB (CMT 2)	FCFA	July-21	48	125	200
Gabon Telecom	loan UGB (CMT 3)	FCFA	May-22	184		
Gabon Telecom	Banks, overdrafts GT	FCFA	December-21	259	305	35
Gabon Telecom	IFRS 16	FCFA		57	49	
Sotelma	loan DGDP/CFD OP	FCFA	April-20		0	0
Sotelma	loan BIM 58 Milliards	FCFA	April-19			293
Sotelma	loan BIM 10 Milliards	FCFA	Oct.-19			97
Sotelma	loan BIM 10 Milliards	FCFA	June-22	128		
Sotelma	loan DGDP/RASCOM	USD		9	9	9
Sotelma	loan BAM 7,5 Milliards	FCFA	févr.-23	75	103	
Sotelma	loan BAM 5,5 Milliards	FCFA	févr.-23	58	81	
Sotelma	loan BIM 6 Milliards	FCFA	Nov.-21	52	100	

Company	Loan *(in MAD millions)*	Currency	Maturity	12/31/2020	12/31/2019	12/31/2018
Sotelma	loan BDM 10 Milliards	FCFA	August-21	65	145	
Sotelma	loan ECO 14 Milliards	FCFA	September-21	88	202	
Sotelma	loan ECO 10 Milliards	FCFA	August-22	148		
Sotelma	loan BAM 13 Milliards	FCFA	December-19		0	219
Sotelma	IFRS 16	FCFA		40	38	
Sotelma	Banks, overdrafts Sotelma	FCFA	-	260	289	272
Casanet	IFRS 16	MAD		3	2	
Moov CDI	loan SIB	EUR	January-27	354	268	209
Moov CDI	BANQUE ATLANTIQUE COTE D'IVOIRE	FCFA	April-23	935	524	417
Moov CDI	SIB ICNE	EUR	January-24	49	26	3
Moov CDI	BOA	FCFA	June-20		115	117
Moov CDI	ECOBANK	FCFA	June-20	83	131	50
Moov CDI	Banks, overdrafts Moov CDI	FCFA	January-21	258	121	200
Moov CDI	IFRS 16	FCFA		404	343	
Moov Africa Bénin	CORIS BANK	FCFA		333		
Moov Africa Bénin	loans BABE	FCFA	January-19		0	19
Moov Africa Bénin	loan CAA pour construction câble ACE	FCFA	April-20	16	18	22
Moov Africa Bénin	overdrafts bancaires Moov Bénin	FCFA	January-19	297	151	104
Moov Africa Bénin	IFRS 16	FCFA		73	53	
Moov Africa Togo	loan ECOBANK	FCFA	December-24	0	98	156
Moov Africa Togo	BANQUE ATLANTIQUE TOGO	FCFA	June-24	150	236	177
Moov Africa Togo	ORABANK TOGO	FCFA	June-27	108		
Moov Africa Togo	CREDIT DE TRESORERIE BOA	FCFA	September-19		0	43
Moov Africa Togo	BIA TOGO	FCFA	June-23	164	219	250
Moov Africa Togo	Banks, overdrafts Togo	FCFA	December-21	286	278	263
Moov Africa Togo	IFRS 16	FCFA		15	18	
Moov Africa Niger	CMT BOA	FCFA	March-22		63	87
Moov Africa Niger	overdraft Eco DEP	FCFA	December-21	43	18	11
Moov Africa Niger	overdraft CBAO	FCFA	December-21	38	37	21
Moov Africa Niger	overdraft BAN	FCFA	December-21	47	65	53
Moov Africa Niger	loan CBAO 1	FCFA	April-20		4	7
Moov Africa Niger	loan CBAO 2	FCFA	May-20		5	11
Moov Africa Niger	loan CBAO 3	FCFA	September-20	1	15	15
Moov Africa Niger	CMT BAN 6,5	FCFA	October-28	108	127	183
Moov Africa Niger	CMT BOA 15 Mds	FCFA			23	
Moov Africa Niger	CMT 13 Mds	FCFA	November-29	212	19	
Moov Africa Niger	CMT BAN 5MDS	FCFA	December-22	47	40	
Moov Africa Niger	CMT BOA 15 MDF	FCFA	December-27	249	223	
Moov Africa Niger	CMT BOA 7MDF	FCFA	March-22	52		
Moov Africa Niger	CMT BOA 1.9MDF	FCFA	June-25	30		
Moov Africa Niger	CMT BIA 2.176 MDF	FCFA	November-25	35		
Moov Africa Niger	CMT BIA 1698 MDF	FCFA	October-22	28		
Moov Africa Niger	CMT BIA 566 MDF	FCFA	October-22	9		
Moov Africa Niger	CMT BIA 736 MDF	FCFA	October-22	12		
Moov Africa Niger	loan CBAO 13 MDFCA	FCFA	November-29		194	
Moov Africa Niger	overdraft BOA	FCFA	December-21	1	17	3
Moov Africa Niger	overdraft ORABANK	FCFA	December-21	29	17	217
Moov Africa Niger	overdraft coris bank	FCFA	December-21	21		
Moov Africa Niger	overdraft HBANK	FCFA	December-21	12		
Moov Africa Niger	Crédit trésorerie	FCFA		5		
Moov Africa Niger	IFRS 16	FCFA		57	97	
Moov Africa Centrafrique	BANQUE POPULAIRE MAROCO	FCFA	September-22	34	32	39
Moov Africa Centrafrique	POOL BPMC-CBCA	FCFA	March-22	52	48	56
Moov Africa Centrafrique	loan DPA ERICSSON	USD	January-20		2	2
Moov Africa Centrafrique	Banks, overdrafts RCA	FCFA	-	4	8	3
Moov Africa Tchad	IFC	FCFA	August-19	391	526	
Moov Africa Tchad	IFRS 16	FCFA		64	73	
TOTAL LOANS ET AUTRES PASSIFS FINANCIERS				**20,360**	**18,926**	**15,605**

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Note 16 Trade accounts payable

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Trade payables and related accounts	12,757	13,807	14,442
Accruals	3,274	2,860	2,798
Other payables	7,976	7,127	6,855
TOTAL	**24,007**	**23,794**	**24,095**

Trade payables and related accounts include amounts due for the acquisition of fixed assets and trade receivables – advances and deposits on orders in progress.

In 2020, operating debts are slightly lower. Other operating liabilities mainly comprise tax liabilities (excluding corporate income tax) for MAD4,538 million.

Note 17 Revenues

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Morocco	20,881	21,690	21,414
International	16,883	16,095	16,041
Elimination of transactions between the parent company and subsidiaries	-995	-1,268	-1,423
TOTAL CONSOLIDATED REVENUES	**36,769**	**36,517**	**36,032**

At the end of December 2020, Maroc Telecom Group consolidated revenues totaled MAD36,769 million, up 0.7% compared with the end of December 2019. The Group's growth was driven by the increase in revenues subsidiaries.

Note 18 Cost of sales

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Cost of handsets	628	622	683
Domestic and international interconnection charges	3,202	3,550	4,040
Other cost of sales	1,586	1,499	1,287
TOTAL	**5,416**	**5,670**	**6,011**

The cost of purchasing terminals comes mainly from Morocco.

Domestic and international interconnection charges are down in the Morocco segment.

"Other purchases" refers to energy purchases (fuel and electricity) and top-up cards.

Note 19 Payroll costs

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Wages	2,511	2,617	2,472
Payroll taxes	495	481	419
Wages and taxes	**3,005**	**3,098**	**2,891**
Payroll costs	**3,005**	**3,098**	**2,891**
Average headcount (in number of employees)	**10,242**	**10,606**	**10,714**

This item includes the payroll costs for the fiscal year (wages, payroll taxes, training costs) but excludes employee severance plan costs, which were recognized as other operating expenses.

In 2020, the 3,0% decrease in personnel costs is closely linked to the decrease in the average number of employees in the MT Group.

Note 20 Taxes, duties, and fees

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Taxes and duties	1,023	951	772
Fees	2,321	2,231	2,046
TOTAL	**3,344**	**3,183**	**2,818**

Royalties include amounts owed to telecom market regulatory authorities in Morocco and internationally.

The overall level of taxes and fees increased by 5% between 2019 and 2020. This variation is driven by Morocco and is explained by the increase in the fee for the occupation of the public domain compared to 2019.

Note 21 Other operating income and expenses

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Communication	637	800	825
Commissions	2,019	2,035	1,946
Other including:	**6,089**	**2,774**	**3,151**
Rental expenses	353	429	903
Maintenance, repair, and property-service charges	1,197	1,032	1,027
Fees	879	887	850
Postage and banking service	149	136	141
Voluntary redundancy plan		9	11
Other	3,511	281	219
TOTAL	**8,746**	**5,610**	**5,923**

In 2020, other operating income and expenses increased due to a penalty imposed by the regulator in the amount of MAD 3.3 billion.

The decrease in rental expenses is a natural consequence of the application of IFRS 16 for the second year, while the increase in maintenance expenses is due to the pandemic context which has led the Group to further strengthen health measures.

« Other » mainly includes operating foreign exchange gains and losses, transfers of operating expenses and capital gains and losses on disposals of fixed assets.

Note 22 Depreciation, impairment and provisions

The following table sets out changes in this item for the fiscal years ended December 31, 2018, 2019, and 2020:

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Depreciation and impairment of fixed assets	7,511	7,419	6,821
Net provisions and impairment	-3,272	3,305	516
TOTAL	**4,240**	**10,724**	**7,337**

Net amortization, impairment and provisions amounted to MAD4,240 million at the end of December 2020, compared with MAD10,724 million at the end of December 2019. This variation is due to the reversal of the provision for the regulator's penalty in Morocco amounting to MAD 3.3 billion, while it was recorded in 2019.

The acquisition of new fixed assets leads to an increase in depreciation and amortization of fixed assets of MAD 92 million between 2019 and 2020.

DEPRECIATION AND IMPAIRMENT OF FIXED ASSETS

The following table sets out the depreciation and impairment of Maroc Telecom Group's fixed assets for the fiscal years ended December 31, 2018, 2019, and 2020:

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Other intangible assets	1,414	1,368	1,273
Building and civil engineering	295	306	281
Technical plant and pylons	5,064	5,048	4,939
Other property, plant, and equipment	252	285	328
Right to use assets	487	412	
TOTAL	**7,511**	**7,419**	**6,821**

NET CHARGES TO PROVISIONS AND IMPAIRMENT

The following table sets out the net charges to provisions and impairment of Maroc Telecom Group for the fiscal years ended December 31, 2018, 2019, and 2020:

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Impairment of trade receivables	267	66	153
Impairment of inventories	-25	-12	-21
Impairment of other receivables	8	39	21
Provisions	-3,522	3,213	363
NET CHARGES AND REVERSALS	**-3,272**	**3,305**	**516**

Note 23 Income from equity affiliates

No equity interest was accounted for by the equity method in 2018, 2019, or 2020.

Note 24 Net financial income or expense

24.1 BORROWING COSTS

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Income from cash and cash equivalents	17	2	3
Interest expense on loans	-798	-681	-527
Interest expense on rental obligation	-90	-76	
NET BORROWING COSTS	**-871**	**-754**	**-524**

Cost of net debt includes interest expense on borrowings less income from cash and cash equivalents (investment income). Since January 1, 2019, following the adoption of the new IFRS 16 standard, this indicator also includes interest expense on rental obligations. Nevertheless, interest expense on borrowings represents the largest portion of the cost of net debt (90%).

Interest expense on borrowings increased by 17%. This variation is due to the increase in the Group's financial debt in support of business expansion.

24.2 OTHER FINANCIAL INCOME AND EXPENSE

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Foreign-exchange gains and losses	-2	13	64
Other financial income (+)	80	55	149
Other financial expenses (-)	-52	-106	-115
Other financial income and expenses	**26**	**-38**	**99**

Other financial income consists mainly of interest income on loans and income from non-consolidated investments.

Other financial expenses decreased by 51% to MAD 54 million. The International segment generates 83% of the Group's financial expenses.

Note 25 Tax expense

Like all Moroccan corporations (sociétés anonymes), Maroc Telecom is subject to income tax.

"Income tax expense" includes current and deferred taxes.

Deferred tax reflects temporary differences between the carrying value of assets and liabilities and their tax-base value.

The following table shows Maroc Telecom Group's payable and deferred taxes for the years ended December 31, 2018, 2019, and 2020:

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Income tax expense	3,733	3,972	3,591
Deferred tax	-361	-60	40
Provisions for tax		-82	45
Current tax	**3,372**	**3,830**	**3,677**
Consolidated effective tax rate	**35%**	**36%**	**35%**

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Net earnings	6,289	3,598	6,938
Income tax expense	3,372	3,912	3,632
Provision for tax	0	-82	45
Pretax earnings	**9,661**	**7,428**	**10,615**
Moroccan statutory tax rate	31%	31%	31%
Theoretical income tax expense	2,995	2,303	3,291
Impact of changes in tax rate	-72	-75	-81
Other differences	449	1,602	467
Effective income tax expense	3,372	3,830	3,677

Other net differences mainly include the withholding tax of MAD 184 million and the solidarity contribution amounting to MAD 207 million.

The deferred tax rates of the Group are as follows:

Entity	**The deffered tax rate**
Maroc Telecom	31.0%
Casanet	31.0%
Mauritel	25.0%
Onatel	27.5%
Gabon Telecom	30.0%
Sotelma	30.0%
Atlantique Telecom Côte d'Ivoire	30.0%
Moov Africa Benin	30.0%
Moov Africa Togo	27.0%
Moov Africa Niger	30.0%
Moov Africa Centrafrique	30.0%
Moov Africa Chad	35.0%

Note 26 Noncontrolling interests

(In MAD million)	12/31/2020	12/31/2019	12/31/2018
Total noncontrolling interests	866	873	928

Minority interests reflect the rights of shareholders other than Maroc Telecom on the earnings of Mauritel, Onatel, Gabon Telecom, Sotelma, AT CDI and Moov Africa Togo.

Note 27 Earnings per share

27.1 EARNINGS PER SHARE

	12/31/2018		12/31/2019		12/31/2020	
(in MAD million)	**Basic**	**Diluted**	**Basic**	**Diluted**	**Basic**	**Diluted**
Net earnings, Group share	6,010	6,010	2,726	2,726	5,423	5,423
Adjusted net earnings, Group share	6,010	6,010	2,726	2,726	5,423	5,423
Number of shares *(millions)*	879	879	879	879	879	879
Earnings per share *(in MAD)*	6.84	6.84	3.10	3.10	6.17	6.17

27.2 CHANGE IN THE NUMBER OF SHARES

(In share number)	12/31/2020	12/31/2019	12/31/2018
Weighted average number of shares outstanding for the period	879,095,340	879,095,340	879,095,340
Adjusted weighted average number of shares outstanding for the period	879,095,340	879,095,340	879,095,340
Potential dilutive effect of financial instruments outstanding			
Number of shares including potential dilutive effect	879,095,340	879,095,340	879,095,340

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Note 28 Segment data

28.1 STATEMENT OF FINANCIAL POSITION: ITEMS BY GEOGRAPHICAL AREA

2020

(in MAD million)	Morocco	International	Eliminations	Total Group Maroc Telecom
Noncurrent assets	34,191	27,183	-12,795	48,579
Current assets	8,250	8,665	-1,955	14,960
Total assets	**42,442**	**35,848**	**-14,750**	**63,540**
Shareholders'equity	16,086	11,990	-11,387	16,688
Noncurrent liabilities	638	6,085	-1,409	5,314
Current liabilities	25,719	17,774	-1,955	41,538
Total shareholders'equity and liabilities	**42,442**	**35,848**	**-14,750**	**63,540**
Acquisitions of PP&E and intangible assets	1,467	1,982		3,448

2019

(in MAD million)	Morocco	International	Eliminations	Total Group Maroc Telecom
Noncurrent assets	37,402	27,969	-13,886	51,485
Current assets	7,750	7,672	-2,057	13,365
Total assets	**45,152**	**35,641**	**-15,943**	**64,851**
Shareholders'equity	15,430	11,960	-11,387	16,003
Noncurrent liabilities	910	6,529	-2,499	4,939
Current liabilities	28,813	17,153	-2,057	43,908
Total shareholders'equity and liabilities	**45,152**	**35,642**	**-15,943**	**64,851**
Acquisitions of PP&E and intangible assets	3,022	3,766		6,788

2018

(in MAD million)	Morocco	International	Eliminations	Total Group Maroc Telecom
Noncurrent assets	36,351	24,654	-12,952	48,053
Current assets	7,776	8,242	-1,939	14,078
Total assets	**44,126**	**32,896**	**-14,891**	**62,131**
Shareholders'equity	18,236	11,146	-9,892	19,490
Noncurrent liabilities	2,217	5,028	-3,060	4,185
Current liabilities	23,674	16,722	-1,939	38,456
Total shareholders'equity and liabilities	**44,126**	**32,896**	**-14,891**	**62,131**
Acquisitions of PP&E and intangible assets	2,749	3,894		6,655

28.2 SEGMENT EARNINGS BY GEOGRAPHICAL AREA

2020

(in MAD million)	Morocco	International	Eliminations	Total Group Maroc Telecom
Revenues	20,881	16,883	-995	36,769
Earnings from operations	8,499	3,520		12,018
Net depreciation and impairment	434	3,806		4,240
Voluntary redundancy plan				-

2019

(in MAD million)	Morocco	International	Eliminations	Total Group Maroc Telecom
Revenues	21,690	16,095	-1,268	36,517
Earnings from operations	4,994	3,237	0	8,231
Net depreciation and impairment	7,302	3,422		10,724
Voluntary redundancy plan		9		9

2018

(in MAD million)	Morocco	International	Eliminations	Total Group Maroc Telecom
Revenues	21,414	16,041	-1,423	36,032
Earnings from operations	8,294	3,237	0	11,052
Net depreciation and impairment	3,849	2,973		6,821
Voluntary redundancy plan	2	9		11

Note 29 Restructuring provisions

In 2018, 2019 and 2020, no provision for restructuring was recorded at group level.

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Note 30 Related-party transactions

30.1 COMPENSATION OF CORPORATE OFFICERS, SENIOR MANAGERS, AND DIRECTORS IN 2018, 2019, AND 2020

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Short-term benefits [a]	83	93	96
Termination benefits [b]	104	117	117
TOTAL	**187**	**210**	**213**

(a) Wages and salaries, compensation, incentives and bonuses paid, social security contributions, paid leave and nonmonetary benefits recognized.
(b) Severance pay.

30.2 EQUITY AFFILIATES

In 2018, 2019 and 2020 no company is consolidated by the equity method.

30.3 OTHER RELATED PARTIES

In 2020, Maroc Telecom completed transactions mainly with Emirates Telecommunications Corporation, EDCH, Etihad Etisalat Company (Mobily), and other sister companies as part of its strategic cooperation with the Etisalat Group. These various transactions can be summarized as follows:

2020

(in MAD million)	Etisalat	EDCH	Mobily	Others
Revenues	126	13	1	0
Expenses	25	9	1	0
Receivables	39	82	0	2
Payables	34	65	0	1

2019

(in MAD million)	Etisalat	EDCH	Mobily	Others
Revenues	175	16	0	1
Expenses	39	12	1	1
Receivables	47	85	0	1
Payables	30	62	3	3

2018

(in MAD million)	Etisalat	EDCH	Mobily	Others
Revenues	201	29	9	1
Expenses	61	10	2	1
Receivables	64	84	6	2
Payables	2,723	58	5	3

Note 31 Contractual commitments and contingent assets and liabilities

31.1 CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS RECORDED IN THE BALANCE SHEET

(in MAD million)	Total	Less than 12 months	1-5 years	>5 years
Long-term debt	4,748		4,081	667
Capital lease obligations	55	55		
TOTAL	**4,803**	**55**	**4,081**	**667**

31.2 OTHER COMMITMENTS GIVEN AND RECEIVED AS PART OF THE CURRENT ACTIVITY

Commitments given

The commitments given include:

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Commitment given	**6,272**	**8,453**	**3,147**
Investment commitment	5,590	7,293	1,499
Outgoing commitments ans signature with banks	451	607	1,030
operating and financinn lease commitments	55	37	154
Sattellite rental commitments	104	46	34
Other commitments	**72**	**471**	**427**
Network maintenance contracts with Ericsson	46	61	82
Commitments on operating expreses	26	410	345
Other commitments	**0**	**0**	**2**
Recovery of guarantees given by Etisalat on the financing of the Atlantic Subsidiaries	0	0	2
Forward sale commitment	0	0	0

Commitments received

The commitments received include:

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Commitments received	**1,286**	**1,352**	**1,327**
Guarantees and endorsements	1,286	1,352	1,327
Other commitments received	0	0	0
Forward purchase commitment	0	0	0
Commitment of the Moroccan State to contribute the assets of social works	0	0	0
Investment agreement: *exemption from customs duties on imports related to investments*	0	0	0

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Note 32 Risk management

The Group is exposed to different risks of market related to its activity.

Credit risk

Maroc Telecom minimizes its credit risk by engaging only in credit transactions with commercial banks or financial institutions with high credit ratings and by spreading transactions among the selected institutions.

Maroc Telecom's receivables do not carry a significant concentration of credit risk, given their significant dilution rate.

Currency risk

Maroc Telecom Group is exposed to exchange rate fluctuations to the extent that inflows and outflows are in different currencies.

Maroc Telecom receives inflows in foreign currencies in the form of international operator's revenues, and makes expenditures in foreign currencies in the form of payments to international suppliers (notably, as capital expenditure and when buying terminals) and payments for interconnections with foreign operators. These outflows are mainly denominated in euros.

In Morocco, the proportion of foreign currency disbursements denominated in euros represented 80.2% of total foreign currency disbursements at December 31, 2020, which amounted to MAD 1,930 million. Disbursements in foreign currencies are lower than receipts in foreign currencies, which amounted to MAD 3,532 million in 2020.

At the international level, the portion of foreign currency disbursements denominated in US dollars represented 5.4% of total foreign currency disbursements at December 31, 2020, which amounted to MAD 721 million. These foreign currency disbursements are higher than the amount of foreign currency receipts, which totaled MAD 23.9 million in 2020.

In addition, Maroc Telecom had MAD 20,360 million in debt at December 31, 2020, compared with MAD 18,926 million at December 31, 2019, denominated mainly in Moroccan dirhams and CFA francs.

(in MAD million)	12/31/2020	12/31/2019	12/31/2018
Euro	403	268	937
Moroccan dirham	12,081	11,307	8,118
Other (mainly CFA franc)	7,876	7,352	6,550
CURRENT DEBT	**20,360**	**18,926**	**15,605**

Maroc Telecom cannot offset its foreign currency disbursements and receipts, as current Moroccan regulations only allow it to retain 80% of its foreign currency telecom revenues in a foreign currency account, the remaining 20% having to be settled in dirhams. Maroc Telecom Group results may therefore be sensitive to fluctuations in exchange rates, particularly in terms of dirham, US dollars or euros.

In 2020, the Euro appreciated by 3.58% against the Dirham (from MAD 10.9028 at December 31, 2019 to MAD 11.2928 for 1 Euro at December 31, 2020). Over the same period, the US Dollar depreciated by 5.65%, from MAD 9.7312 on December 31, 2019 to MAD 9.1811 for 1 dollar on December 31, 2020. It should be noted that Bank Al Maghrib widened the MAD fluctuation band from 2.5% to 5%.

The subsidiaries whose accounting currency is the CFA Franc and the Mauritanian subsidiary whose currency is the Ouguiya, increase the Group's exposure to foreign exchange risk, in particular with respect to fluctuations in the exchange rates of the Euro and the Ouguiya against the Moroccan dirham.

However, a 1% depreciation of the Moroccan dirham against the euro would have the following limited impacts on the basis of the Group's 2020 financial statements:

- Revenues = + MAD 193 million
- Earnings from operations = + MAD 55 million
- Net earnings, Group share = + MAD 14 million

At Maroc Telecom, assets in foreign currencies consist mainly of receivables from its subsidiaries and foreign operators. Liabilities in foreign currencies consist mainly of debts to the parent company, suppliers and operators.

Internationally, assets in foreign currencies consist mainly of receivables from foreign operators. The Group's currency liabilities are made up primarily of payables to foreign suppliers and operators.

(in MAD million)	Euro /FCFA	USD	MRO	Total foreign currencies	MAD	Balance sheet total
Total assets	33,143	257	1,672	1	28,467	63,540
Total shareholders' equity and liabilities	-20,329	-414	-1,236	-8	-41,553	-63,540
NET POSITION	**12,814**	**-157**	**436**	**-7**	**-13,087**	**0**

The following table shows the Company's net foreign-currency positions in euros and US dollars, and the aggregate of other currencies, at December 31, 2020:

(in million)	Euro (c)	USD (c)	Other currencies (euro equivalent (a)) (b)
Assets	1,334	53	11
Liabilities	-270	-39	-13
Net position	1,064	15	-2
Commitments (d)			
AGGREGATE NET POSITION	**1,064**	**15**	**-2**

(a) based on 1 euro = 10.9351 dirhams the Bank-Al Maghrib average rate at Dec.31, 2020.
(b) Other currencies are mainly the Japanese yen (YEN), Swiss franc (CHF) and Swedish krona (SEK).
(c) The foreign-currency position in euros and in dollars is calculated by applying, to receivables and debts expressed in Special Drawing Rights (SDR) of foreign operators at December 31, 2020, the proportion per currency of inflows in 2020.
(d) For the balance of commitments owed on contracts in progress, the breakdown by currency corresponds to the actual remaining part of the contracts signed.

Liquidity risk

Maroc Telecom believes that the cash flows generated by its operating activities, its cash position and the funds available through credit lines will be sufficient to cover the expenses and investments necessary for its operations, the servicing of its debt, the distribution of dividends and the external growth operations in progress at December 31, 2020.

Interest-risk

Maroc Telecom Group's debt is mainly at fixed rates. As the proportion of floating-rate debt is relatively low, Maroc Telecom Group is not significantly exposed to favorable or unfavorable changes in interest rates.

Note 33 Events after the end of the reporting period

33.1 HIGHLIGHTS

None.

Note 34 IFRS 16 at December 31, 2020

34.1 RIGHT OF USE

(In millions MAD)	Carrying value	Entry of assets	Depreciation/ Amortization
Land	965	105	-176
Buildings	629	134	-121
Technical facilities	731	-30	-91
Transportation equipment	232	230	-99
Office equipment			
Other assets			
TOTAL	**2,557**	**439**	**-487**

34.2 RENTAL OBLIGATION

	12/31/2020
Lease-related payments	-552

34.3 EXPENSES FROM CONTRACTS OUTSIDE THE SCOPE OF IFRS 16

	12/31/2020
Leases with term ≤12 months	352
Leases with low underlying asset value	1
Leases with variable payments	
Leases with no presumed control of occupancy right	

5.4 Statutory financial statements

STATUTORY AUDITORS' GENERAL REPORT

Year ended December 31, 2020

AUDIT OF STATUTORY FINANCIAL STATEMENTS

Opinion

In accordance with the terms of our appointment by your General meetings, we have audited the accompanying financial statements of Itissalat Al-Maghrib (IAM) SA, including the statement of financial position concerning the year ended December 31, 2020, the statement of revenues and losses, the statement of operating data, the statement of cash flows, and the additional disclosures (ETIC). These financial statements show a shareholders' equity and reserves of MAD 14,603,256 thousand and a net profit of MAD 6,248,419 thousand.

These financial statements were approved by the Management Board on January 26, 2021 in the evolving context of the health crisis of the Covid-19 epidemic, on the basis of the information available at that date.

In our opinion, the financial statements referred to in the first paragraph above are regular, sincere and give a true and fair view of ITISSALAT ALMAGHRIB (IAM) SA's assets, liabilities, and financial position at December 31, 2020, and of its operations for the year then ended, in accordance with the accounting principles generally accepted in Morocco.

Basis for Opinion

We conducted our audit in accordance with Moroccan auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Morocco, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Our Response
Revenue recognition of telecommunication activities Revenues in the financial statements at December 31, 2020 amount to MAD 20,289,226 thousand. There is an inherent risk in the recognition of revenues, given the multitude of products and services, the complexity of information systems and the impact of changes in pricing models (pricing structures, incentive systems, discounts, etc.). The application of recognition accounting standards to telecommunications revenues is complex and involves a number of key judgments and estimates. As a result, we consider revenues from telecommunications activities as a key issue in our audit. The methods used to recognize revenue are detailed in Statement A1 of ETIC- Supplementary Information Statements (SIFS).	With the assistance of our IT (Information Technology) specialists, we reviewed the key processes and controls implemented by IAM SA, including the IT systems used for revenue recognition purposes. In particular, we have: ● Gained an understanding of the general control environment, including IT, implemented by the company; ● Identified and assessed the key controls implemented by the company and relevant to our audit; ● Tested the operating effectiveness of the relevant controls, in particular on the application systems involved in the process of generating, evaluating and accounting revenues; ● Performed analytical procedures and tested a sample of manual entries as of December 31, 2020.

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Valuation of investments

Investments in subsidiaries and affiliates, shown in the balance sheet at December 31, 2020 amount to MAD 11,562,429 thousand. They are recognized at their acquisition date at cost and depreciated on the basis of their present value.

As indicated in note A1-4 of the ETIC, present value is estimated by management by reference to the share of equity that the shares represent, adjusted when necessary to take into account, in particular, their perspectives of development and earnings.

The estimate of the present value of these securities requires management to exercise its judgment in selecting the items to be considered depending on the equity interests concerned, which may correspond to historical data (i. e shareholders' equity) and/or forecasts (i. e profitability perspectives), as the case may be.

In this context, we considered that the valuation of the equity investments as a key point of the audit.

Our work consisted mainly in reviewing the valuation process of investments and figures used. We particularly:

- obtained cash flow and operating forecasts for the activities of the entities concerned and assess their consistency with the forecasts resulting from the most recent strategic plans prepared by senior management;
- Checked the consistency of the assumptions used with the economic environment at the closing and preparation dates of the financial statements;
- compared forecasts for previous periods with corresponding actual results in order to assess the achievement of past objectives;
- Checked that the shareholders' equity used is consistent with the financial statements of the entities, and that any adjustments made to this equity are based on documentary evidence.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Moroccan accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Moroccan auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Moroccan auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Specific controls and information

We have also performed the specific verifications required by law. In particular, we ensured that the information contained in the Management Board's report to the shareholders was consistent with the Company's financial statements.

Casablanca, February 18, 2021

The Statutory auditors

Deloitte Audit
French original signed by
Sakina Bensouda-Korachi
Partner

Coopers Audit Maroc SA
French original signed by
Abdelaziz Almechatt
Partner

ASSETS

(In MAD thousands)	Gross	Amortization and provisions	NET 12/31/2020	12/31/2019	12/31/2018
Capitalized costs (A)	**1,500,000**	**300,000**	**1,200,000**	**0**	**0**
Start-up costs	0	0	0	0	0
Deferred costs	1,500,000	300,000	1,200,000	0	0
Bond redemption premiums	0	0	0	0	0
Intangible assets (B)	**12,086,410**	**10,005,815**	**2,080,595**	**2,305,319**	**2,340,165**
Research and development costs	0	0	0	0	0
Patents, trademarks, and similar rights	11,821,162	9,935,216	1,885,946	1,886,639	1,999,535
Goodwill	70,717	70,598	119	864	2,933
Other intangible assets	194,531	0	194,531	417,816	337,697
Property, plant, and equipment (C)	**71,977,666**	**56,239,641**	**15,738,026**	**17,688,321**	**18,430,398**
Land	955,383	0	955,383	955,383	955,370
Buildings	8,102,687	5,331,660	2,771,028	2,806,147	2,828,809
Technical plant, machinery, and equipment	56,427,966	46,060,534	10,367,432	11,639,908	11,840,471
Vehicles	279,237	83,796	195,441	208,030	223,353
Office equipment, furniture, and fittings	4,966,801	4,562,406	404,395	432,710	462,427
Other property, plant, and equipment	11,048	0	11,048	11,048	11,048
Work in progress	1,234,545	201,245	1,033,300	1,635,097	2,108,920
Financial assets (D)	**12,409,024**	**193,074**	**12,215,950**	**13,421,598**	**12,506,455**
Long-term loans	649,437	0	649,437	1,779,880	2,369,330
Other financial receivables	4,084	0	4,084	4,084	4,223
Equity investments	11,755,503	193,074	11,562,429	11,637,634	10,132,903
Other investments and securities	0	0	0	0	0
Unrealised foreign exchange losses (E)	**1,378**	**0**	**1,378**	**21,017**	**18,725**
Decrease in long-term receivables	1,378	0	1,378	21,017	6,294
Increase in long-term debt	0	0	0	0	12,432
TOTAL I (A+B+C+D+E)	**97,974,479**	**66,738,529**	**31,235,949**	**33,436,256**	**33,295,745**
Inventories (F)	**213,236**	**112,372**	**100,865**	**173,090**	**218,209**
Merchandise	142,166	95,273	46,893	100,956	158,775
Raw materials and supplies	71,070	17,099	53,971	72,135	59,434
Work in progress	0	0	0	0	0
Intermediary and residual goods	0	0	0	0	0
Finished goods	0	0	0	0	0
Current receivables (G)	**16,429,557**	**8,645,782**	**7,783,775**	**7,500,720**	**7,266,627**
Trade payables, advances and deposits	11,046	0	11,046	11,112	13,102
Accounts receivable and related accounts	14,594,224	8,323,183	6,271,041	6,203,987	5,818,969
Employees	3,771	0	3,771	14,402	4,369
Tax receivable	560,205	0	560,205	449,251	385,359
Shareholders' current accounts	0	0	0	0	0
Other receivables	1,235,567	322,599	912,969	801,242	689,817
Accruals	24,743	0	24,743	20,725	355,009
Marketable securities (H)	**131,611**	**0**	**131,611**	**129,922**	**128,806**
Unrealized foreign exchange losses (I)					
(current items)	35,510	0	35,510	51,786	64,763
TOTAL II (F+G+H+I)	**16,809,914**	**8,758,154**	**8,051,761**	**7,855,517**	**7,678,405**
Cash and cash equivalents	**554,212**	**0**	**554,212**	**213,687**	**397,735**
Checks	0	0	0	0	0
Bank deposits	551,555	0	551,555	211,289	394,833
Petty cash	2,657	0	2,657	2,398	2,903
TOTAL III	**554,212**	0	**554,212**	**213,687**	**397,735**
GRAND TOTAL I+II+III	**115,338,605**	**75,496,683**	**39,841,922**	**41,505,461**	**41,371,885**

SHAREHOLDERS' EQUITY AND LIABILITIES

(In MAD thousands)	12/31/2020	12/31/2019	NET 12/31/2018
Shareholders' equity (A)	**14,603,256**	**13,224,863**	**15,968,628**
Share capital (1)	5,274,572	5,274,572	5,274,572
Less: capital subscribed and not paid-in	0	0	0
Paid-in capital	0	0	0
Additional paid-in capital	0	0	0
Revaluation difference	0	0	0
Statutory reserve	527,457	879,095	879,095
Other reserves	2,552,808	3,811,903	3,514,240
Retained earnings (2)	0	0	0
Unallocated income (2)	0	0	0
Net income of the year (2)	6,248,419	3,259,293	6,300,721
Quasi-equity (B)	**0**	**0**	**0**
Investment subsidies	0	0	0
Regulated provisions	0	0	0
Debenture bonds (C)	**6,874**	**6,874**	**2,713,506**
Debenture bonds	0	0	0
Other long-term debt	6,874	6,874	2,713,506
Provisions (D)	**14,710**	**35,414**	**34,190**
Provisions for contingencies	1,378	21,017	18,725
Provisions for losses	13,332	14,396	15,465
Unrealized foreign exchange gains (E)	**3,784**	**0**	**92**
Increase in long-term receivables	3,784	0	92
Decrease in long-term debt	0	0	0
TOTAL I (A+B+C+D+E)	**14,628,624**	**13,267,151**	**18,716,416**
Current liabilities (F)	**13,026,067**	**13,213,682**	**13,136,149**
Accounts payable and related accounts	6,700,916	7,111,716	6,874,507
Trade receivables, advances and down payments	82,047	82,480	140,135
Payroll costs	1,050,832	1,059,639	1,024,899
Social security contributions	85,582	88,424	76,358
Tax payable	2,912,001	2,790,460	3,042,619
Shareholders' current accounts	1	1	1
Other payables	430,523	470,581	489,036
Accruals	1,764,165	1,610,381	1,488,593
Other provisions for contingencies and losses (G)	**1,055,726**	**4,747,496**	**1,495,110**
Unrealized foreign exchange gains (current items) (H)	**80,725**	**38,685**	**34,519**
TOTAL II (F+G+H)	**14,162,517**	**17,999,863**	**14,665,778**
Bank overdrafts	**11,050,780**	**10,238,446**	**7,989,691**
Discounted bills	0	0	0
Treasury loans	0	0	0
Bank loans and overdrafts	11,050,780	10,238,446	7,989,691
TOTAL III	**11,050,780**	**10,238,446**	**7,989,691**
GRAND TOTAL I+II+III	**39,841,922**	**41,505,461**	**41,371,885**

(1) Personal capital debtor (-).
(2) Beneficiary (+), deficit (-).

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STATEMENT OF COMPREHENSIVE INCOME (EXCLUSIVE OF VAT)

(In MAD thousands)	12/31/2020	12/31/2019	12/31/2018
I- Operating income	**21,096,060**	**21,422,198**	**21,376,576**
Sales of goods	424,294	350,898	371,786
Sales of manufactured goods and services rendered	19,864,933	20,628,008	20,362,272
Operating revenues	**20,289,226**	**20,978,906**	**20,734,058**
Change in inventories	0	0	0
Company-constructed assets	0	0	0
Operating subsidies	0	0	0
Other operating income	25,433	27,715	35,534
Operating write-backs: expense transfers	781,401	415,577	606,984
Total I	**21,096,060**	**21,422,198**	**21,376,576**
II- Operating expenses	**12,846,696**	**13,291,437**	**13,982,259**
Cost of goods sold	554,477	568,844	637,577
Raw materials and supplies	3,115,886	3,379,494	3,598,477
Other external expenses	2,537,575	2,751,695	2,733,310
Taxes (except corporate income tax)	286,362	228,309	245,161
Payroll, costs	2,108,018	2,182,623	1,940,240
Other operating expenses	2,540	2,540	2,540
Operating allowances for amortization	3,502,875	3,564,746	3,603,662
Operating allowances for provisions	738,963	613,187	1,221,293
Total II	**12,846,696**	**13,291,437**	**13,982,259**
III- Operating income I-II	**8,249,364**	**8,130,761**	**7,394,317**
IV- Financial income	**1,417,233**	**1,580,551**	**1,773,962**
Income from equity investments and other financial investments	942,932	958,413	1,004,118
Foreign exchange gains	294,632	320,649	414,527
Interest and other financial income	106,866	213,522	239,713
Financial write - backs: expense transfers	72,803	87,967	115,603
TOTAL IV	1,417,233	1,580,551	1,773,962
VI- Financial expenses IV - V	**667,653**	**637,364**	**677,641**
Interest and loans	**348,950**	**295,455**	**268,763**
Foreign exchange losses	267,044	268,811	306,796
Other financial expenses	775	295	2,184
Financial allowances	50,884	72,803	99,897
TOTAL V	667,653	637,364	677,641
VI- Financial income IV - V	**749,580**	**943,187**	**1,096,321**
VII- Ordinary income III + VI	**8,998,945**	**9,073,947**	**8,490,638**
VIII- Extraordinary income	**5,129,926**	**546,077**	**556,261**
Proceeds from disposal of fixed assets	**4,901**	**7,493**	**13,310**
Subsidies received	0	0	0
Write-backs of investment subsidies	0	0	0
Other extraordinary income	71,604	234,831	296,811
Extraordinary write-backs: expense transfers	5,053,421	303,753	246,141
TOTAL VIII	5,129,926	546,077	556,261
IX- Extraordinary expenses	**5,584,073**	**3,972,217**	**371,607**
Net book value of disposed assets	**3,578**	**30,020**	**2,780**
Subsidies granted	0	0	0
Other extraordinary expenses	5,005,080	225,309	13,337
Regulated provisions	0	0	0
Extraordinary allowances for depreciation and provisions	575,415	3,716,888	355,489
TOTAL IX	5,584,073	3,972,217	371,607
X- Extraordinary income VIII - IX	**-454,147**	**-3,426,140**	**184,655**
XI- Income before tax VII + X	**8,544,797**	**5,647,807**	**8,675,292**
XII- Corporate income tax	**2,296,379**	**2,388,514**	**2,374,572**
XIII- Net income XI - XII	**6,248,419**	**3,259,293**	**6,300,721**
XIV- Total income (I+IV+VIII)	**27,643,219**	**23,548,826**	**23,706,798**
XV- Total expenses (II+V+IX+XII)	**21,394,801**	**20,289,533**	**17,406,078**
XVI- NET INCOME (TOTAL INCOME - TOTAL EXPENSES)	**6,248,419**	**3,259,293**	**6,300,721**

STATEMENT OF OPERATING DATA

Operating Statement *(in MAD thousand)*			12/31/2020	12/31/2019	12/31/2018
1		Sales of goods	424,294	350,898	371,786
2	-	Cost of goods sold	554,477	568,844	637,577
I	**=**	**Gross Margin on Sales**	**-130,183**	**-217,946**	**-265,790**
II	**+**	**Production for the year: (3+4+5)**	**19,864,933**	**20,628,008**	**20,362,272**
3		Sales of manufactured goods and services rendered	19,864,933	20,628,008	20,362,272
4		Change in inventories	0	0	0
5		Self-constructed assets	0	0	0
III	**-**	**Cost of current year production**	**5,653,461**	**6,131,190**	**6,331,786**
6		Raw materials and supplies	3,115,886	3,379,494	3,598,477
7		Other external expenses	2,537,575	2,751,695	2,733,310
IV	**=**	**Added Value (I+II-III)**	**14,081,288**	**14,278,872**	**13,764,695**
8	+	Operating subsidies	0	0	0
9	-	Taxes	286,362	228,309	245,161
10	-	Payroll costs	2,108,018	2,182,623	1,940,240
V	**=**	**Gross Operating Surplus**	**11,686,908**	**11,867,941**	**11,579,294**
	=	Net Loss From Operations	0	0	0
11	+	Other operating income	25,433	27,715	35,534
12	-	Other operating expenses	2,540	2,540	2,540
13	+	Operating write-backs, expense transfers	781,401	415,577	606,984
14	-	Operating allowances	4,241,837	4,177,932	4,824,955
VI	**=**	**Operating Income (+ ou -)**	**8,249,364**	**8,130,761**	**7,394,317**
VII	**+ / -**	**Financial Income**	**749,580**	**943,187**	**1,096,321**
VIII	**=**	**Ordinary Income (+ ou -)**	**8,998,945**	**9,073,947**	**8,490,638**
IX	**+ / -**	**Extraordinary Income**	**-454,147**	**-3,426,140**	**184,655**
15	**-**	**Corporate Income Tax**	**2,296,379**	**2,388,514**	**2,374,572**
X	**=**	**Net Income (+ ou -)**	**6,248,419**	**3,259,293**	**6,300,721**

Operating Cash Flow *(in MAD thousand)*			12/31/2020	12/31/2019	12/31/2018
1		Net income	6,248,419	3,259,293	6,300,721
	+	Profit	6,248,419	3,259,293	6,300,721
	-	Loss	0	0	0
2	+	Operating allowances (1)	3,502,875	3,564,746	3,603,662
3	+	Financial allowances (1)	15,374	21,017	35,134
4	+	Extraordinary allowances (1)	575,415	416,888	355,489
5	-	Operating write-backs (2)	1,065	1,068	1,117
6	-	Financial write-backs (2)	21,017	23,205	53,895
7	-	Extraordinary write-backs (2), (3)	253,421	303,753	246,141
8	-	Proceeds on disposal of fixed lined assets	4,901	7,493	13,310
9	+	Net book value of disposed assets	3,578	30,020	2,780
I		**Cash earnings**	**10,065,256**	**6,956,445**	**9,983,323**
10	-	Dividend payments	4,870,025	6,003,058	5,695,730
II		**Net Cash Earnings**	**5,195,231**	**953,387**	**4,287,594**

(1) Excluding allowances related to current assets and liabilities and cash.
(2) Excluding write-backs relating to current assets and liabilities and cash.
(3) Including write-backs of investments subsidies.

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STATEMENT OF CASH FLOWS

SELECTED BALANCE-SHEET DATA

MASSES (in MAD thousands)	12/31/2020 (A)	12/31/2019 (B)	Changes (A-B) Uses (C)	Changes (A-B) Sources (D)
1 Equity and long-term liabilities	14,628,624	13,267,151		1,361,473
2 Less long-term assets	31,235,949	33,436,256		2,200,307
3 Working capital (1-2) (A)	**-16,607,325**	**-20,169,105**		**3,561,780**
4 Current assets	8,051,761	7,855,517	196,243	
5 Less current liabilities	14,162,517	17,999,863	3,837,346	
6 Working capital requirement (4-5) (B)	**-6,110,757**	**-10,144,346**	**4,033,589**	
7 NET CASH (A-B)	**-10,496,568**	**-10,024,759**		**471,810**

USES AND SOURCES

(in MAD thousand)	12/31/2020 Uses	12/31/2020 Sources	12/31/2019 Uses	12/31/2019 Sources	12/31/2018 Uses	12/31/2018 Sources
I - LONG-TERM FINANCING SOURCES						
Net cash earnings (A)		**5,195,231**		**953,387**		**4,287,594**
Cash earnings		10,065,256		6,956,445		9,983,323
Dividends		4,870,025		6,003,058		5,695,730
Disposals and reductions of fixed lined assets (B)		**1,232,491**		**607,498**		**831,206**
Reduction of intangible assets		0		0		0
Reduction of property, plant, and equipment		71,209		0		0
Disposal of property, plant, and equipment		4,901		4,010		13,310
Disposal of financial assets		0		3,483		0
Write-backs of long-term receivables		1,156,380		600,005		817,896
Increase in shareholders' equity and quasi equity (C)		**0**		**0**		**0**
Increase in equity, capital contribution		0		0		0
Investment subsidies		0		0		0
Increase in long-term debt (D)		**0**		**0**		**0**
(Net of redemption premiums)						
Total (I) long-term resources (A+B+C+D)		**6,427,722**		**1,560,885**		**5,118,799**
II - LONG-TERM USES FOR THE YEAR						
Additions & increase in fixed lined assets (E)	**1,365,942**		**4,456,462**		**3,642,589**	
Acquisitions of intangible assets	266,333		508,082		439,864	
Acquisitions of property, plant, and equipment	1,087,095		2,395,327		2,206,120	
Acquisitions of financial assets	10,000		1,527,821		840,528	
Increase in long-term receivables	2,514		25,232		156,078	
Increase in property, plant, and equipment	0		0		0	
Reimbursement of equity (F)	**0**		**0**		**0**	
Reimbursement of long-term debt (G)	**0**		**2,694,199**		**1,112,894**	
Capitalized costs (H)	**1,500,000**		**0**		**0**	
Total (II) stable uses (E+F+G+H)	**2,865,942**		**7,150,661**		**4,755,483**	
III - CHANGE IN WORKING CAPITAL REQUIREMENT	**4,033,589**	**0**	**0**	**3,156,973**	**1,051,979**	**0**
IV - CHANGE IN CASH AND CASH EQUIVALENTS	**0**	**471,810**	**0**	**2,432,803**	**0**	**688,662**
GRAND TOTAL	**6,899,531**	**6,899,531**	**7,150,661**	**7,150,661**	**5,807,462**	**5,807,462**

A1 Main valuation methods used by the Company

ACCOUNTING POLICIES

The Company's financial statements have been prepared in accordance with generally accepted accounting practices and, in particular, with the principles related to historical costs, separation of accounting periods, prudence, and consistent accounting methods from one year to the next, and no netting.

CAPITAL COST

Capitalized costs are valued at their entry costs (sum of charges).

INTANGIBLE ASSETS AND PROPERTY, PLANT, AND EQUIPMENT

The assets transferred by the Moroccan government on February 26, 1998, to establish Itissalat Al-Maghrib (Maroc Telecom), were recorded as a net amount in the opening, which was approved by:

- Postal Services and Information Technology Act no. 24-96;
- Joint order no. 341-98 of the Ministry of Telecommunications and the Ministry of Finance, Commerce, and Industry, approving the inventory of assets transferred to Itissalat Al-Maghrib.

Assets acquired thereafter are recorded at their acquisition or production cost, which for networks essentially comprises design and planning costs, construction costs, site-development costs, network-rollout costs, customs duties, and internal costs related to network development.

Financial expenses corresponding to interest on capital borrowed to finance property, plant, and equipment are not expensed as production costs during the production period.

Network maintenance charges are expensed.

Assets are depreciated and amortized consistently, depending on their asset class (PP&E or intangible) and on their use (transmission, network equipment, etc.).

Depreciation and amortization are calculated using the straight-line method over the estimated useful life lives of the assets, as follows:

- Intangible assets4 to 5 years, except 3G licenses (25 years)
- Property, plant, and equipment:
  - Construction and buildings 20 years
  - Civil engineering 15 years
  - Network equipment:
  - Transmission (mobile) 10 years
  - Switching 8 years
  - Transmission (Fixed lined line) 10 years
- Other property, plant, and equipment
  - Furniture and fittings 10 years
  - Computer equipment 5 years
  - Office equipment 10 years
  - Transportation equipment 5 years

An additional provision is recorded for technical obsolescence, reduction in estimated useful life, or asset impairment.

Assets not yet in service are recorded as work-in-progress.

FINANCIAL ASSETS

Investment securities are recorded at their purchase price. An impairment charge is recorded for the difference if this value is higher than the carrying value. The carrying value is determined on the basis of the Group's proportionate share of equity as represented by the securities.

This figure may be adjusted to reflect the companies' growth and earnings outlooks.

Other financial assets, which include receivables, loans, and deposits, are recognized on the basis of their nominal value.

Provisions may be recorded to reflect collection risk.

INVENTORIES

Inventories comprise:

- mobile handsets and accessories intended for sale to customers upon line activation;
- technical support required for network rollout and maintenance other than cable and spare parts.

Inventories of mobile handsets and accessories are accounted for using the weighted average cost method; a provision is recorded to account for obsolescence risk and for unsold inventory.

Technical-equipment inventories are measured at cost (including customs duties and other costs) and are depreciated on the basis of their value in use or obsolescence.

ACCOUNTS RECEIVABLE

Accounts receivable are recorded at nominal value:

- *trade receivables:* impairment provisions are recorded to cover collection risk, which is estimated on the basis of the age of the receivable;
- *government receivables:* Provisions are recorded to cover the risk of the Moroccan government not recognizing these receivables. These provisions are evaluated statistically;
- *other receivables:* where appropriate, other provisions are recorded on the basis of estimated collection risk.

ACCRUALS (ASSETS)

This line item includes mainly prepaid expenses.

CASH AND INVESTMENT SECURITIES

Cash and investment securities comprise highly liquid assets and short-term investments measured at historical cost.

PROVISIONS FOR CONTINGENCIES AND LOSSES

These include long-term and other provisions for contingencies and losses.

Long-term provisions for contingencies and losses correspond to provisions for translation differences and life annuities.

Other provisions for contingencies and losses comprise provisions for restructuring, loyalty programs, and disputes and legal risks known at period end. These provisions are measured on the basis of the advancement of procedures underway and estimated risks at period end.

No provision for postretirement benefits has been recorded in the financial statements, because pension expenses are covered by statutory pension plans established for employees in Morocco.

ACCRUALS (LIABILITIES)

This item contains deferred revenue concerning mainly prepaid subscriptions and unused minutes sold.

RECEIVABLES AND PAYABLES IN FOREIGN CURRENCIES

Receivables in foreign currencies are translated into the presentation currency using the exchange rate on the transaction date. At period end, receivables and payables in foreign currencies are translated into the presentation currency using the exchange rate on the closing date; unrealized gains or losses are recorded on the statement under "Accruals (assets)" or "Accruals (liabilities)." Unrealized losses are accrued in full.

In applying the principles of clarity and prudence, it is not operated for compensation, except as provided in the CGNC between unrealized gains and unrealized losses. To this end, differences in conversion of the loan of $ 200 million granted by Golden Falcon to IAM to finance investments in new subsidiaries were compensated with those of loans granted by IAM to the said subsidiaries.

REVENUES

Revenues are recorded on the basis of consumption by subscribers and customers at the end of the period, net of subsidies and commissions.

Sales of goods and services correspond to income from outgoing and incoming communications and are recognized at the time they occur (telephone communications and line-activation costs). Subscriptions are billed in advance each month and recognized under deferred revenue as a liability on the statement, before being transferred to revenues for the period. For prepaid services, revenues are recognized at the time of consumption. They also include income from sales of advertising in paper and electronic telephone directories; this revenue is recognized when the advertisements are published. Sales of merchandise concern revenues from handset sales, which are recognized either at the time of delivery or upon line activation.

Customer acquisition and loyalty costs include discounts on mobile handsets and promotional offers of free airtime granted to new customers.

Discounts on mobile handsets are deducted from revenues on the date of delivery to the customer or distributor. Discounts granted to distributors as remuneration for services are recognized mainly under revenues, at the time of delivery.

OTHER INCOME

Other income from operations includes:

- expense reclassifications (mainly telecommunication costs specific to IAM, recognized under "Other external expenses");
- reversal of operating provisions (inventories and provisions for contingencies and losses).

OTHER EXTERNAL EXPENSES

In addition to rental expenses, maintenance costs, advertising expenses, and general expenses, other external expenses include:

- ANRT regulatory fees for radio-frequency assignment, in accordance with act 24-96 and Order 310-98 of February 25, 1998;
- expenses related to the universal service obligation, in accordance with act 24-96 and Order 2,00.1333 of October 9, 2000 (IAM contract specifications);
- costs related to research, training, and telecommunications standardization, in accordance with act 24-96 and Order 2,00.1333 of October 9, 2000 (IAM contract specifications).

FINANCIAL INSTRUMENTS

Maroc Telecom does not utilize financial instruments or currency hedges.

A2 Exceptions

FROM 01/01/2020 TO 12/31/2020

Exemptions	Justification of exemptions	Effect of exemptions on assets, financial position, and results
I- Exemptions from basic accounting principles Principle of specialization of exercises	Following the referral of the Economic Watch Committee to the CNC and in accordance with CNC Opinion No. 13 dated April 29, 2020, Itissalat Al-Maghrib's contribution to the Covid 19 special fund has been deferred as an expense to spread over several exercices. This deferral is necessary to benefit from the tax deductibility of this contribution in accordance with the provisions of article 247 bis of the 2020 amending finance law and the clarifications provided by circular note 731 relating to the tax provisions of the finance law nº 65-20 for the 2021 budget year.	The contribution of IAM was recorded in deferred costs for 1.^{5} billion MAD and it was depreciated in the amount of 1/5th, recorded in extraordinary allowances for depreciation for an amount of 300 million MAD, for the 2020 financial year.
II- Exemptions from valuation methods	None	None
III- Exemptions from rules for preparing and presenting summary financial statements	None	None

A3 Changes in method

FROM 01/01/2020 TO 12/31/2020

Type of commitment	Justification of the changes	Effect of the changes on assets, financial position, and results
Changes affecting valuation methods		None
Changes affecting presentation guidelines		None

B1 Capitalized costs

FROM 01/01/2020 TO 12/31/2020

Main account	Description	Amount
2110	Incorporation fees	None
2116	Development costs	None
2118	Other preliminary expenses	None
2120	Costs allocated over several fiscal years	None
2128	Other costs allocated over several fiscal years	1,200,000
TOTAL		**1,200,000**

B2 Non financial assets

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

		Increase						Decrease	
Description	Gross Balance carried forward	Acquisition	Self constructe assets	Transfers		Disposals	Retirement	Transfers	Gross Balance at year-end
Capitalized costs	**0**	**1,500,000**	**0**	**0**	**0**	**0**	**0**	**0**	**1,500,000**
Start-up costs	0	0	0	0	0	0	0	0	0
Deferred costs	0	1,500,000	0	0	0	0	0	0	1,500,000
Bond redemption premiums	0	0	0	0	0	0	0	0	0
Intangible assets	**12,543,854**	**266,333**	**0**	**431,914**	**0**	**666,072**	**0**	**489,618**	**12,086,410**
Research and development costs	0	0	0	0	0	0	0	0	0
Patents, trademarks, and similar rights	12,055,320	0	0	431,914	0	666,072	0	0	11,821,162
Goodwill	70,717	0	0	0	0	0	0	0	70,717
Other intangible assets	417,816	266,333	0	0	0	0	0	489,618	194,531
Property, plant, and equipment	**71,812,207**	**1,087,095**	**0**	**1,798,771**	**0**	**979,340**	**0**	**1,741,067**	**71,977,666**
Land	955,383	0	0	0	0	0	0	0	955,383
Buildings	7,889,346	0	0	213,341	0	0	0	0	8,102,687
Technical plant, machinery, and equipment	55,944,115	0	0	1,462,307	0	978,457	0	0	56,427,966
Vehicles	274,309	0	0	4,928	0	0	0	0	279,237
Office equipment	4,849,489	0	0	118,195	0	883	0	0	4,966,801
Other property, plant, and equipment	11,048	0	0	0	0	0	0	0	11,048
Work in progress	1,888,517	1,087,095	0	0	0	0	0	1,741,067	1,234,545

B2 Bis Depreciation schedule

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

Description	Accumulated depreciation opening of period	Allowances for Period	Amortization of disposed Assets	Amount at year -end
Capitalized costs	**0**	**300,000**	**0**	**300,000**
• Start-up costs	0	0	0	0
• Deferred costs	0	300,000	0	300,000
• Bond redemption premiums	0	0	0	0
Intangible assets	**10,238,535**	**432,493**	**665,213**	**10,005,815**
• Research and development costs	0	0	0	0
• Patents, trademarks, and similar rights	10,168,681	431,748	665,213	9,935,216
• Goodwill	69,853	745	0	70,598
• Other intangible assets	0	0	0	0
Property, plant and equipment	**53,870,465**	**3,144,552**	**976,621**	**56,038,396**
• Land	0	0	0	0
• Buildings	5,083,200	248,460	0	5,331,660
• Technical plant, machinery, and equipment	44,304,208	2,732,154	975,828	46,060,534
• Vehicles	66,279	17,516	0	83,796
• Office equipment	4,416,778	146,421	793	4,562,406
• Other property, plant, and equipment	0	0	0	0
• Work in progress	0	0	0	0

B3 Gains and losses from disposals and retirement of fixed-lined assets

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

Disposal or retirement date	Principal amount	Gross amount	Accumulated depreciation	Net book value	Proceeds from disposal of assets	Gains	Losses
27/02/2020	235	502	412	90	116	26	0
06/18/2020	235	352	352	0	5	5	0
09/30/2020	222	587,306	586,447	859	0	0	859
09/30/2020	233	802,066	799,437	2,629	4,780	2,151	0
09/30/2020	235	29	29	0	0	0	0
12/31/2020	222	78,766	78,766	0	0	0	0
12/31/2020	233	176,391	176,391	0	0	0	0
TOTAL		**1,645,412**	**1,641,834**	**3,578**	**4,901**	**2,182**	**859**

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B4 Equity investments

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

	Operating sector	Share capital	% of interest	Overall acquisition price	Net book value	Derived from latest selected financial data of issuer: Closing date	Net equity	Net income	Income recorded in statement of comprehensive income
	1	2	3	4	5	6	7	8	9
Arabsat	Operation and marketing of telecommunication systems	1,562,192	0.61	6,454	6,454	12/31/2020	0	0	743
ADM	Building and operation of Moroccan road network	15,715,629	0.13	20,000	16,000	12/31/2020	0	0	0
Thuraya	Regional satellite operator	6,271,626	0.16	9,872	1,874	12/31/2020	0	0	0
Casanet	Internet service provider	14,414	100	18,174	18,174	12/31/2020	0	0	6,039
CMC	Financial holding compagny	303,539	80	399,469	399,469	03/31/2020	458,885	118,378	97,636
Médi1 sat	Media (Satellite television)	199,246	8	169,540	8,764	12/31/2020	0	0	0
MT CASH	Payment institution	20,000	100	20,000	20,000	12/31/2020	0	0	0
Onatel	Telecommunications	556,724	61	2,928,777	2,928,777	12/31/2020	1,194,849	512,469	260,457
Gabon Telecom	Telecommunications	881,506	51	696,641	696,641	12/31/2020	1,457,955	380,773	194,158
Sotelma	Telecommunications	143,962	51	3,143,911	3,143,911	12/31/2020	675,625	495,742	239,273
MT FLY SA	Operating aicraft for passenger and/or freight transport	2,096	100	20,300	0	12/31/2020	0	0	0
Etisalat Bénin SA	Telecommunications	170,428	100	864,716	864,716	12/31/2020	-249,462	-119,797	0
Atlantique Télécom Côte d'Ivoire	Telecommunications	327,485	85	890,932	890,932	12/31/2020	629,504	228,656	95,611
Atlantique Télécom Togo	Telecommunications	130,994	95	596,672	596,672	12/31/2020	312,494	151,699	49,015
Atlantique Télécom Niger	Telecommunications	18,170	100	507,165	507,165	12/31/2020	-341,294	-132,971	0
Atlantique Télécom Centrafrique	Telecommunications	32,830	100	358,755	358,755	12/31/2020	-126,757	-70,734	0
MIC Africa 2 B. V (Tigo tchad)	Telecommunications	122,072	100	1,104,125	1,104,125	12/31/2020	488,009	144,911	0
TOTAL				**11,755,503**	**11,562,429**		**4,499,807**	**1,709,125**	**942,932**

B5 Provisions

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

Description	Opening balance	Allowances			Write-backs			Closing balance
		Operating	financial	Extraordinary	Operating	financial	Extraordinary	
1- Provisions for depreciation of fixed lined assets	432,499	0	13,996	201,245	0	0	253,421	394,319
2-Regulated provisions	0	0	0	0	0	0	0	0
3-Provisions for contingences and losses	35,414	0	1,378	0	1,065	21,017	0	14,710
Sub total (A)	**467,913**	**0**	**15,374**	**201,245**	**1,065**	**21,017**	**253,421**	**409,029**
4-Provisions for depreciation of current assets (excluding cash and cash equivalent)	8,361,992	532,649	0	0	136,487	0	0	8,758,154
5-Other provisions for contingencies	4,747,496	206,313	35,510	0	581,808	51,786	3,300,000	1,055,726
6-Provisions for depreciation of cash and cash equivalents	0	0	0	0	0	0	0	0
Sub total (B)	**13,109,488**	**738,963**	**35,510**	**0**	**718,295**	**51,786**	**3,300,000**	**9,813,879**
TOTAL (A+B)	**13,577,401**	**738,963**	**50,884**	**201,245**	**719,360**	**72,803**	**3,553,421**	**10,222,908**

B6 Receivables

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

Receivables	TOTAL	BREAKDOWN BY MATURITY			OTHER BREAKDOWN			
		More than one year	Less than one year	Expired but not recovered	Amount in foreign currency	Amounts due from government and public bodies	Amounts due from related parties	Amounts in notes
Fixed lined assets	**653,521**	**19,614**	**62,659**	**571,248**	628,605	**0**	**634,145**	**0**
Long-term loans	649,437	15,530	62,659	571,248	628,045	0	634,145	0
Other financial receivables	4,084	4,084	0	0	560	0	0	0
Current assets	**16,429,557**	**0**	**2,557,969**	**13,871,588**	2,454,529	**1,498,075**	**2,102,834**	**0**
Trade payables, advances, and deposits	11,046	0	11,046	0	386	0	0	0
Accounts receivable and related accounts	14,594,224	0	1,952,071	12,642,153	1,591,302	719,753	1,230,214	0
Employees	3,771	0	3,771	0	0	0	0	0
Tax receivables	560,205	0	560,205	0	0	560,205	0	0
Shareholders' current accounts	0	0	0	0	0	0	0	0
Other receivables	1,235,567	0	6,132	1,229,435	860,972	215,517	870,768	0
Accruals	24,743	0	24,743	0	1,868	2,600	1,852	0

B7 Liabilities

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

LIABILITIES	TOTAL	Breakdown by maturity: More than one year	Less than one year	Expired but not recovered	Amount in foreign currency	Other breakdown: Amounts due from government and public bodies	Amounts due from related parties	Amounts in notes
Long-term debt	**6,874**	**6,874**	**0**	**0**	558	**0**	**0**	**0**
Debenture bonds	0	0	0	0	0	0	0	0
Other long-term debt	6,874	6,874	0	0	558	0	0	0
Current liabilities	**13,026,067**	**30,994**	**12,580,358**	**414,715**	**1,649,075**	**3,799,680**	**283,995**	**156,444**
Accounts payable and related accounts	6,700,916	30,994	6,286,472	383,450	1,567,007	390,306	273,972	156,444
Trade receivables, advances, and deposits	82,047	0	50,783	31,263	81,727	0	10,023	0
Employees	1,050,832	0	1,050,832	0	0	0	0	0
Social-security authorities	85,582	0	85,582	0	0	85,582	0	0
Tax payable	2,912,001	0	2,912,001	0	0	2,912,001	0	0
Shareholders' current accounts	1	0	0	1	0	0	0	0
Other payables	430,523	0	430,523	0	0	411,791	0	0
Accruals	1,764,165	0	1,764,165	0	341	0	0	0

B8 Guarantees given or received

FROM 01/01/2019 TO 12/31/2019 *(IN MAD THOUSAND)*

Third parties	Amount covered by guarantee	Description (1)	Date and place of registration	Purpose (2) (3)	Net book value of the guarantee given at balance-sheet date
Guarantees given					
Guarantees received					
Long-term loans	15,293	(2)		Guarantees received are from employees	15,293

(1) Collateral: 1- Mortgage: 2-Pledge: 3-Warrant: 4-Others: 5-To be specified.
(2) Specify whether the security is given for the benefit of companies or third parties (data security). (Affiliated companies, partners, staff).
(3) Specify whether the collateral received by the company from persons other than the debtor (collateral received).

B9 Financial commitments given or received, excluding leasing transactions

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

COMMITMENTS GIVEN	Amounts Year end	Amounts Previous year
- Investment not yet realized		
• Investment Agreement	5,250,367	6,603,794
Including Investment commitment	665,719	1,029,143
	5,250,367	6,603,794
- Guarantees from banks		
• Documentary credit	0	0
• Endorsements	40,378	192,544
	40,378	192,544
Operating lease obligations*	65,450	85,968
	65,450	85,968
Guarantees by Etisalat for financing Opcos: Maroc Telecom replaces the Etisalat Group companies' for the guarantees given by them, as part of current operations of companies acquired. (M€ 0.181 at December 31, 2019).	-	1,994
Guarantees by Millicom for financing TIGO TCHAD: Maroc Telecom replaces the Millicom international companies' for the guarantees given by them, as part of current operations of Tigo Tchad. (M€ 35 at December 31, 2020 vs. M€ 47.5 at December 31, 2019).	387,513	517,705
	387,513	519,699
Bank guarantee AT Niger		
Commitment of payment on request of the balance in case of insufficiency of provision of the IAM account:		
• Bank guarantee of 08/31/2018 in the amount of EUR 19,818,372.24	219,425	216,002
• Corporate guarantee of 09/20/2018 in the amount of EUR 9,909,186.12	109,712	108,001
• Corporate guarantee of 05/14/2020 in the amount of EUR 3.000.000	33,215	-
• Bank guarantee of 05/20/2020 in the amount of EUR 6,860,205	75,955	-
• Corporate guarantee of 08/24/2020 in the amount of EUR 3,048,980	33,758	-
• Bank guarantee of 11/03/2020 in the amount of EUR 7,878,060.81	87,224	-
	559,289	324,002
Other Bank guarantees		
• Make sure that the subsidiary makes the usual diligence to respect its commitments.		
• Concerned subsidiaries (AT RCA; AT CDI; AT Niger; Etisalat Bénin; AT Togo; Gabon Telecom; Onatel; Sotelma, Tigo Tchad at 2020)		
• Commitment of prior authorization of the bank in case of total or partial transfer.		
• Concerned subsidiaries: AT RCA; Etisalat BENIN		
• Commitment of prior information of the bank in case of total or partial transfer.		
• Concerned subsidiaries (AT RCA; AT CDI; AT Niger; Etisalat Bénin; AT Togo; Gabon Telecom; Onatel; Sotelma; Tigo Tchad at 2020)		
• Make sure that that the subsidiary maintains a satisfying economic and financial situation enabling it to meet its commitments toward its lenders		
• Concerned subsidiaries (AT RCA; AT CDI; AT Niger; Etisalat Bénin; AT Togo; Gabon Telecom; Onatel; Sotelma; Tigo Tchad at 2020)		
• Other commitments given		
• SWAP agreement		
Investment commitment 2019-2021		
• Commitment to create 150 direct jobs and stable employment in a period of 36 months		
• Jobs created at décembre 31, 2020: 98		
• Remainder of the Undertaking: 52		
TOTAL	**6,302,996**	**7,726,008**

* *2 to 15 year rent contract with tacit renewal. The amount indicated is related to the notice period in case of termination. The leases of transport equipment are for 4 to 5 years, the commitment corresponds to the compensation to be paid to the lessors in the event of early termination of the contract.*

Commitments received	Amounts Year end	Amounts Previous year
Endorsements and guarantees	818,775	792,535
Other commitments received		
• Commitment by the Moroccan government to social outreach initiatives		
Investment commitment		
• Exemption of the customs duties on the imports relating to the investments		
Exemption of the VAT relating to the investments		
TOTAL	**818,775**	**792,535**

B10 Finance-lease assets

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

							Remaining royalties to pay			
Section	Date of the first term	Contract length in months	Estimated value at the date of the contract 'value	Theoritical amortization period	Accumulated fees of previous years	Accumulated royalties amount	Less than one year	More than one year	Residual purchase price	Observations
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		None					None			

B11 Analysis of statement of comprehensive income (items)

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

ITEM		Current year 2020	Previous year
Operating income			
711	**Sales of goods**	**424,294**	**350,898**
	Sales of goods in Morocco	424,294	350,898
	Sales of goods abroad	0	0
	Other sales of goods	0	0
	TOTAL	**424,294**	**350,898**
712	**Sales of manufactured goods and services rendered**	**19,864,933**	**20,628,008**
	Sales of manufactured goods in Morocco	0	0
	Sales of manufactured goods abroad	0	0
	Sales of service rendered in Morocco	17,792,175	18,079,305
	Sales of service rendered abroad	2,072,757	2,548,703
	Royalties for patents, trademarks, rights, etc	0	0
	Other sales of manufactured goods and services rendered	0	0
	TOTAL	**19,864,933**	**20,628,008**
713	**Change in inventories**	**0**	**0**
	Change in manufactured goods inventory	0	0
	Change in services inventory	0	0
	Change in product inventory WIP	0	0
	TOTAL	**0**	**0**
714/718	**Other operating income**	**25,433**	**27,715**
	Directories' fees received	0	0
	Other operating income	25,433	27,715
	TOTAL	**25,433**	**27,715**
719	**Operating write-backs: expense transfers**	**781,401**	**415,577**
	Write-backs	719,360	348,963
	Expense transfers	62,041	66,613
	TOTAL	**781,401**	**415,577**

ITEM		Current year 2020	Previous year
Financial income		**0**	**0**
738	Interest and other financial income	106,866	213,522
	Interest and similar income	104,339	211,645
	Income from receivables of controlled entities	0	0
	Net proceeds from disposal of marketable securities	2,402	1,186
	Other interest and financial income	125	691
	TOTAL	**106,866**	**213,522**
Operating expenses			
611	Cost of goods sold	554,477	568,844
	Cost of goods	507,166	503,451
	Change in inventory (+/-)	47,311	65,393
	TOTAL	**554,477**	**568,844**
612	Raw material and supplies	3,115,886	3,379,494
	Raw materials	0	0
	Change in raw material inventory	0	0
	Supplies and packaging	101,095	146,279
	Change in supplies and packaging inventory	49,031	-12,873
	Cost of consumable materials and supplies	694,761	709,981
	Cost of research, surveys, studies, and services	2,270,999	2,536,108
	TOTAL	**3,115,886**	**3,379,494**
613/614	Other external expenses	2,537,575	2,751,695
	Rent and rental expenses	314,274	316,225
	Finance lease installments	0	0
	Maintenance and repairs	523,038	500,524
	Insurance premiums	9,613	11,899
	Payments of external staff	269,004	264,200
	Payments for intermediaries and fees	284,709	316,663
	Fees for patents, trademarks, rights, etc.	588,463	628,230
	Transportation	30,873	34,402
	Travel and entertainment expenses	49,133	66,667
	Other external expenses	468,469	612,885
	TOTAL	**2,537,575**	**2,751,695**
617	Payroll costs	2,108,018	2,182,623
	Payroll	1,771,528	1,850,871
	Social security	336,490	331,752
	Other payroll costs	0	0
	TOTAL	**2,108,018**	**2,182,623**
618	Other operating expenses	2,540	2,540
	Directors' fees	2,540	2,540
	Losses on uncollectible receivables	0	0
	Other financial expenses	0	0
	TOTAL	**2,540**	**2,540**
Financial expenses			
638	Other financial expenses	775	295
	Net losses on disposal of marketable securities	775	295
	Other financial expenses	0	0
	TOTAL	**775**	**295**
Extraordinary expenses			
658	Other extraordinary expenses	5,005,080	225,309
	Contract cancellation payments and forfeiture of deposits	283	0
	Back tax payments (other than income tax)	0	0
	Tax penalties and fines	3,300,641	24
	Uncollectible receivables	0	0
	Other extraordinary expenses	1,704,156	225,285
	TOTAL	**5,005,080**	**225,309**

B12 Reconciliation of net income to taxable income

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

I Determination of income	Amount	Amount
I- Net income	**6,248,419**	
• Net profit	6,248,419	
• Net loss		
II- Tax add-backs	**6,109,138**	
1. Ordinary	**2,386,508**	
• Income tax 2020	2,296,379	
• Amortization in excess of MAD 300.000	728	
• POP Paris expenses (IAM branch)	100	
• Unrealized foreign exchange gains 2020	84,509	
• Gifts exceeding MAD 100 per unit	539	
• Donations in cash or kind	4,254	
• Provisions	0	
2. Extraordinary	**3,722,630**	
• Amortization	74,170	
• Provisions	144,786	
• Tax penalties and fines	3,300,924	
• Contribution for the support of social solidarity	202,724	
• Expenses from prior years	27	
III- Tax deductions		**4,705,080**
1. Ordinary		**981,618**
• Unrealized foreign exchange gains 2019		38,685
• POP Paris income (IAM branch)		0
• Revenues from equity investments		942,932
2. Extraordinary		**3,723,462**
• Allowance on net capital gains from disposal		0
• Provisions & amortization		3,723,462
• Reversal of provisions for impairment of investments		0
TOTAL	**6,109,138**	**4,705,080**
IV- Gross taxable income		**7,652,477**
• Gross profit		7,652,477
• Gross taxable loss		
V- Loss carried forward		**0**
VI- Taxable income		**7,652,477**
• Net taxable profit		7,652,477
• Net taxable loss		

B13 Determination of ordinary income after tax

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

I Determination of income	Amount
Ordinary income from statement of comprehensive income (+)	8,998,945
Add-backs on ordinary operations	90,129
Deduction of ordinary operations	981,618
Ordinary income theoretically taxable (=)	**8,107,456**
Theoretical tax on ordinary income (-)	2,513,311
Exemption of export revenues	-80,264
Ordinary income after tax (=)	**6,565,897**
II - Indication of the tax status and advantages granted	
IAM benefits from a reduced rate of corporate income tax (20% instead of 31%) for its international revenues	
Granted by investment codes or by specific legal provisions	

B14 Analysis of VAT

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

Description	Opening balance 1	Operations 2	VAT returns 3	Closing balance (1+2-3)
A / Invoiced VAT	**2,436,284**	**3,754,640**	**3,618,387**	**2,572,538**
B / Recoverable VAT	**434,202**	**1,015,809**	**1,024,263**	**425,749**
• On expenses	286,420	853,608	811,757	328,272
• On assets	147,782	162,201	212,506	97,477
C / VAT payable (VAT credit) VAT = (A-B)	**2,002,082**	**2,738,831**	**2,594,124**	**2,146,789**

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C1 Shareholder structure

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

Surname, first name, business name of main shareholders [1]	Adresse	Stocks held *(in thousands)* Previous year	Stocks held *(in thousands)* Current year	Nominal value of each stock or share	Capital amount Soubscribed	Capital amount Called	Capital amount Full paid
1	2	3	4	5	6	7	8
1°/ Kingdom of Morocco		193,401	193,401	0.006	1,160,406	1,160,406	1,160,406
2°/ Societe de Participation dans les Telecommunications		465,940	465,940	0.006	2,795,643	2,795,643	2,795,643
3°/ M. MOHAMED BENCHAABOUN		0.010	0.010	0.006	0.060	0.060	0.060
4°/ M. ABDELOUAFI LAFTIT		0.010	0.010	0.006	0.060	0.060	0.060
5°/ M. ALAMI MOHAMED		2.900	2.900	0.006	17.400	17.400	17.400
6°/ M. OBAID HUMAID AL TAYER		0.000	0.001	0.006	0.006	0.006	0.006
7°/ M. MOHAMED HADI AL HUSSAINI		0.001	0.001	0.006	0.006	0.006	0.006
8°/ M. AHMED ABDULKARIM JULFAR		0.001	0.001	0.006	0.006	0.006	0.006
9°/ M. DANIEL RITZ		0.001	0.001	0.006	0.006	0.006	0.006
10°/ M. MOHAMMED SAIF AL SUWAIDI		0.001	0.001	0.006	0.006	0.006	0.006
11°/ M. SERKAN OKANDAN		0.001	0.001	0.006	0.006	0.006	0.006
12°/ M. JEAN FRANCOIS DUBOS		0.010	0.010	0.006	0.060	0.060	0.060
13°/ M. REGIS TURRINI		0.010	0.010	0.006	0.060	0.060	0.060
14°/ M. JACQUES ESPINASSE		0.010	0.010	0.006	0.060	0.060	0.060
15°/ M. FRANCK ESSER		0.010	0.010	0.006	0.060	0.060	0.060
16°/ M. JEAN-RENE FOURTOU		0.010	0.010	0.006	0.060	0.060	0.060
17°/ M. JACQUES CHAREYRE		0.100	0.100	0.006	0.600	0.600	0.600
18°/ M. TALBI ABDELAZIZ		0.010	0.010	0.006	0.060	0.060	0.060
19°/ M. SALEH ABDOOLI		0.001	0.001	0.006	0.006	0.006	0.006
20°/ M. ABDERRAHMANE SEMMAR		0.001	0.001	0.006	0.006	0.006	0.006
21°/ M. HATEM DOWIDAR		0.001	0.001	0.006	0.006	0.006	0.006
22°/ M. EISSA MOHAMED AL SUWAIDI		0.001	0.000	0.000	0.000	0.000	0.000
23°/ Various shareholders		219,751	219,751	0.006	1,318,505	1,318,505	1,318,505

(1) If the number of shareholders is less than or equal to 10, the company should list all the shareholders. Otherwise, the company may list only the 10 principal shareholders.

C2 Appropriation of year-end income

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

	Amount		Amount
A. Source of income (Decision of April 29, 2020)		**B. Income Appropriation**	
Retained earnings at December 31, 2019	0	Legal reserves	-351,638
Net income to be allocated	0	Other reserves	351,801
Net income for the period	3,259,293	Directors' share in profits	0
Withholding from reserves	1,610,895	Dividends	4,870,025
Other reserves	0	Other allocations	0
		Retained earnings	0
TOTAL A	**4,870,188**	**TOTAL B**	**4,870,188**

C3 Income and other significant items over the past three years

Description *(in MAD thousands)*	12/31/2020	12/31/2019	12/31/2018
Net equity of the company			
Shareholders' equity and quasi-equity less capitalized costs	13,403,256	13,224,863	15,968,628
OPERATIONS AND INCOME FROM PERIOD			
Revenues excluding tax	**20,289,226**	**20,978,906**	**20,734,058**
Income before tax	8,544,797	5,647,807	8,675,292
Corporate income tax	2,296,379	2,388,514	2,374,572
Dividends	4,870,025	6,003,058	5,695,730
Unappropriated income (placed in reserves or to be allocated)	163	297,662	3,731
Earnings per share			
Earnings per share for period *(MAD)*	7.11	3.71	7.17
Dividends per share *(MAD)*	5.54	6.83	6.48

C4 Transactions in foreign currencies during the year

FROM 01/01/2020 TO 12/31/2020 *(IN MAD THOUSAND)*

Description	Entry Exchange value In MAD	Outgoing Exchange value In MAD
Permanent financing	-	
Gross assets		1,769,885
Receipts from sale of fixed lined assets	2,051,840	
Repayment of long-term debt		0
Other court-term debt	0	
Income	1,607,536	
Expenses		432,263
Total inflows	**3,659,376**	
Total outflows		**2,202,148**
Foreign currency balance		**1,457,229**
TOTAL	**3,659,376**	**3,659,376**

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C5 Date of financial statements and subsequent events

I. DATES

Date of statement of financial position (1): 12/31/2020

Date of preparation of the financial statements (2): 01/26/2021

Date of rectifying declaration

II. EVENTS SUBSEQUENT TO THE DATE OF THE FINANCIAL STATEMENTS AND KNOWN PRIOR TO INITIAL DISCLOSURE OF THE FINANCIAL STATEMENTS

Dates	Indication of events
	None

(1) Justification in the event of a change in the balance-sheet date.
(2) Justification in the event of noncompliance with the regulatory requirement to prepare financial statements within three months of the balance-sheet date.

5.5 Statutory Auditor's Special Report

Financial Year from January 1st, 2020 to December 31st, 2020

This is a free translation into English of our special audit report signed and issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction and construed solely in accordance with Moroccan law and Moroccan professional auditing standards.

Dear Shareholders,

As statutory auditors of the company, we hereby submit our report on related-party agreements, in accordance with Articles 95 to 97 of 17-95 Act, as amended and completed.

Our responsibility is to present the main characteristics and modalities of the agreements which we have been informed of by the Chairman of the Supervisory Board or that we discovered during our engagement, without giving an opinion on their usefulness and appropriateness, or looking for the existence of other agreements. It is your responsibility, under the law above, to decide on their approval.

We have performed the procedures that we considered necessary under the standards of the profession in Morocco. These procedures are designed to verify the consistency of the information provided to us with the documentation from which they originate.

1. Related-party agreements concluded in 2020

1.1 SERVICES AGREEMENT WITH MT CASH S.A. PREVIOUSLY AUTHORIZED BY THE ITISSALAT AL-MAGHRIB (IAM)'S SUPERVISORY BOARD AS OF JULY 22ND, 2020

- **Parties concerned:**
  - Itissalat AL-MAGHRIB (IAM) is the major shareholder of MT Cash, up to 100%;
  - Mr. Brahim BOUDAOUD is member of IAM and MT Cash Management Boards;
  - Mr. Hassan RACHAD is member of IAM and MT Cash Management Boards;
  - Mr. François VITTE is member of IAM and MT Cash Management Boards;
  - Mr. Abdelkader MAAMAR is member of IAM and MT Cash Management Boards.
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Services agreement.
- **Main terms:** Itissalat Al-Maghrib (IAM) provides MT CASH with the assistance and supply of services in the following areas:
  - Finance and accounting;
  - Marketing and sales;
  - Human resources;
  - IT services;
  - General costs;
  - Customer relationship;
  - Audit and Quality.
- **Services or products delivered or provided:** No income has been recognized by IAM under this agreement during fiscal year 2020.
- **Amounts paid:** No amount was received by IAM under this agreement during fiscal year 2020.

2. Related-party agreements concluded in previous years that remained effective in 2020

2.1. AGREEMENT RELATED TO THE ACQUISITION OF ETISALAT SUBSIDIARIES (LOANS GRANTED TO SUBSIDIARIES)

- **Parties concerned:**
  - Itissalat Al-Maghrib (IAM) is the major shareholder of Atlantique Telecom Côte d'Ivoire (AT CIV), up to 85%;
  - Itissalat Al Maghrib (IAM) is the major shareholder of Atlantique Telecom Niger (AT Niger), up to 100%;
  - Itissalat Al-Maghrib (IAM) is the major shareholder of Atlantique Telecom Centrafrique (AT RCA), up to 100%.
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Loans granted to subsidiaries as part of the acquisition of equity securities.
- **Main terms:** According to the acquisition of subsidiaries agreement concluded in 2014, Itissalat Al Maghrib (IAM) received a loan of 200 million USD at zero interest rate from Etisalat (fully reimbursed in 2019), which at 2015, 2016, 2017, 2018 and 2019 had been reallocated to newly acquired subsidiaries (AT CIV, AT Niger, AT RCA) for 194.6 million USD (equivalent to 178.8 million euros).
- The situation of loans granted by Itissalat Al-Maghrib (IAM) to subsidiaries as of December 31, 2020 is detailed as follows:
  - **Atlantique Telecom Côte d'ivoire:**

    Loan: The loan granted under this agreement was fully paid off in 2020.

    Income for the year: Itissalat Al-Maghrib recorded late payment penalties of 1 million euros for the 2020 financial year (equivalent to 10.3 million dirhams).

    Amounts Received: Itissalat Al-Maghrib collected for fiscal year 2020, 85 million euros, which 81.6 million euros in principal (equivalent to 877.9 million dirhams), 2.2 million euros in interest and 1.2 million euros in penalties (equivalent to 36 million dirhams).
  - **Atlantique Telecom Niger:**

    Loan: As of December 31st, 2020, the loan amounts to 14.8 million Euros (equivalent to 159 million dirhams).

    Income for the year: For fiscal year 2020, Itissalat Al-Maghrib recorded interest income and late payment penalties of 0.9 million and 0.1 million euros respectively (equivalent to 11.3 million dirhams).

    Amounts Received: No amount was collected by IAM for the financial year 2020.
  - **Atlantique Telecom RCA:**

    Loan: As of December 31st, 2020, the total current account advances granted to this subsidiary amounted to 8.7 million euros (equivalent to 95.6 million dirhams).

    Income for the year: For fiscal year 2020, Itissalat Al-Maghrib recorded interest income and late payment penalties of 1.1 million and 0.2 million euros respectively (equivalent to 12.1 million and 2.5 million dirhams).

    Amount paid: Itissalat Al-Maghrib paid its subsidiary Atlantique Telecom Centrafrique S.A., during 2020, a current account advance of 0.2 million euros (equivalent to 2.5 million dirhams).

    Amount received: No amount was collected by IAM for the financial year 2020.

2.2. AGREEMENTS RESULTING FROM THE ACQUISITION OF NEW SUBSIDIARIES – "ALYSSE OPERATION"

Following the acquisition of the new subsidiaries "Alysse Operation" and since January 26, 2015, Itissalat Al Maghrib (IAM) substituted to Atlantique Telecom SA (ATH) and Golden Falcon Investments LLC (GFI LLC) in all their rights and obligations resulting from the agreements signed between ATH, GFI LLC and the subsidiaries acquired by IAM. These Agreements are as follows, by subsidiary:

2.2.1. Agreements signed with Atlantique Telecom Côte d'Ivoire (AT CI)

- **Parties concerned:** Itissalat Al Maghrib is the major shareholder of Atlantique Telecom Côte d'Ivoire (AT CI), up to 85%.
- **Agreement form:** Written agreements.
- **Nature and purpose of the agreement:** As of January 26, 2015, IAM substituted to Atlantique Telecom SA (ATH) in all their rights and obligations resulting from the following agreements:
  - Technical assistance agreement between AT CI and ATH on July 4th, 2006.
  - Brand license agreement between AT CI and ATH on June 12th, 2006.
  - Share loan agreement between AT CI and ATH on February 17th, 2012, with an initial amount of 125 million euros.

- **Main terms:** Itissalat Al Maghrib (IAM) substituted to ATH in all its rights and obligations resulting from the agreements listed above signed between ATH and AT CI. All amounts due by AT CI under these agreements shall be paid to IAM. In accordance with these agreements, AT CI is still engaged to IAM at the same level as previously by ATH.
- **Services provided:**
  - **Brand licenses and Technical assistance services:** Income recognized by Itissalat Al-Maghrib for fiscal year 2020 amounted to 183 million dirhams net of withholding tax.
  - **Amounts received:** IAM received an amount of 182 million dirhams in 2020 under this agreement.

2.2.2. A reements signed with Etisalat Bénin (ETB)

- **Parties concerned:** Itissalat Al Maghrib is the major shareholder of Etisalat Bénin, up to 100%.
- **Agreement form:** Written agreements.
- **Nature and purpose of the agreement:** As of January 26, 2015, IAM substituted to Atlantique Telecom SA (ATH) and Golden Falcon Investments LLC (GFI LLC) in all their rights and obligations resulting from the following agreements:
  - Technical assistance agreement between Etisalat Bénin and ATH on November 3rd, 2011.
  - Brand license agreement between Etisalat Bénin and ATH on January 1st, 2014.
  - Loan agreement between Etisalat Bénin and GFI LLC on May 1st, 2013.
- **Main terms:** Itissalat Al Maghrib (IAM) substituted to ATH and GFI LLC in all their rights and obligations resulting from the above-mentioned agreements signed between ATH and Etisalat Bénin on one hand and GFI LLC and Etisalat Bénin on the other hand. All amounts due by Etisalat Bénin under these agreements shall be paid to IAM. In accordance with these agreements, Etisalat Bénin is still engaged to IAM at the same level as previously to ATH and to GFI LLC.
- **Services provided:**
  - **Technical assistance services:** Since October 2019, the effects of this agreement were suspended for the ETB subsidiary. As a result, no income has been recognized for the 2020 financial year.
  - **Brand licenses:** the revenues booked by IAM for 2020 amounted to 10 million dirhams.
  - **Shareholder loan:** The balance of the loan repurchased following the acquisition of the Moov subsidiaries amounts to 34 million euros at December 31st, 2020 (equivalent to 371 million dirhams). Itissalat Al-Maghrib (IAM) recorded interest income for 6.2 million euros for the 2020 financial year (equivalent to 67.6 million dirhams).

    During 2019, an amendment was concluded with ETB (unwritten rider) in order to capitalize the interest due on May 1st, 2019. The interest rate on this loan was revised downwards to 6% instead of 10% (unwritten amendment).
- **Amounts received:** In 2020, Itissalat Al-Maghrib received, as principal repayment, an amount of 25.5 million euros (equivalent to 278.1 million dirhams). The receipts relating to technical assistance and trademark license services, during 2020, amounted to 47.6 million dirhams.

2.2.3. Agreements signed with Atlantique Telecom Togo (AT Togo)

- **Persons concerned:** Itissalat Al-Maghrib (IAM) is the majority shareholder of Atlantique Telecom Togo (AT Togo), up to 95%.
- **Agreement form:** Written agreements.
- **Nature and purpose of the agreement:** As of January 26, 2015, IAM substituted to Atlantique Telecom SA (ATH) in all its rights and obligations resulting from the following agreements:
  - Technical assistance agreement between AT Togo and ATH on July 17th, 2008;
  - Brand license agreement between AT Togo and ATH on December 1st, 2006;
  - Share loan agreement between AT Togo and ATH on August 1st, 2013, with an initial amount of 5.8 million euros;
  - Share loan agreement between AT Togo and ATH on August 1st, 2013, with an initial amount of 24 million euros.
- **Main terms:** IAM substituted to ATH in all its rights and obligations resulting from the agreements listed above signed between ATH and AT Togo. All amounts due by AT Togo under these agreements shall be paid to IAM. In accordance with these agreements, AT Togo is still engaged to IAM at the same level as previously to ATH.
- **Services provided:**
  - Technical assistance services: Since January 2020, the effects of this agreement have been suspended for the AT TOGO subsidiary. As a result, no income has been recognized for the 2020 financial year.
  - Brand licenses: the revenues booked by IAM for 2020 amounted to 7.7 million dirhams
- **Amounts received:** no amount of the loan balance as of December 31st, 2020.

2.2.4. Agreements signed with Atlantique Telecom Niger (AT Niger)

- **Parties concerned:** Itissalat Al Maghrib is the major shareholder of Atlantique Telecom Niger, up to 100%.
- **Agreement form:** Written agreements.
- **Nature and purpose of the agreement:** As of January 26th, 2015, IAM substituted to Atlantique Telecom SA (ATH) in all their rights and obligations resulting from the following agreements:
  - Technical assistance agreement between AT Niger and ATH on December 29th, 2004;
  - Brand license agreement between AT Niger and ATH on January 1st, 2008;
  - Share loan agreement between AT Niger and ATH on August 1st, 2013, with an initial amount of 1.7 million euros.
  - Financing agreement between AT Niger and ATH on November 25th, 2008.
  - Loan agreements signed between AT Niger and ATH in January 2015.
  - Treasury signed between AT Niger and ATH on December 3rd, 2003.
- **Main terms:** IAM substituted to ATH in all its rights and obligations resulting from the agreements listed above signed between ATH and AT Niger. All amounts due by AT Niger under these agreements shall be paid to IAM. In accordance with these agreements, AT Niger is still engaged to IAM at the same level as previously to ATH.
- **Services provided:**
  - **Technical assistance services:** Since October 2019, the effects of this agreement were suspended for the AT Niger subsidiary. As a result, no income has been recognized for the 2020 financial year.
  - **Brand licenses:** Income recorded by Itissalat Al-Maghrib for fiscal year 2020 amounted to 4.3 million dirhams.
- **Amounts received:** No amount has been received by Itissalat Al-Maghrib for fiscal year 2020.

2.2.5. Agreements signed with Atlantique Telecom Centrafrique (AT RCA)

- **Persons concerned:** Itissalat Al-Maghrib (IAM) is the majority shareholder of Atlantique Telecom Centrafrique (AT RCA), up to 100%.
- **Agreement form:** Written agreements.
- **Nature and purpose of the agreement:** As of January 26th, 2015, IAM substituted to Atlantique Telecom SA (ATH) in all their rights and obligations resulting from the following agreements:
  - Technical assistance agreement between AT RCA and ATH on July 4th, 2006;
  - Brand license agreement between AT RCA and ATH on July 1st, 2011;
  - Shareholder loan agreement between AT RCA and ATH on August 1st, 2013, with an initial amount of 2.6 million euros;
  - Loan agreements signed between AT RCA and ATH in January 2015.
- **Main terms:** IAM substituted to ATH in all its rights and obligations resulting from the agreements listed above signed between ATH and AT RCA. All amounts due by AT RCA under these agreements shall be paid to IAM. In accordance with these agreements, AT RCA is still engaged to IAM at the same level as previously to ATH.
- **Services provided:**
  - Technical assistance services: Since October 2019, the effects of this agreement were suspended for the AT RCA subsidiary. As a result, no income has been recognized for the 2020 financial year.
  - Brand licenses: Income recorded by Itissalat Al-Maghrib (IAM) in 2020 amounted to 0.4 million dirhams.
- Amounts received No amount has been received by Itissalat Al-Maghrib for fiscal year 2020.

2.3. TECHNICAL SERVICES AGREEMENT WITH ETISALAT

- **Parties concerned:**
  - Etisalat is the major shareholder of IAM;
  - Mr. Obaid Bin Humaid AL TAYER is the vice-president of the Supervisory Board of IAM, Mr. Mohammad Hadi AL HUSSAINI is member of the Supervisory Board of IAM, Mr. Hatem DOWIDAR is member of the Supervisory Board of IAM, Mr. Saleh ABDOOLI is member of the Supervisory Board of IAM, Mr. Serkan OKANDAN is member of the Supervisory Board of IAM until 22/07/2020, Mr. Luis Enriquez is member of the Supervisory Board of IAM since 22/07/2020, Mr. Mohammed Saif AL SUWAIDI is member of the Supervisory Board of IAM.

- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Supply of technical assistance.
- **Main terms:** In May 2014, the Company concluded a service agreement with the Emirates Telecommunications Corporation (Etisalat), under which, Etisalat will provide, either directly or through its subsidiaries, technical support work. These services are carried out mostly by expatriate employees.
- **Services provided:** No expense was recognized by IAM for the year 2020.
- **Amounts paid:** No amount was paid by IAM in 2020 under this agreement.

2.4. FÉDÉRATION ROYALE MAROCAINE D'ATHLÉTISME « FRMA »

- **Parties concerned:** M. Abdeslam AHIZOUNE, Chairman of the IAM Management Board.
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Sponsorship agreement.
- **Main terms:** The sponsoring agreement between IAM and FRMA was initially conclude in July 2012 for an amount of 6 million dirhams per annum and for a period of 3 years. Then, this agreement was renewed on July 2014 for 3 years for an amount of 4 million dirhams.

  The Supervisory Board on December 7, 2018 authorized the renewal of this agreement for one year for an amount of 3 million dirhams, plus the costs related to travel and missions of the President of the FRMA.

  Products or services delivered or provided: The amount expensed by IAM related to this agreement for 2020 amounted to 0.75 million dirhams.
- **Amounts paid:** IAM paid a total amount of 0.75 million dirhams to the FRMA in 2020.

2.5. AGREEMENT WITH SOTELMA

- **Parties concerned:** Itissalat Al-Maghrib (IAM) is the majority shareholder of Sotelma, with a 51% ownership interest. The member of the joint management bodies is Mr. Abdelkader MAAMAR (member of the management board of IAM).
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Providing Services and technical assistance.
- **Main terms:** In 2009, Sotelma and IAM concluded an agreement under which IAM provides technical assistance and services. These services are carried out mostly by expatriate employees.
- **Products or services delivered or provided:** During 2020, Itissalat Al-Maghrib (IAM) provided technical assistance to Sotelma in various fields.

  As of December 31st, 2020, the amount booked in revenues by IAM amounts to 15.2 million dirhams (excluding VAT).

  As of December 31st, 2020, Itissalat Al-Maghrib held a receivable of 5.6 million dirhams from Sotelma.
- Amounts received: IAM received 18.2 million dirhams in 2020 under this agreement.

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2.6. AGREEMENT WITH ONATEL

- **Parties concerned:** IAM is the major shareholder of Onatel, up to 61%.
- **Contract form:** Written agreement.
- **Nature and purpose of the agreement:** Supply of services and technical assistance.
- **Main terms:** In September 2007, Onatel and IAM concluded an agreement under which IAM provides technical assistance and services. These services are carried out mostly by expatriate employees.
- **Services or products delivered or provided:** During 2020, Itissalat Al-Maghrib provided technical assistance to Onatel in various fields.

  As of December 31st, 2020, the total revenues recorded amounted to 9.7 million dirhams excluding tax (VAT).

  As of December 31st, 2020, Itissalat Al-Maghrib held a receivable of 1.7 million dirhams from Onatel.
- Amounts received: IAM received MAD 14.1 million dirhams in 2020 under this agreement.

2.7. AGREEMENT GABON TELECOM (GT)

- **Parties concerned:**
  - Itissalat Al Maghrib (IAM) is the major shareholder of Gabon Telecom (GT), up to 51%;
  - Mr. Brahim BOUDAOUD is the common member of the Management Board of IAM and Gabon Telecom.
- **Form of the agreement:** Written agreement.
- **Nature and purpose of the agreement:** Service commitment agreement.
- **Main terms:** On November 22nd, 2016, Gabon Telecom (which absorbed the subsidiary Atlantique Telecom Gabon on June 29, 2016 with effect since January 1st, 2016) and Itissalat Al Maghrib (IAM) concluded an agreement under which IAM provides technical assistance and services, with retroactive effect starting from January 1st, 2013.

  These services are carried out mostly by expatriate employees or by resort to a third party, after Gabon Telecom agreement.
- **Services or products delivered or provided:** During 2020, Itissalat Al-Maghrib (IAM) provided technical assistance services to Gabon Telecom (GT) in various fields.

  Itissalat Al-Maghrib has recorded a provision for all these services in its financial statements:
  - **Services provided under the Services Commitment Agreement (SCA):**

    As of December 31st, 2020, the amount of income recorded amounted to 14.7 million dirhams excluding tax (VAT).

    As of December 31st, 2020, Itissalat Al-Maghrib held a receivable of 8 million dirhams relating to CES from Gabon Télécom.
  - **Services provided within the framework of management fees:**

    Income recognized by Itissalat Al-Maghrib for fiscal year 2020 amounted to 102.3 million dirhams net of withholding tax.

    As of December 31st, 2020, Itissalat Al-Maghrib held a receivable of 43.3 million dirhams relating to Management Fees from Gabon Telecom.
- **Amounts received:** IAM received MAD 225.4 million dirhams in 2020 under this agreement.

2.8. AGREEMENT WITH MAURITEL

- **Parties concerned:**
  - IAM is the major shareholder of Mauritel, up to 52%;
  - Mr. Hassan RACHAD is the common member of IAM and Mauritel Management Boards.
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Services and technical assistance.
- **Main terms:** In 2001, Mauritel and IAM concluded an agreement under which IAM provides technical assistance and equipments.
- **Products or services delivered or provided:** IAM provides Mauritel with telecommunication equipments and technical assistance.

  Under this agreement, the amount of income recorded by Itissalat Al-Maghrib for fiscal year 2020 amounted to 10.6 million dirhams excluding tax (VAT).

  The balance of the receivable held by Itissalat Al-Maghrib from Mauritel amounted to 1.9 million dirhams a year ended December 31, 2020.
- **Amounts received:** IAM received MAD 12.5 million dirhams in 2020.

2.9. AGREEMENT WITH CASANET FOR CURRENT-ACCOUNT ADVANCE/ SHAREHOLDER LOAN

- **Parties concerned:**
  - IAM is the major shareholder of Casanet, up to 100%;
  - Mr. Hassan RACHAD is member of IAM and Casanet Management Boards.
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Advance by IAM to Casanet on non-interest-bearing account.
- **Main terms:** At its meeting held on December 4, 2007, the Supervisory Board authorized IAM to underwrite all necessary capital expenditures through the provision of non-interest-bearing current-account advances for 6.1 million dirhams.

  Several advances were granted to Casanet between 2008 and 2012, bringing the current account to MAD 6.1 million at the end of December 2012.

  As of December 31st, 2020, the current-account balance totalized 6.1 million dirhams.
- **Products or services delivered or provided:** Advance on non-interest-bearing current account.
- **Amounts received or paid:** None.

2.10. SERVICES AGREEMENT WITH CASANET

- **Parties concerned:**
  - IAM is the major shareholder of Casanet, up to 100%;
  - Mr. Hassan RACHAD is member of IAM and Casanet Management Boards.
- **Agreement form:** Written agreement.
- **Nature and purpose of the agreement:** Maintaining services, web hosting, technical assistance, and equipment.
- **Main terms:** Since 2003, Itissalat Al Maghrib has concluded several service agreements with its subsidiary Casanet.
- **Services or products delivered or provided:** Several contracts and orders were executed by Casanet on behalf of IAM during fiscal year 2020.

  As of December 31st, 2020, the amount of expenses invoiced and recorded by Itissalat Al-Maghrib under these agreements amounted to 49.6 million dirhams excluding tax (VAT).

  As at December 31st, 2020, the balance of liabilities invoiced under this heading amounted to 23 million dirhams.
- **Amounts paid:** Itissalat Al-Maghrib paid an amount of 72.9 million dirhams in 2020 under this agreement.

Casablanca, february 18th, 2021

The Statutory auditors

Deloitte Audit	**Coopers Audit Maroc S.A.**
Sakina BENSOUDA-KORACHI	Abdelaziz AL MECHATT
Partner	Partner

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RECENT DEVELOPMENTS

Ordinary Shareholders’ meeting of April 30, 2021

Itissalat Al-Maghrib, a Moroccan public limited company with Management and Supervisory Boards and share capital of 5,274,572,040 Moroccan Dirhams, whose headquarters are in Rabat, Avenue Annakhil, Hay Riad, and which is registered under number 48947 in the Rabat Trade and Companies Register, hereby invites shareholders in videoconference on April 30, 2021, at 2.30pm for an Ordinary Shareholders’ Meeting convened to deliberate on the following agenda:

1. Approval of the summary review of the annual financial statements for the fiscal year ended December 31, 2020;
2. Approval of the consolidated financial statements for the fiscal year ended December 31, 2020;
3. Approval of the related-party agreements reviewed in the Statutory auditors’ special report;
4. Appropriation of 2020 earnings – Dividend;
5. Ratification of the co-optation of Mr. Luis ENRIQUEZ as a member of the Supervisory Board;
6. Repeal of the current share buyback program and authority to be granted to the Management Board to again trade in the Company’s shares and the establishment of a liquidity contract on the Casablanca Stock Market;
7. Powers to perform formalities.

Moov Africa

In January 2021, a new brand was born in the world of African telecoms: “Moov Africa”. Through it, the African subsidiaries of the Maroc Telecom Group are now united by a shared identity.

Covid-19 impact

In these times of health crisis, the Maroc Telecom Group remains fully mobilized, in particular through a comprehensive crisis management system, to protect the health of its employees and customers and ensure business continuity.

The Group is focusing on increasing the resilience of the network due to the strong demand for DATA mainly due to remote working, distance learning, leisure activities, etc.

At the same time, from the start of the pandemic and throughout the year, Maroc Telecom has shown a great ability to adapt to the effects of the crisis, through the reinforcement of digitization for the improvement of the customer experience and access to the various services.

Despite a particularly difficult context marked by the effects of the pandemic, the Group's international activities have shown resilience, and the performance achieved shows effective management and monitoring of Maroc Telecom's assets.

Uncertainty about the duration and long-term impact of the coronavirus pandemic means its overall impact on the economy in 2021 is unpredictable. It will depend on government measures and the progress of vaccination operations.

While the telecom sector has demonstrated its ability to cope with the crisis compared to other sectors, at the date of this Universal Registration Document, the medium and long-term impacts on the Group's financial performance remain uncertain.


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APPENDICES

Cross-reference table

This cross-reference table lists the headings provided in Annexes I and II to the Delegated Regulation (EU) 2019/980 of March 14, 2019, and refers to the pages of this Universal Registration Document where the information relating to each of these headings is mentioned.

NA: not applicable

NA: not applicable

Pursuant to Article 19 of EU Regulation nº2017/1129 of June 14, 2017, the following information is incorporated by reference in this Universal Registration Document:

- the consolidated financial statements for the year ended December 31, 2019, the related Statutory auditors' report and the Group's financial report are presented on page 149 and pages 135 to 192 of the Universal Registration Document filed with the AMF on April 27, 2020 under number D20-03666; The document is available to view at: https://www.iam.ma/groupe-maroc-telecom/communication-financiere/information-reglementee/communiques-de-presse.aspx?fiche=8
- the consolidated financial statements for the year ended December 31, 2018, the related Statutory auditors' report and the Group's financial report are presented on pages 133 and from 120 until 173 of the Registration Statement filed with the AMF on April 11, 2019, under the number D19-0318; The document is available to view at: https://www.iam.ma/groupe-maroc-telecom/communication-financiere/information-reglementee/communiques-de-presse.aspx?fiche=8

Cross-reference table for the annual financial report

Annual Financial Report	Pages
The complete consolidated annual accounts, together with the auditors' report	194-218
The complete consolidated annual accounts, together with the auditors' report	148-193
The auditors' special report on related-party agreements	219
The management report	**12-13/136/174/14-15/115-131/163/169**
Management commentary containing a brief presentation of the issuer, the main highlights of the financial year, the main achievements in terms of activity and their impact on the financial statements, and explaining the main changes in the said statements	
ESG report	
General elements	81-90
Specific elements	
• Environmental information	81-90
• Social information	81-90
• Governance	60-64

Annual information 2020

The following information was published or released by Maroc Telecom over the past 12 months (from March 1, 2020, to March 1, 2021):

Term	Title
April 27, 2020	Press release on the availability of the 2019 Registration Document
April 20, 2020	Press release on Q1 2020 earnings
July 3, 2020	Interim results – Liquidity contract (Paris) – Price regulation contract (Casablanca)
July 20, 2020	Press release on first half 2020 earnings
October 19, 2020	Press release on 9 months 2020 earnings
January 7, 2021	Interim results – Liquidity contract (Paris) – Price regulation contract (Casablanca)
February 19, 2021	Press release on 2020 earnings

All these press releases are available at:

- Regulatory information on the Maroc Telecom website: www.iam.ma/Information-reglementee.aspx.

Fees paid to the Statutory auditors

FY20

Below are details on the fees paid by Maroc Telecom to each Statutory auditor in 2020.

			Deloitte Audit			
	Amount/year			Percentage/year*		
	2020	2019	2018	2020	2019	2018
Statutory audit, issuance of an audit opinion, review of statutory and consolidated financial statements	**11,717,481.4**	**13,743,146.19**	**17,134,283.13**	**100%**	**100%**	**100%**
Issuer	3,500,000	3,500,000.00	3,850,000.00	30%	25%	22%
Subsidiaries**	8,217,481.43	10,243,146.19	13,284,283.13	70%	75%	78%
Other procedures and services directly related to statutory auditing	**-**	**-**	**-**	**0%**	**0%**	**0%**
Issuer	-	-	-	0%	0%	0%
Subsidiaries**	-	-	-	0%	0%	0%
Subtotal	**11,717,481.4**	**13,743,146.19**	**17,134,283.13**	**100%**	**100%**	**100%**
Other services provided	**-**	**-**	**-**	**0%**	**0%**	**0%**
Others	-	-	-	0%	0%	0%
Subtotal	**-**	**-**	**-**	**0%**	**0%**	**0%**
TOTAL	**11,717,481.4**	**13,743,146.19**	**17,134,283.13**			

* *Proportion of each item in the total for that year.*
** *These amounts include the fees relating to the Global Network firms to which Statutory auditors belong and which intervene at the subsidiaries' level.*

			Coopers Audit Maroc			
	Amount/year			Percentage/year*		
	2020	2019	2018	2020	2019	2018
Statutory audit, issuance of an audit opinion, review of statutory and consolidated financial statements	**4,752,100.67**	**4,873,324.76**	**4,008,220.13**	**100%**	**92%**	**100%**
Issuer	2,095,000	2,460,000.00	2,460,000.00	44%	47%	61%
Subsidiaries**	2,657,100.67	2,413,324.76	1,548,220.13	56%	46%	39%
Other procedures and services directly related to statutory auditing	**-**	**414,628.84**	**-**	**0%**	**8%**	**0%**
Issuer	-	-	-	0%	0%	0%
Subsidiaries**		414,628.84	-	0%	100%	0%
Subtotal	**4,752,100.67**	**5,287,953.60**	**4,008,220.13**	**100%**	**100%**	**100%**
Other services provided	**-**	**-**	**-**	**0%**	**0%**	**0%**
Others	-	-	-	0%	0%	0%
Subtotal	**-**	**-**	**-**	**0%**	**0%**	**0%**
TOTAL	**4,752,100.67**	**5,287,953.60**	**4,008,220.13**			

* *Proportion of each item in the total for that year.*
** *These amounts include the fees relating to the Global Network firms to which Statutory auditors belong and which intervene at the subsidiaries' level.*

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						Other
	Amount/year			Percentage/year*		
	2020	2019	2018	2020	2019	2018
Statutory audit, issuance of an audit opinion, review of statutory and consolidated financial statements	**5,412,334.02**	**6,493,172.88**	**7,159,307.68**	**83%**	**86%**	**95%**
Issuer	-	-	-	0%	0%	0%
Subsidiaries**	5,412,334.02	6,493,172.88	7,159,307.68	83%	86%	95%
Other procedures and services directly related to statutory auditing	**868,793.50**	**47,715.22**	**178,658.79**	**13%**	**1%**	**2%**
Issuer	-	-	-	0%	0%	0%
Subsidiaries**	868,793.50	47,715.22	178,658.79		1%	2%
Subtotal	**6,281,127.52**	**6,540,888.10**	**7,337,966.47**	**96%**	**86%**	**98%**
Other services provided	**-**	**-**	**-**		**0%**	**0%**
Others	236,431.32	1,032,238.24	162,874.56	4%	14%	2%
Subtotal	**236,431.32**	**1,032,238.24**	**162,874.56**	**4%**	**14%**	**2%**
TOTAL	**6,517,558.84**	**7,573,126.34**	**7,500,841.03**			

* *Proportion of each item in the total for that year.*
** *These amounts include the fees relating to the Global Network firms to which Statutory auditors belong and which intervene at the subsidiaries' level.*

Ordinary Shareholders' Meeting of April 30, 2021

FIRST RESOLUTION

APPROVAL OF THE REPORTS AND SUMMARY REVIEW OF THE ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting, after hearing:

- the management report of the Management Board and the observations of the Supervisory Board on said report; and
- the general report of the Statutory auditors on the financial statements for the accounting period ended December 31, 2020.

Hereby approves the summary financial statements for said fiscal year and the operations accounted for therein or summarized in said reports.

Consequently, the Shareholders' Meeting resolves to give final discharge to the members of the Supervisory and Management Boards for the performance of their duties in the 2020 accounting period.

SECOND RESOLUTION

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting hereby approves as necessary the consolidated financial statements, as presented, for the accounting period ended December 31, 2020.

THIRD RESOLUTION

APPROVAL OF THE RELATED-PARTY AGREEMENTS REVIEWED IN THE STATUTORY AUDITORS' SPECIAL REPORT

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings and having heard the special report of the Statutory auditors on the related-party agreements covered by Article 95 of Law 17-95 relating to corporations (*société anonyme*), which was amended and supplemented by Law 20-05, Law 78-12 and Law 20-19, the Shareholders' Meeting hereby approves all operations and agreements reviewed in said report.

FOURTH RESOLUTION

APPROPRIATION OF 2020 EARNINGS – DIVIDEND

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting hereby resolves to appropriate as follows the earnings for the accounting period ended December 31, 2020, which amount to MAD 6,248,418,599.76:

Proposal of Appropriation of 2020 earnings	*(in MAD)*
Net profit for the fiscal year:	MAD 6,248,418,599.76
Retained earnings:	-
Legal reserve:	-
Other optional reserve(1):	MAD 1,200,000,000.00
Bénéfice distribuable :	MAD 5,048,418,599.76
Optional reserve(2):	MAD 1,523,246,286.36
Ordinary dividend(2):	MAD 3,525,172,313.40

(1) Appropriation of the sum of MAD 1,200,000 to operational reserves in accordance with the provisions of Article 330, paragraph 2 of Law 17-95 on stock companies: "Except in the case of a decrease in the share capital, no distribution may be made to shareholders when the financial position is, or subsequently may become, lower than the amount of share capital plus reserves that may not be distributed in accordance with the law or company articles" this amount corresponds to the net balance of capitalized costs as at December 31, 2020.

(2) These amounts should be adjusted to reflect the number of treasury stock held on the dividend payment date.

The Shareholders' Meeting therefore resolves to set the dividend at MAD 4.01 for each of the shares comprising the share capital and held on the record date. The dividend will be paid on or after Wednesday June 1, 2021.

Ordinary dividends paid in the past three accounting periods were as follows:

Fiscal years	2019	2018	2017
Dividend per share (in MAD)	5.54	6.83	6.48
Total dividends paid (in MAD million)	4,870	6,004	5,696

FIFTH RESOLUTION

RATIFICATION OF THE COOPTATION OF MR. LUIS ENRIQUEZ AS A MEMBER OF THE SUPERVISORY BOARD

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting hereby confirms the co-option of Mr. Luis ENRIQUEZ as a member of the Supervisory Board for the remainder of the outgoing member's term of office, i.e. until the end of the Shareholders' Meeting called to approve the financial statements for the period ending December 31, 2025.

SIXTH RESOLUTION

REPEAL OF THE CURRENT SHARE BUYBACK PROGRAM AND AUTHORITY TO BE GRANTED TO THE MANAGEMENT BOARD TO AGAIN TRADE IN THE COMPANY'S SHARES AND THE ESTABLISHMENT OF A LIQUIDITY CONTRACT ON THE CASABLANCA STOCK MARKET

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' meetings, and having heard the Executive Board's report, the Shareholders' meeting hereby cancels, with effect from May 17, 2021, the stock buyback program authorized by the Ordinary Shareholders' meeting of April 29, 2020 and scheduled to end on November 12, 202.

- Articles 279 and 281 of Law 17-95 of August 30, 1996, pertaining to Moroccan corporations (*sociétés anonymes*), as amended and supplemented by Laws 20-05, 78-12 and 20-19;
- Decree no. 2-10-44 of 17 Rajab 1431 (June 30, 2010), amending and supplementing Decree no. 2-02-556 of 22 Dou-al Hijja 1423 (February 24, 2003) determining the forms and conditions under which corporations can buy back their own shares on the stock exchange in view of regulating the share price;
- of Decree N 2-18-306 of 6 chaoual 1439 (June 20, 2018) setting the percentage of share capital that may be owned directly by the company or through a person acting in their own name on behalf of the company; and
- of the AMMC (Moroccan securities authority) circular.

And having heard the report of the Management Board on the share buyback program undertaken by Itissalat Al-Maghrib with a view towards regulating share price, has reviewed all items in the notice approved by the AMMC.

The Ordinary Shareholders' Meeting expressly authorizes the establishment of a new program by Itissalat Al-Maghrib to buy back its own shares on the stock exchange, in Morocco or abroad, as proposed by the Management Board.

Incidentally, and subject to compliance with the current legal and regulatory provisions, the Shareholders' Meeting expressly authorizes the establishing of a liquidity contract on the Casablanca stock exchange, backing this buyback program.

The number of shares targeted by this liquidity contract can under no circumstance exceed the lower of the following two limits:

- 300,000 shares, or 20% of the total number of shares indicated in the buyback program;
- The maximum limit allowed by the laws cited above.

The characteristics of the new buyback program are as follows:

The characteristics of the new buyback program are as follows: Stock concerned	Shares of Itissalat Al-Maghrib
Maximum number of shares to be held within the scope of the share buyback program, including shares covered by the liquidity agreement	0.17% of the capital i.e., 1,500,000 shares
Maximum expenditure allowable for implementation of buyback program	MAD 292,500,000
Authorized period	18 months
Program calendar	From May 17, 2021, to November 16, 2022
Share price (excluding buying/selling commissions):	
• Minimum sale price	MAD 95 per share (or equivalent in EUR)
• Maximum purchase price	MAD 195 per share (or equivalent in EUR)
Financing method	With free cash flow

The Shareholders' Meeting hereby grants all powers unreservedly to the Chairman of the Management Board, or to any other member of the Management Board, to proceed with the revocation of the share buyback program authorized at the Ordinary Shareholders' Meeting of April 29, 2020, and to implement, within the limits set out above, in Morocco and abroad, the new share buyback program and the liquidity contract related thereto, at the dates and under the terms and conditions that said Board deems fit.

SEVENTH RESOLUTION

POWERS TO PERFORM FORMALITIES

Having satisfied the quorum and majority requirements pertaining to Ordinary Shareholders' Meetings, the Shareholders' Meeting hereby grants the Chairman of the Management Board all powers, which can be delegated to any person of his choice, to perform all formalities required by law.

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Glossary

3RP (Shared Radio Network). A radio network in which the transmission methods are shared between the users of several companies or bodies for internal communications. This sharing is marked by the fact that these methods are allocated to users solely for the duration of each communication.

4G. is the 4th generation of standards for Mobile telephony. Succeeding the 2G and 3G, it allows for "very-high-speed mobile broadband", in other words data transmissions with theoretical speeds of more than 100 Mb/s, i.e. higher than 1 Gbps.

ADSL (Asymmetrical Data Subscriber Line). Technology enabling users to receive high-bandwidth services and make phone calls simultaneously through their existing phone lines. The transmission capacity going from the network to the consumer is greater than that from the consumer to the network, and therefore asymmetric.

AMRTP. The Malian regulatory authority for telecommunications and postal services.

ANRT. The Moroccan national telecommunications regulatory agency.

ARCEP. Regulatory authority for electronic communications and postal services.

ARE. The Mauritanian telecommunications regulator.

ARPU. Revenues generated (prepaid and postpaid) for a given period, excluding roaming-in revenues (incoming and outgoing calls, revenues from value-added services), divided by the average number of customers (prepaid and postpaid) over the same period, on a monthly basis. The average customer base is the average of all average monthly customer bases (prepaid and postpaid) for the period. The monthly average customer base corresponds to a given month's mean number of customers (prepaid and postpaid) taken at the beginning and at the end of that month.

ATM (Asynchronous Transfer Mode). Network technology that accommodates the simultaneous transmission of data, voice and video. It is based on asynchronous transmission of short packets of fixed length.

Bitstream. Used in particular for the transmission of audio signals between a source (a DVD player for example) and a broadcaster (a home cinema for example).

Optical local loop. Fiber optic-cable-based access network used to connect broadband customers.

BTS (Base Transceiver Station). Element of the mobile radio network, consisting of an antenna system and radio transmitters/receivers (TRX). It provides GSM network coverage in a specific geographical segment.

SRS (Self-Routing Switch). A switch is a set of controls that allow a temporary link or connect to be established between an incoming path and an outgoing path corresponding to subscriber lines or circuits.

CAF. Cash-flow.

Network Intelligent Call Center (Centre d'Appels Intelligent Réseau — CAIR). Call Center Offer launched by Maroc Telecom, intended for companies whose customer relations management constitutes a true strategic variable. CAIR's objective is to enable effective management of the customer relationship without significant investment from the customer. This is because the technical functionalities of the call center are managed within the Maroc Telecom network.

SIM (Subscriber Identity Module) card. Without a SIM card, calls cannot be made from a mobile phone. In particular, the SIM card stores the user's personal profile and a PIN code protecting access to the card.

MSC (Mobile Switching Center). A central switching point for Mobile service that controls the routing of calls.

CGSUT. Telecommunications Universal Service Management Board.

CPC. Statement of comprehensive income.

CTI (Centre de Transit International). International Transit Center. A switch that carries international calls to foreign operators' networks.

Unbundling. An incumbent operator, owner of the local loop, has an obligation to provide pairs of copper wires to third-party operators, in exchange for compensation. Such third-party operators install their own transmission equipment in order to connect their networks to their customers' premises. Partial unbundling allows a third-party operator to take over the internet connection while the incumbent operator still provides telephony subscription and services. Full unbundling allows a third-party operator to connect the entire customer line to its own network, and thus to offer both telephony and broadband services.

DSLAM (Digital Subscriber Line Access). ADSL equipment located at a telephone exchange. It is an electronic assembly holding several cards that are equivalent to the client filter and modem. The filter separates incoming phone and data signals, and the modem translates back the ATM cells (small packets transported over ATM connections).

EDGE (Enhanced Data Rates for GSM Evolution). is a Mobile telephony standard that builds on GPRS, which is a GSM extension with backward compatibility.

ISP (Internet Service Provider). A company or an organization offering internet access to retail, professional, and business users.

Radio-relay system. Technique used to transmit a signal (voice, data or video) by radio wave. These links consist of relays that are installed on pylons or at high points which are used to ensure that the signal is routed from the source to the destination.

Fidelio. Fidelio was the first points-based loyalty program introduced in Morocco. It is reserved to postpaid customers and was launched on June 1, 2002. This program allows points to be collected on the basis of expenditure and provides advantages in the form of free or discounted handsets and free calls and SMS messages.

Inter-segment revenues. Inter-segment revenues are mainly generated from interconnection services relating to traffic between the fixed-line and mobile networks and the provision to the Mobile segment of leased lines by the Fixed-line segment. Since July 1, 2004, inter-segment revenues also include revenues from the provision of interconnection services with Mauritel.

Frame Relay. Technology used to send high-bandwidth data over long distances, enabling the transmission of large amounts of data, the handling of fluctuations in data flows, and voice transmission.

USF. Telecommunications Universal Service Management Board.

GMPCS (Global Mobile Personal Communications by Satellite). Personal communications system providing cross-border, regional or worldwide coverage via a network of satellites accessible by small, easily transportable handsets.

GPRS (General Packet Radio Service). Packet switching system that increases data rates over GSM networks.

Maroc Telecom Group. The Maroc Telecom entity comprising all fully consolidated companies.

GSM (Global Systems for Mobile Communications). European digital radio transmission standard for Mobile telephony, known as 2G (second generation), developed by ETSI (European Telecommunications Standards Institute) and adopted in 1987. It is the most widely used standard in the world. Used since 1992, this technology uses two frequency bands, 900 and 1,800 MHz, and can transmit voice just as well as data.

Interconnection. Reciprocal service offered by the operators of two different telecommunications networks, enabling all subscribers within the two groups to communicate freely with one another.

IP (Internet Protocol). Telecommunications protocol used on networks to carry internet traffic and based on the transmission of data packets.

Kbits/s (Kilobits per second). Unit of measurement for the speed at which data can be transmitted along a line.

Leased line. Any part of a network (or an access line to that network) that is supplied as a dedicated channel with all of its capacity available exclusively to the user and on which there are no controls or signaling.

LO BOX (GSM gateway). Equipment, compatible with the GSM standard, that has been designed to act as an interface between the GSM network and equipment that is normally meant to be connected to the fixed-line public telecommunications network, e.g., private switching systems (PABX) or ordinary telephones.

MENA (The Middle East and North Africa). Region comprising the following countries: Algeria, Bahrain, Egypt, Gaza and the West Bank, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, Turkey, UAE and Yemen.

PCM (Pulse Code Modulation). Transmission of the spoken word through the sampling and digital coding of the signal. The PCM circuit is the heart of the 2 Mb/s telephone network.

MMS (Multimedia Messaging Service). Multimedia version of SMS enabling real multimedia files (video, audio, high-resolution images) to be attached to text messages.

MSAN (Multi-Service Access Node). New telecommunications technology that shortens last miles, thereby increasing speeds, integrating ADSL and voice and allowing for services such as videotelephony and three-way calling.

Multiplexer. Telecom network equipment that enables the insertion or extraction of data packages.

NMT (Nordic Mobile Telephone) standard. Mobile network launched by Maroc Telecom and based on analog technology operating in the 450 MHz frequency band.

NICT (New Information and Communications Technology). refers to all tools available to us in terms of telecommunication, IT, audiovisual, Internet and multimedia technologies.

PABX (Private Automatic Branch eXchange). Equipment able to establish temporary connections between inbound and outbound lines in order to route communications.

IN platforms (Intelligent Network). Platform allowing value-added services to be made available (prepaid card, prepaid line, kiosk, capped rate plan, etc.).

Divisions. Indicates Maroc Telecom's Mobile or Fixed-line and Internet divisions.

Postpaid (services). Formula whereby services are paid for after being used (free services may also be included in this formula).

Power CP. New, more powerful processor, based on Siemens technology, for MSC mobile switches.

PPT. Smart Network service allowing the marketing of capped rate plans, not with a line number (CLI) but with any virtual phone number.

Prepaid (services). Formula whereby services are paid for before being used (free services may also be included in this formula).

Radio paging. Transmission of numeric or alphanumeric messages to a mobile handset or group of mobile handsets.

NSS System (Network Sub-System). All elements/equipment, in particular switchgear, required to make up a GSM network.

SS7 Network (Signaling System 7). American name for the CCITT 7 network signaling protocol.

ISDN (Integrated Services Digital Network). Entirely digital telecom network enabling the simultaneous transmission of voice and data (fax, internet, etc.).

Roaming. Function enabling customers abroad to make and receive calls via an operator other than the one to which they subscribe.

PSTN (Public Switched Telephone Network). This is the classic 2-line network. This system is switched in the sense that the connection is temporarily established with the person called, as opposed to cable, where the connection is permanent.

Saas. Software as a Service, whereby software and applications are hosted, delivered and maintained via the cloud by the service provider.

SDH (Synchronous Digital Hierarchy). Digital method of optimizing transmissions over fiber optic and radio systems.

SMSC (Short Message Service Center) Servers. Service allowing the sending and receiving of written messages containing a maximum of 160 characters. Messages can be sent via an operator, via the internet or directly using the keyboard on a mobile phone. If the recipient's phone is turned off, the messages are still saved at the operator's message center. The length of time these messages are stored for varies depending on the operator. Nonetheless, in order for messages to be received, the maximum storage capacity of the handset must not have been reached.

Single RAN. Solution for network operators that lowers energy consumption, transmission costs, maintenance, and the amount of ground infrastructure needed with respect to traditional BTS solutions.

SMS (Short Message Service). Written message, limited to 160 characters, exchanged between mobile telephones.

SMW3 (SEA-ME-WE3/Southeast Asia – Middle East – Western Europe). Fiber-optic submarine cable linking four continents.

SSNC (Signaling System Network Control). A new component developed by Siemens that controls signaling traffic for MSCs (mobile switching centers) in such a way as to increase handling capacity.

Signaling Transfer Point (STP) system. Signaling transfer point for S7 signaling systems. The STP allows signaling messages to be routed and transferred by means of the SS7 protocol.

Churn rate. Indicator calculated by dividing the number of contracts terminated over a given period by the average customer base over the same period, expressed yearly. The monthly average customer base corresponds to a given month's mean number of customers taken at the beginning and at the end of that month.

Average churn rate. Indicator calculated by dividing the number of contracts terminated (customers with prepaid and postpaid plans) over a given period by the total average customer base (prepaid and postpaid) for the same period, expressed yearly. The average customer base is the average of all average monthly customer bases (prepaid and postpaid) for the period. The monthly average customer base corresponds to a given month's mean number of customers (prepaid and postpaid) taken at the beginning and at the end of that month.

Dropped-call rate. Quality indicator measuring, for the existing Mobile customer base, the number of dropped communications in comparison to the set of communications established on the network.

Call completion rate. Quality indicator measuring, at peak time on the network, the number of calls successfully completed by the existing Mobile customer base (for the BSS radio portion), compared to all calls transmitted over the network.

Signal failure rate. General term, applicable to various services, expressing the number of lines or services declared to have failed during the period, compared to the set of lines or services for the same period.

Success rate. Quality indicator measuring the number of SMS successfully sent by the existing Mobile customer base, as compared to all SMS transmitted on the network.

CAMEL (Customized Applications for Mobile Networks Enhanced Logic). A technology that enables users to call their home country without needing an area code. The technology works for voice calls as well as short messages (SMS).

TFR. Components of earnings table.

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