

Financial results

H1 2020

Activity report
and
Statement of activities and
results



Warning

This presentation contains information which may be deemed as forecasted information.

Though the Company considers the statements and information rely on reasonable assumptions on the publication date of the present release, they are by nature subject to risks and uncertainties, which may give rise to a difference between the actual figures and those reported or induced in these statements or information.

Sonatel cannot guarantee, or be held liable for the accuracy, thoroughness, coherence and effectiveness of any of the statements or information presented in this release.

Note to readers

According to Article 75 of the Uniform Act relating to accounting law and financial information, “the consolidated financial statements of entities whose securities are listed on a stock exchange and those which request financing within the framework of a public offering must be prepared and presented in accordance with IFRS ”. The application of these standards became mandatory as of January 1, 2019.

As of June 30, 2019, with the authorization of the BRVM stock exchange, SONATEL had published half-yearly financial statements according to SYSCOHADA.

For the first publication in IFRS, SONATEL has decided to present its statement of activities and results as well as its activity report as recommended by article 849 of the OHADA Uniform Act relating to company law. commercial and economic interest grouping.

Consequently, at June 30, 2020, the consolidated income statement was presented in accordance with IFRS by SONATEL.

Regarding the data at June 30, 2019, we presented the information published in SYSCOHADA and those restated in IFRS. The restatements of the IFRS accounts at June 30, 2019 have not been audited.

Activity and Statement of activities and results

(article 849 of OHADA Uniform Act)



Contents

Activity report

Key figures and Highlights

p 6

Summary by country

p 11

Operational results

p 17

Statement of activities and results

Financial results

p 24

Perspectives

p 28

Highlights and Key figures

#1

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A semester marked by a global health crisis and increased aggressive competition



Contribution health crisis Covid19



In the context of the spread of the COVID-19 epidemic, the States of the Countries where the Sonatel Group is present have declared a state of emergency on their national territory with a number of measures aimed at severely limiting the movement of people.

In addition to the support from the foundation of the Orange group, the Sonatel group has initiated aid and support actions in all of its operations to support states, populations and organizations in the fight against the spread of the pandemic. Particular attention has been paid to the availability of networks and services and to traffic fluidity despite the sharp increase in data flows.

Senegal

- Significant contribution estimated at more than 2 billion XOF in kind, services and in cash, including 250million + 50million XOF (staff) to the State Fund and:
- Development of the former LSS airport pilgrims terminal into an emergency medical site.
- medical equipment for the Diamniadio treatment center (transport ventilators, resuscitation ventilators, ECG machines, etc.)
- strengthening of the capacity of the Call Center hosting the toll-free numbers.
- Provision of communication media and TV, Radio and Internet spaces for the dissemination of awareness messages
- Free transfer fees and Orange money payment fees
- increase in speeds offered on the Residential Fixed Internet
- Free access to high quality, exclusively educational content.

Mali

- Orange Mali Foundation support 377 million XOF for the purchase of equipment, medicines and health kits (masks, bottles of alcoholic hydro gel; boots, coveralls, glasses, gowns, gloves, hand washing kits)
- Orange Mali support for coordination and links for the medical profession and the field teams: 100 million XOF in Mobile topup credit
- Setting up a dedicated and free call center
- Intense communication and awareness campaign (TV, radio, Press, social media): 80 million XOF
- Sending written and voice SMS pushes to the entire customer base 3 time a weeks
- Orange money subsidy: free transfers <5,000 XOF, free payment of water, electricity bills, merchant commissions
- Free access to high quality, exclusively educational content.

Guinea

- Provision of a call center
- Support in raising awareness (SMS, posters, radio spots)
- Donations of medical equipment and protective equipment (washing kits, respirators, gloves, FFP1 and FFP2 masks, bottles of hydro-alcoholic gel, coveralls, glasses, visors and thermoflash)
- Nutritional support in hospitals, orphanages and digital homes
- Free Orange money transfer fees
- Heavily subsidized access to high quality exclusively educational content.

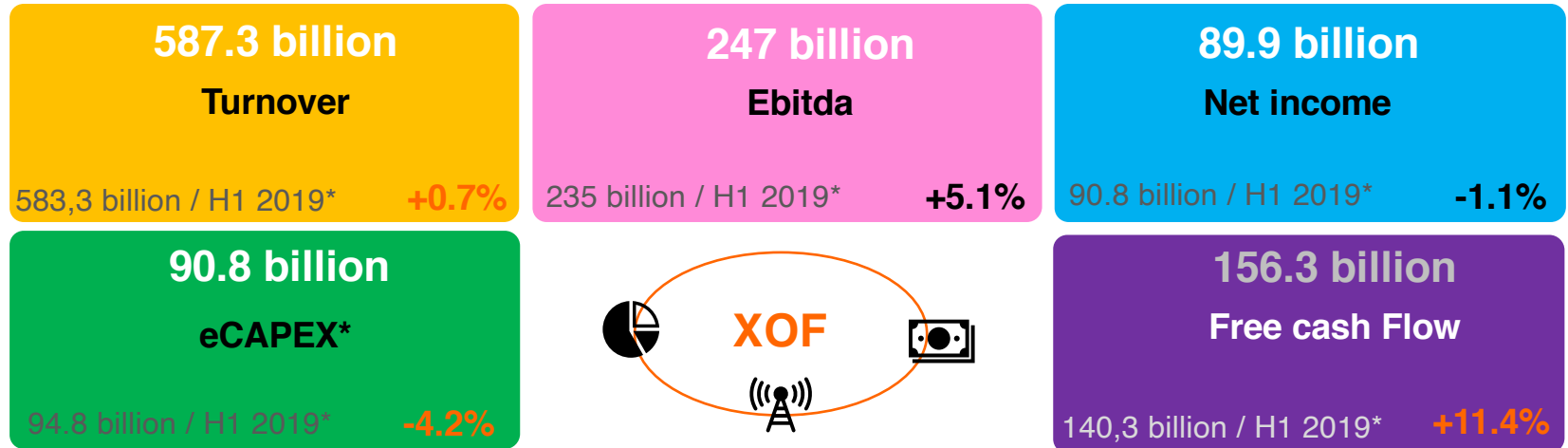
Bissau

- Provision of the 2020 emergency number to the Ministry of Health to take calls from the covid-19 call center
- Awareness message on music on hold before any call from orange customers
- Support to the Ministry of Health with 55 million XOF including 30 million XOF at their disposal for the purchase of equipment and 20 million XOF in Internet service for 13 health structures and mobile fleet
- Distribution of 2,000 bags of rice which benefited more than 16,000 people in greatest need throughout the national territory during a period of confinement

Sierra Leone

- Donations of personal protective equipment (masks, hydroalcoholic gel, gloves, etc.) to community centers
- Advertising and poster campaigns to promote the use of personal protection equipment and barrier gestures to the general public
- Donation of 1 billion SLL to the National Center for the Management of the Covid Crisis
- Free access to high quality, exclusively educational content.

Financial figures



Revenues: Turnover growth of +4 billion, i.e. + 0.7% yearly, driven by Guinea and Sierra Leone despite the drop in value in Senegal with the price war launched in 2019 and the impact of covid19 felt in all cluster countries in the second quarter of 2020.

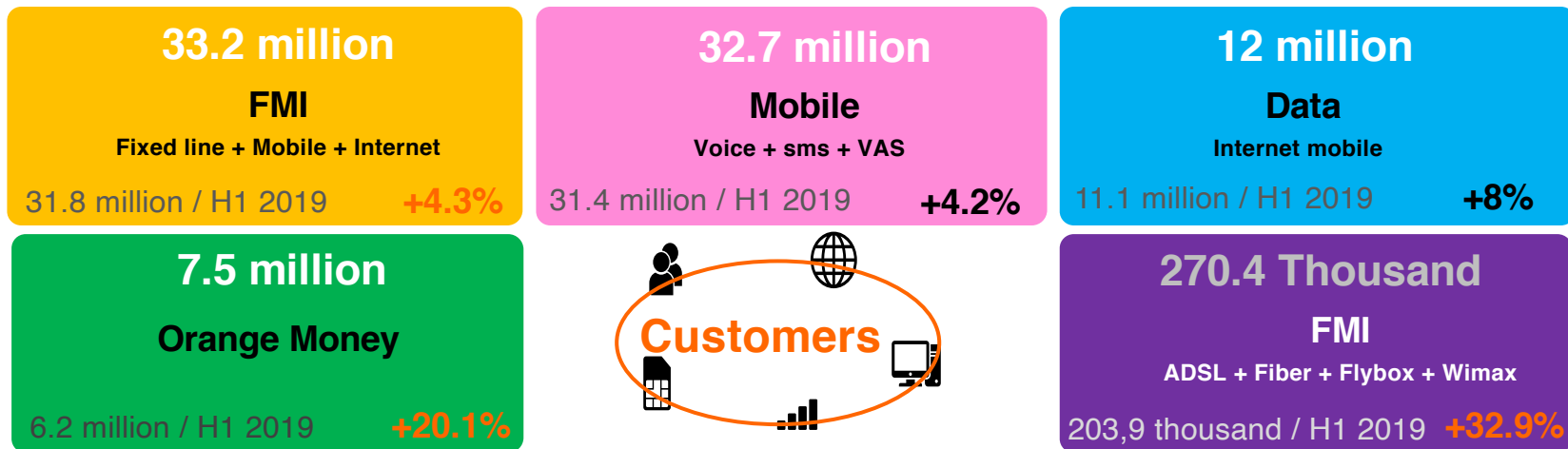
EBITDA: Very good performance of the operating margin despite the weak growth in turnover in connection with the strong savings on indirect costs.

Net income: Slight decrease in net income linked to the increase in depreciation and the deterioration in financial income.

* eCAPEX = CAPEX excluding disposal of fixed assets

* H1 2019 restatements under unaudited IFRS

Operational figures



Mobile fleet: Continued growth in the fleet despite the slowing effects of COVID19 (restrictions on field actions) following the revival of mass sales of SIMS in Mali, combined with good recruitment dynamics in all countries (except Bissau).

Mobile Internet: Good business strategy focused on abundance with a 36.7% increase in the mobile subscriber base.

Orange Money: Represents 22.9% of the mobile subscriber base. Full KYC fleet: 59.1% of active customers

Summary by country

#2

sonatel



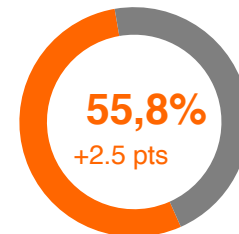


Declining half-year results given the economic and health situation (Covid-19) and the increase in competition with a strong destruction of value led by competition. Strengthening of our commercial positions in volume and value thanks to good recruitment dynamics.

Launch of a bond loan to finance our ambitious investment program around maintaining the competitive advantage on very high-speed broadband.

- Visit of Stéphane RICHARD CEO Orange in Dakar
- March 2: 1st COVID 19 case in Senegal
- establishment of a state of emergency and curfew; ban on demonstrations; closure of schools, air and land borders
- Sonatel's CSR posture in the context of the Covid19 crisis
- Continuation of the Free Mobile campaign with emphasis on portability and 4G + deployment and launch of targeted offers on fiber
- Announcement of a partnership between Expresso and Huawei for 4G
- Meeting between MVNO Operator and Orange (Continued conflict with host operator)
- New price reduction for free packages in June
- Measures to promote e-payment by the BCEAO in the fight against the spread of Covid-19 which ended on June 03, 2020
- Reduction of the rules governing promotions by the regulator (Notification on March 31) in the context of the covid19 crisis,

Market share Volume



2G / 3G / 4G / 4G+

Mobile penetration



Data penetration



Orange Money penetration



Mobile base growth

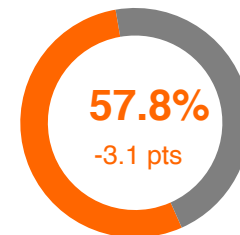




Security situation still sensitive in the north of the country. Maintain strong commercial positions in volume. Strong improvement in 3G and 4G coverage. Deployment of THD around LTE solutions (FDD, TDD) and FTTH fiber. Maintaining the operating margin despite the strengthening of regulatory pressure (promotion supervision, MTR reduction).
Good financial performance despite the slowing effects of the security situation and the Covid 19 crisis.

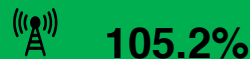
- Persistent insecurity in the central and northern part of Mali with impacts on the 3G and 4G coverage extension program and on the quality of service
- Limited increase in confirmed coronavirus cases in Mali. Relaxation of restrictive measures. Lifting of the curfew throughout the country
- Proclamation of the final results of the legislative elections leading to disputes in certain localities
- 2.7K new residential FTTH customers recruited in the first half of the year and 17K LTE customers (FDD, TDD).
- Promo Bonuses from the various market players (Top-ups and via Mobile Money)
- Promo on the sale of Sobox residential offers (mobile and fixed) at 10K XOF instead of 30K XOF.
- Entry into force of the new asymmetric interconnection charges since January 01, 2020
- To Orange: 2.5 XOF / min (instead of 5.7 XOF previously)
- Towards competition: 3 XOF / min (instead of 7 XOF previously)
- Solidarity actions of the Orange Mali Foundation, as part of the support of the Malian authorities in the fight against covid19 (1 billion XOF contribution).

Market share Volume



2G / 3G / 4G

Mobile penetration



Data penetration



Orange Money penetration



Mobile base growth

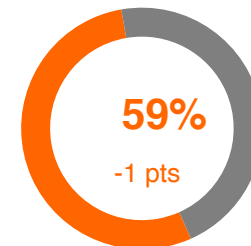




Consolidation of operational and financial performance despite a difficult environment marked by socio-political tensions and the Covid crisis. Strengthening of commercial positions supported by the investment effort and commercial activities. Growth in activity driven by mobile data and Orange Money. Improvement of the operating margin thanks to the development of customer usage and cost control. Continued improvement of network coverage and QoS.

- Context of the Covid health crisis impacting economic activity in general with the establishment of a curfew and restriction of travel
- The referendum on the modification of the constitution and the legislative election was held in March 2020, preceded by strong social political tensions. Installation of a new parliament
- Announcement of the presidential elections on October 18, 2020
- Support for State actions in the fight against Covid:
- Provision of a call center and support in raising awareness (SMS, posters, radio spots)
- Donations of medical equipment and protective equipment
- Free Orange money transfer fees
- Improved penetration of digital customer solutions and merchant payment
- Launch of new home Internet offers (Homebox) and online sales
- Launch of the E-education platform

Market share Volume



2G / 3G / 4G

Mobile penetration



Data penetration



Orange Money penetration



Mobile base growth

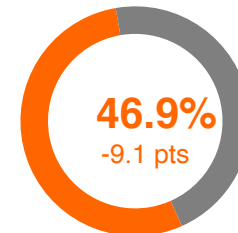




End of the political crisis with the election of the new President.
Financial results impacted by the economic gloom and the Covid 19 crisis.

- ECOWAS recognizes Umaru Cissoko EMBALLO as President of the Republic
- Government program approval
- Economic gloom with an impact of the COVID19 health crisis on the cashew market
- Fundraising of XOF 25 billion on the WAEMU financial market by Guinea Bissau, including 10 billion XOF to finance the state budget and 15 billion to finance the cashew campaign
- GSM 900 frequency allocated to Orange Bissau to improve coverage
- Implementing inbound traffic control
- 3G and 4G terminals promotions
- Launch of Tele-work offers (Internet Home, Internet Business)
- Free Orange Money promo (BCEAO Covid 19 measures)
- Voice Data Sms overhaul

Market share Volume



2G / 3G / 4G

Mobile penetration



87%

Data penetration



24%

Orange Money penetration



63%

Mobile base growth



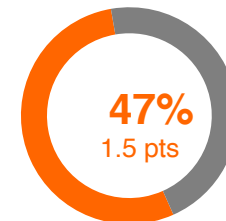
-1.4%



Maintaining leadership in volume despite the COVID context. Strong financial performance driven by strong commercial performance and sustained revenue growth. Tax and regulatory pressure still heavy despite the adoption of measures favorable to activity. Continuation of investment efforts to support the growth of the activity..

- Context of the Covid health crisis with the establishment of 2 lockdowns of 3 days in April and May;
- Good recruitment dynamics, continued animation on offers and promotions
- Strong improvement in profitability thanks to a policy of controlling commissioning costs and indirect costs
- Slight decrease in the exchange rate compared to EURO and USD compared to December 2019
- Introduction of a floor price on March 7, 2020, suspension of promotions and modification of bundles
- Strong growth in data traffic and revenues, particularly in the youth segment
- Second bill on regulation by NATCOM (free supervision and promotions, special numbers, etc.) under discussion with operators.
- Launch of a free educational portal in partnership with the Ministry of Education.
- Launch of hybrid pass for B2B customers
- Launch of Orange Energie (marketing of solar kits) in the north of the country.

Market share Volume



2G / 3G / 4G

Mobile penetration



60%

Data penetration



17.4%

Orange Money penetration



28%

Mobile base growth



10.4%

Operational results

#3

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Operational performances



Customer base	H1 2019	Q1 2020	April 2020	May 2020	H1 2020	H1 20/19
Fixed-Mobile-Internet (in million)	31.8	33.1	33.0	32.8	33.2	4.30%
Fixed line (in thoudsand)	221	211.6	212.0	217.4	214.9	-2.7%
Mobile (in million)	31.4	32.7	32.5	32.4	32.7	4.20%
Internet Broadband (in thoudsand)	203.5	242.3	251.3	265.1	270.3	32.90%
Internet Mobile (in million)	11.1	12.1	11.8	12.1	12	8%
Orange Money (in millon)	6.2	7.0	7.1	7.5	7.4	20.10%

Customer base

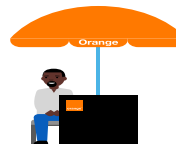


PARC	S1 2018	S1 2019	S1 2020	S1 19/18	S1 20/19
Fixed line	292 381	221 005	214 977	-24.4%	-2.7%
Mobile	26 904 036	31 396 849	32 718 469	16.7%	4.2%
Internet Broadband	155 748	203 888	270 387	30.9%	32.6%
TOTAL	27 352 165	31 821 742	33 203 834	16.3%	4.3%

33.2 million FMI clients in June, up 4.3% compared to 2019 thanks to continued recruitment momentum in all countries except Bissau, which saw its fleet decrease. This development was globally impacted by the negative effects of COVID 19 compared to the growth of 16.3 in 2019.

Continued development of very high speed fixed and mobile around 4G / 4G +, FDD / TDD and fiber. 55% of our fixed Broadband customers have a fiber or flybox offer.

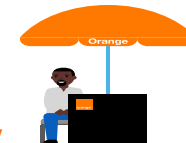
Mobile customer base



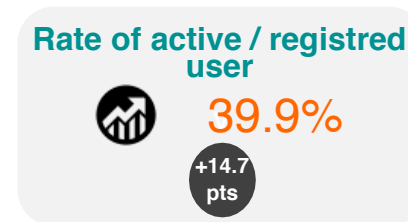
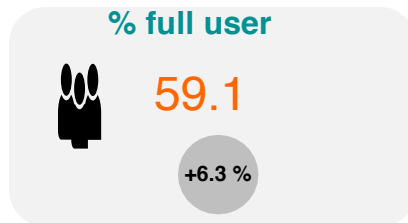
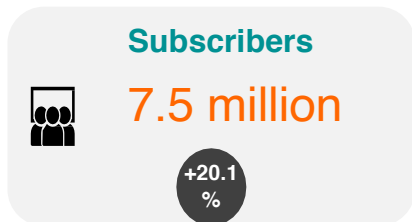
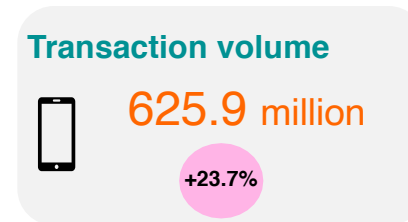
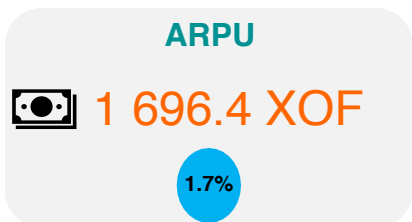
Mobile Base (in thousand)	H1 2018	H1 2019	H1 2020	H1 19/18	H1 20/19
Senegal	8 689	9 173	9 903	5.6%	8%
Mali	8 891	11 689	11 796	31.5%	0.9%
Guinea	6 992	7 616	7 883	8.9%	3.5%
Bissau	693	729	719	5.2%	-1.4%
Sierra Leone	1 640	2 190	2 418	33.5%	10.4%
TOTAL PARC	26 904	31 397	32 718	16,7%	4,2%

Parc (in thoudsand)	Senegal	Mali	Guinea	Bissau	Sierra Leone
Data Mobile	4 225	4 426	2 781	175	417
Orange Money (active user)	2 798	2 445	1 469	101	685

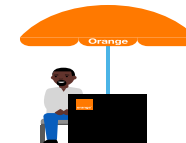
Orange money



Continued growth in turnover (+ 20.7%), despite the deflator effects of COVID 19. Continued growth in activity marked by an increase in the active fleet thanks to the decision of the BCEAO to authorize the opening of an account for all mobile customers. Almost 60% of active customers are Full.



Mobile data



Strong level of growth in turnover (+ 21%) thanks to the increase in the number of vehicles and uses resulting from the good penetration of 4G. Revenue growth lower than that of 2019 due to the effects of COVID 19 combined with the negative impacts of the repricing of illimix offers in Senegal. Almost a quarter of Sonatel's turnover comes from our Data Mobile offers.

Turnover



138.3 billion XOF

+21%

Contribution to turnover growth



597.9%

+538 pts

Weight on global turnover



23.6%

+4 pts

4G⁺

Active user



12 million

+8%

4G active user



3.48 million

+81.8%

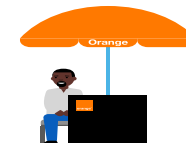
ARPU



1 939.1 XOF

+9.2%

Internet Broadband



Sustained growth in Fixed Broadband around Fiber and Flybox marked a 19.1% increase in turnover and an increase in the number of more than 40k customers and the maintenance of ADSL in Senegal. At the end of June, nearly 55% of our customers had either a Fiber or Flybox offer (+18.7 points) and more than 22% of the potential connectable fiber connected were at the end of June.

Turnover



19.9 billion XOF

+19.1%

Contribution to turnover growth



79%

+71.9 pts

Weight on global turnover



3.4%

+0.5 pts

ARPU



13 252.7 XOF

-9.9%

Subscribers



270.4 thousand

+32.9 %

Delta parc clients



40.5 thousand

+157.6 %

FTTx park/connectable housing



22.6%

+7,1 pts

Financial results

#4

Statement of activities and results

sonatel



Financial performances



Very good performance of ebitda (5.1%) which exceeds revenue growth (0.7%).

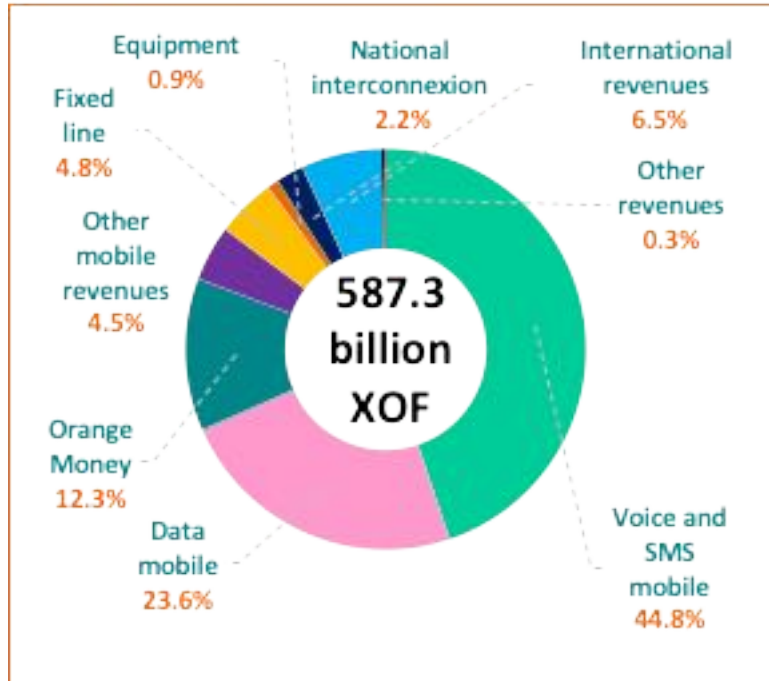
IFRS (in billion XOF)	H1 2019	H1 2019*	Q1 2020	April 2020	May 2020	June 2020	H1 2020	H1 20/19
Turnover	542	583.3	295.8	95.2	98.5	97.8	587.3	0.70%
EBITDA	235.8	235.0	120.1	37.9	44.0	45.0	247	5.10%
Profit before tax	145.3	145.8	69.3	21.9	28.9	21.9	142.0	-2.57%
Net profit	93.8	90.8	45.7	10.5	20.7	12.9	89.9	-1.10%
Free Cash Flow	137.5	140.3	81.2	14.9	29.6	30.5	156.3	11.40%
eCAPEX	98.3	94.8	39.0	23.0	14.3	14.5	90.8	-4.20%

Turnover

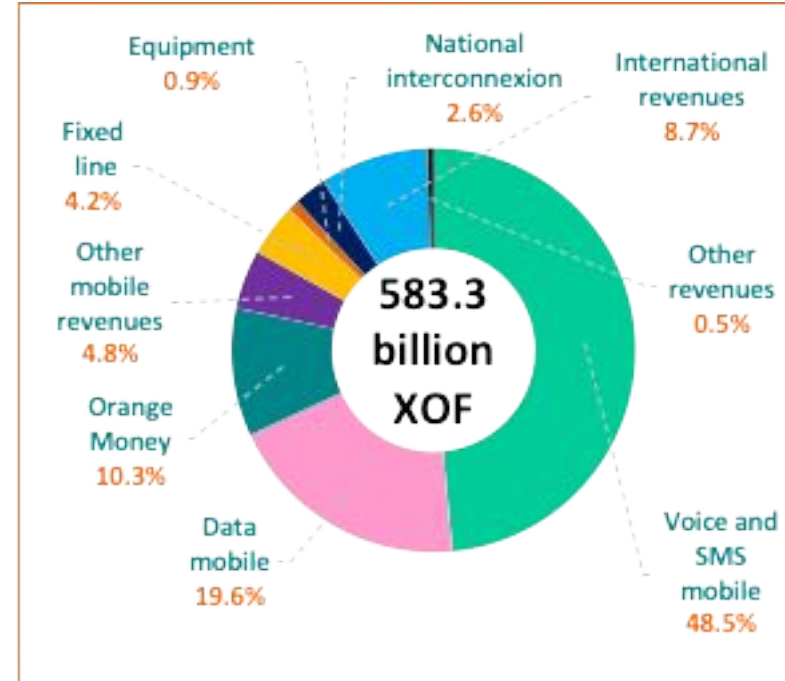


Strengthening of the contribution of Data and Orange Money in the face of the international decline. Voice, SMS and AVS core business activities are experiencing a slight decline but still occupy a predominant place in revenue generation.

2020 weight by activity



2019 weight by activity

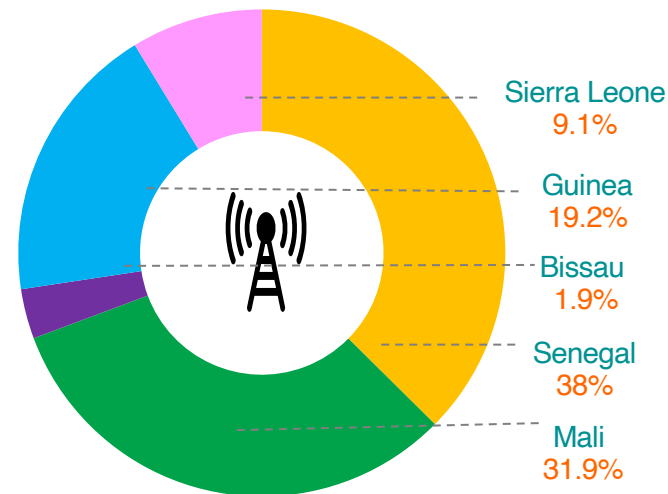


Capex



CAPEX 2020 focused mainly on mobile deployment and fiber projects. In Senegal, the achievements focus on the redesign of radio sites, fiber deployment, energy (security and obsolescence), IP / MPLS extension, Main one and BAFO projects. Likewise in Mali, they also covered site swaps and upgrades as well as backbone links and FTTx.

eCAPEX*	H1 2019	H1 2020	S1 20/19
Network	82.8	80.95	-2.2%
Off Network	12	9.85	-17.9%
Total	94.8	90.8	-4.2%
eCAPEX rating	16.2%	15.5%	-2.6 pts

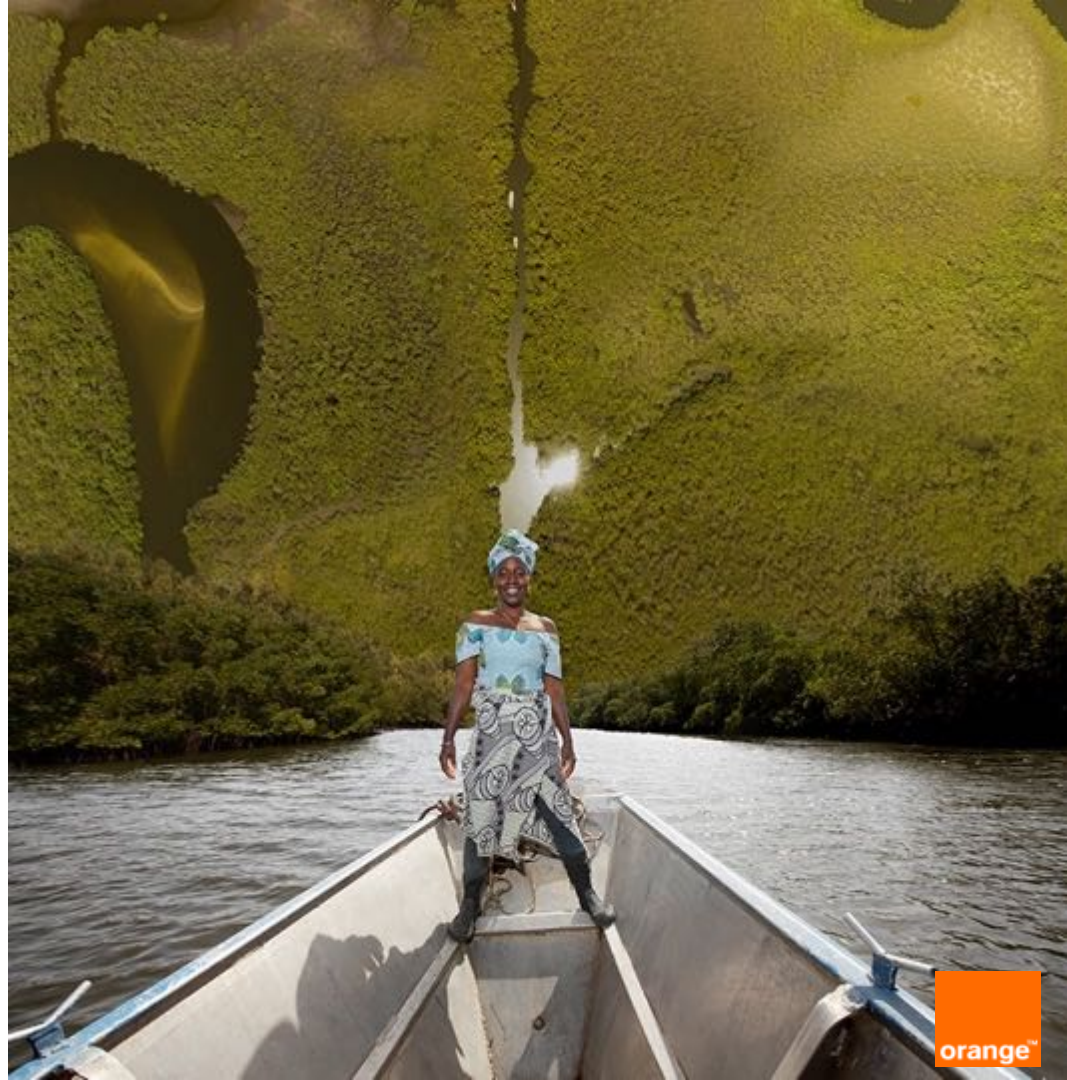


* eCAPEX = CAPEX hors cession d'immobilisation

Perspectives

#5

sonatel



Perspectives

The first half of 2020 will have been marked by an unprecedented global health crisis that has impacted economic activity in all of our countries of presence.

Despite the intensification of competition, especially in Senegal and Bissau, the group has been able to maintain revenue growth and good control of indirect costs, thus reflecting good operational performance.

The group will continue its investment program with the aim of preparing our networks and service platforms to carry even more traffic with excellent quality of service, but also to deploy new offers and innovations to accelerate our transformation into a multi-service operator.

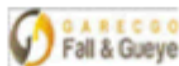
Faced with the crisis, the group will implement cost optimization measures in all of its countries of presence in order to be able to deliver profit forecasts despite the risk of delay in turnover

Appendices

#6

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GARECGO
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**Société Nationale des Télécommunications du Sénégal
(SONATEL)**

Société Anonyme
64, VDN Cité Keur Gorgui
BP 69 - Dakar/Sénégal

**Attestation des commissaires aux comptes sur la sincérité des
informations données établie en application de l'article 849 de
l'Acte Uniforme révisé relatif au Droit des sociétés commerciales et du GIE**

Tableau d'activités et de résultat et Rapport d'activité semestriel
Période du 1er janvier au 30 juin 2020



GARECGO

Membre JPA International



RACINE

Membre d'Ernst & Young

Conformément à l'article 849 de l'Acte uniforme révisé relatif au Droit des sociétés commerciales et du groupement d'intérêt économique, « *les sociétés dont les titres sont inscrits à la bourse des valeurs d'un ou plusieurs Etats parties doivent, dans les quatre mois qui suivent la fin du premier semestre de l'exercice, publier dans un journal habilité à recevoir les annonces légales de ces Etats parties un tableau d'activités et de résultat ainsi qu'un rapport d'activité semestriel accompagné d'une attestation du commissaire aux comptes sur la sincérité des informations données* ».

A cet effet, nous avons procédé à un examen limité du tableau consolidé d'activités et de résultat et du rapport d'activité semestriel du groupe SONATEL relatifs à la période du 1er janvier au 30 juin 2020 tels que joints à la présente attestation.

Ce tableau et ce rapport ont été établis sous la responsabilité de la Direction de la société. Il nous appartient, sur la base de notre examen limité, de nous prononcer sur la sincérité des informations données dans le tableau d'activités et de résultat et dans le rapport d'activité semestriel.

Nous avons effectué cet examen selon les normes professionnelles applicables au Sénégal. Ces normes requièrent la mise en œuvre de diligences limitées conduisant à une assurance, moins élevée que celle résultant d'un audit, que le tableau et le rapport ne comportent pas d'anomalies significatives. Un examen de cette nature ne comprend pas tous les contrôles propres à un audit, mais se limite à mettre en œuvre des procédures analytiques et à obtenir des dirigeants et de toute personne compétente les informations que nous avons estimées nécessaires.



GARECGO

Membre JPA International



RACINE

Membre d'Ernst & Young

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalie significative de nature à remettre en cause la sincérité des informations données dans le tableau d'activités et de résultat et dans le rapport d'activité semestriel du groupe SONATEL.

Dakar, le 20 juillet 2020

Les Commissaires aux comptes

GARECGO

MEMBRE DU RESEAU JPA INTERNATIONAL

Mamour FALL
Associé

RACINE

MEMBRE D'ERNST & YOUNG

Makha SY
Associé

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i