

A woman with dark skin and short hair is shown in profile, her eyes closed. She is wearing a mask made of colorful, swirling paper quills in shades of pink, white, and gold. She is also wearing a light pink, draped garment. The background is a solid light pink color.

Sonatel Group ANNUAL REPORT 2020

#beautyunmasked

sonatel





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FOREWORD



THE BEAUTY BEHIND THE MASKS



Beauty is omnipresent, but you have to be able to see, imagine, grasp and take it all in.

In this very special period, humanity is hiding behind masks. But behind these masks is an invisible and yet very real beauty. Wearing a mask is to protect yourself and the whole of society. More than an accessory, it is an emblem of our desire to serve and take care of those who matter to us.

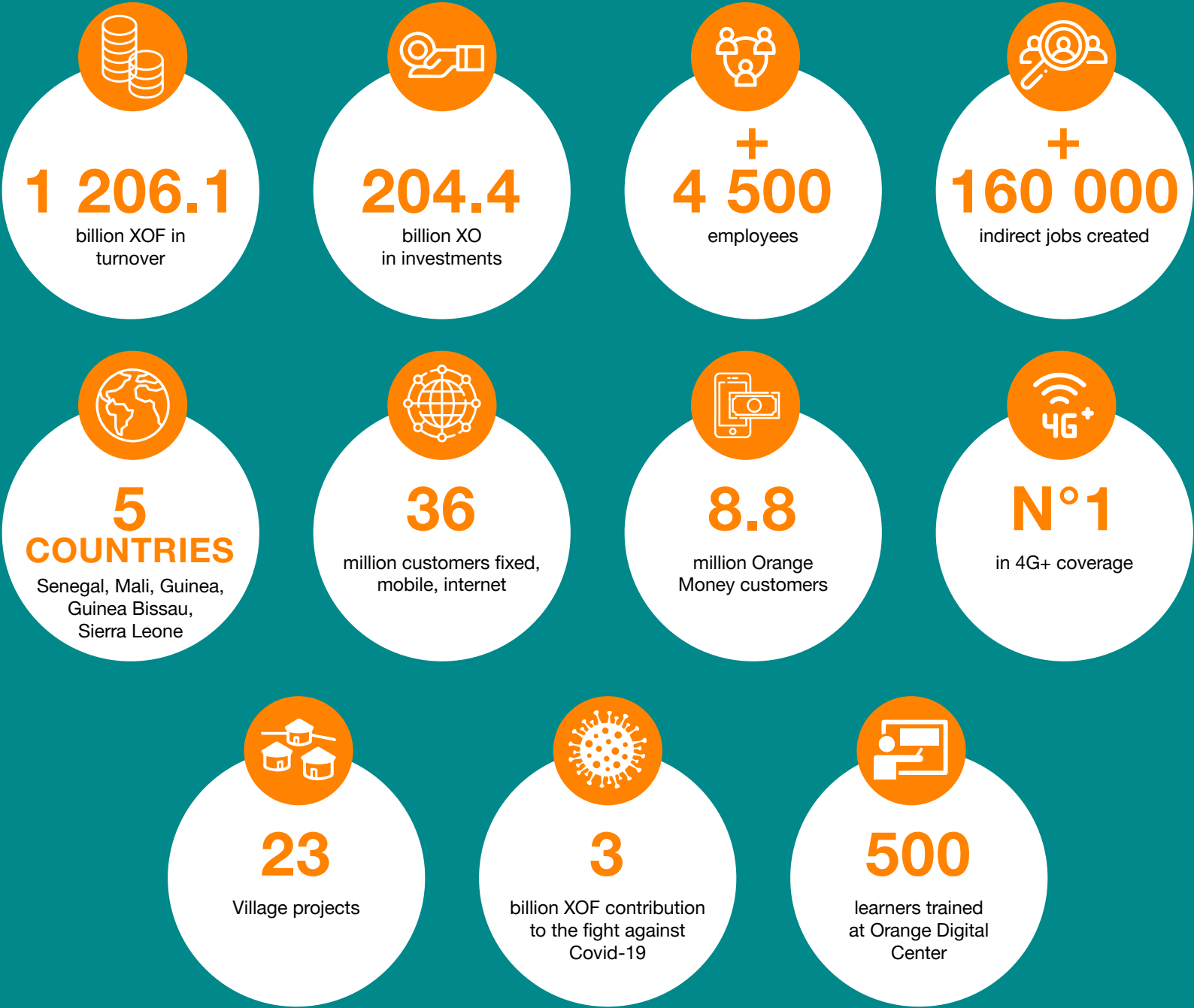
Behind every mask there is a man, a woman, a doctor, a hairdresser, a driver ... Their faces are masked yet their gestures are clearly visible. The beauty of the gestures is transcended, the commitments multiply. Solidarity and the desire to act for the collective good has not disappeared.

The true beauty of Man is invisible, it is hidden in the act. It is driven by the desire for something “better”. To be more powerful, connecting is crucial. Connecting makes ideas possible, concrete and allows them to grow.

For the Sonatel Group, connecting people is essential. That is how we help make the invisible visible.

Beauty is masked, but beauty remains present.

IDENTITY CARD



THE LETTER FROM THE CHAIRMAN

Mr.
Alioune NDIAYE
Chairman of the Board
of Directors



In 2020, massive investments (204.4 billion XOF; 16.9% of income) were maintained in all the countries of the group to meet the needs of rural expansion, Mobile and Fiber rollout to support the growth in demand for mobile data and fixed internet. These investments have enabled a 9.9% growth in the total customer base (35.9 million) despite the slowdown effects of COVID19.

This dynamic was made possible thanks to the development of very high speed networks in Fiber, LTE / FDD and TDD offers (+81.6%) with 309,749 customers and abundance usage and through the development of mobile (4G / 4G+), as well as the good performance of fixed, Data and Orange Money growth drivers. Orange Money, with an increase in turnover of 23.5% and data with a growth in turnover (+20.2%).

The Sonatel Group's turnover amounted to 1,206 billion, up 2.3% (+ 28 billion) compared to 2019. This growth is driven by all of the group's countries except Senegal which was impacted by the drop in market value induced by the fiercely competitive environment combined with the effects of the covid pandemic and Guinea Bissau where the sluggishness of the economy continues.

Senegal's turnover stood at XOF496 billion in 2020, a decrease of -2.9% mainly driven by the poor performance of the consumer mobile market in the context of Covid19 and the overall market decline estimated at -4.6% linked to the fierce competitive environment.

The turnover of our subsidiaries grew by 6% in 2020. This progression is linked to the remarkable commercial performances in Guinea, Sierra Leone and Mali thanks to the contributions of mobile data, Orange money and the increase of fixed broadband. The continued deployment of Very High Speed mobile and fixed and the improvement in the quality of our mobile networks have strongly contributed to the development of usage. Income thus increased by 29% and was accompanied by a significant growth in the asset base.

The group's revenue growth dynamic took place despite Covid 19, which has had a negative impact on all markets. Indeed, the development of our networks (in particular new sites in Sierra Leone and more frequencies in Guinea) combined with the dynamics of fixed, data and Orange Money growth drivers, has made it possible to achieve positive overall growth.

Sonatel has experienced good growth of its EBITDAaL of 7.6% (+37 billion XOF, amounting to 519.2 billion XOF) linked to both improvement action plans in Senegal and all the precautionary and

transformation measures implemented during the Covid19 crisis as well as the efforts to control operational costs. Net income grew by 3% (201.3 billion XOF) thanks to the improvement in EBITDAaL, which covers the increase in depreciation and financial expenses.

In 2020, the Corporate Social Responsibility of Sonatel had an even greater "impact" on the daily life of the populations. Through its various Corporate Foundations, the Group mobilized more than 3 billion XOF for the benefit of States in Health, Economy, Technology and Communication to support resilience efforts. Further, the establishment of Orange Digital Centers is testimony to Sonatel's commitment to support the digital transformation of our countries by preparing young people for the job market and innovative entrepreneurship.

The Group's commitment remains resolutely customer-oriented. By pursuing a human and material investment, Sonatel's ambition in 2021 is to continue to provide its customers with an incomparable experience, through a recognized technical and commercial Quality of Service, while providing solutions to changes in society through the development of new digital usages.

Despite the difficult health and economic context that we are experiencing, the Board of Directors has confidence in the positive dynamics and the solidity of the Group's financial structure, and proposes to the General Meeting of 28 April, 2021 the payment of a net dividend of 1,225 XOF per share.

All the members of the Board of Directors and I would like to extend our warm congratulations to the managers and all the employees of the Sonatel Group in the five countries for these good results and encourage them to consolidate them for this year 2021, which inherits and is still suffering from an exceptional global crisis. The group has been resilient thanks to its values, its know-how and the commitment of its employees. Sonatel will find, I am convinced, in this difficult context, the necessary resources to deliver even more to the populations thanks to its quality of service and access. I have no doubt that our commitment and mobilization in the service of our stakeholders will keep the Group at the top with excellent results.

The Sonatel Group will once again be able to count on the support of the Board of Directors to remain an engine for the development of the digital economy and the digitalization of our societies.

Alioune Ndiaye,
Chairman of the Board of Directors

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Mr.
Sékou DRAME
CEO of Sonatel Group



2020 has been characterized by the Covid 19 pandemic with all its consequences. However, it is with pride that we announce our strong leadership positions in our various markets. This performance was achieved thanks to the contribution of our growth drivers (mobile data and orange money) and employee commitment in all our countries of presence despite a difficult health situation.

Thus, I would like to congratulate the women and men of the Sonatel Group for their commitment and their professionalism, without whom these excellent operational results would not have been achieved. I also congratulate all our partners and suppliers who daily support our efforts to offer the best services to our customers.

The digital revolution and the transformation of our societies are now a reality for all strata of the population. The financial results were achieved thanks to high operational performance driven by the resumption of growth in the mobile base in Mali, combined with the sound recruitment drive in Senegal, Guinea, Guinea-Bissau and Sierra Leone. The steady increase of the subscriber bases from the growth driver services that are Data and Orange Money confirms the relevance of the significant investments made in network extension and improvement during 2020. Also noteworthy are the efforts made to control costs.

At the end of 2020, the global base (fixed, mobile and internet) stands at 35.9 million customers, with a growth of 9.9%, notwithstanding the slowdown effects of COVID19 with the limitations noted on local commercial events.

Mobile customers make up most of it with 35.4 million (+ 9.7%). Penetration is still on the rise for mobile data (35.2%) and for Orange Money (24.4%).

In Senegal, the symbolic bar of 10 million mobile subscribers has been exceeded with more than one million new Orange customers onboarded in 2020, representing 85% of new customers in the market. This renewed customer confidence reinforces the Group in its ambition to offer them the best services at affordable prices, adapted to their needs and purchasing powers. Sonatel is delighted and thanks its new and old customers.

The mobile data user base held up well with 12.7 million (an increase of 12.5%), especially in Senegal thanks to a good policy focused on abundance and quality of service.

The number of Orange Money customers is also on the rise at 8.8 million (+29.1%), driven by the strong recruitment drive and the relaxation of account opening requirements in the context of Covid19.

The continued growth of the very high-speed broadband network of Fiber, LTE / FDD and TDD offers are also noteworthy (81.6%) with 309.749 customers and confirms the policy of increased investments in very high speed these last few years.

In response to this unprecedented health crisis, the Sonatel Group's CSR has mobilized more than 3 billion XOF in support of the resilience efforts of States in Health, Economy, Technology and Communication. Corporate social responsibility remains the basis of the civic commitment of the Sonatel Group.

The permanent dialogue with our various stakeholders allows us to take a large part of their concerns into account in our strategy. This is how the assistance to startups, training, logistical and financial support through animation remains a priority in our CSR policy. Our programmes and support for incubators in Mali, Guinea, Senegal, Guinea-Bissau and Sierra Leone have grown in 2020 for the benefit of the actors in the digital ecosystem with a particular focus on initiatives by women and young people.

The digital transformation strategies undertaken by the States find in us a perfect ally for economic emergence. Youth employability training at Orange Digital Center in Senegal, a successful innovation center, will be extended to all the countries in which the Group is present. Digital Houses and "Village Projects" remain the gondola heads of our patronage policy, supported by the Foundation which mainly focuses its solidarity actions on Health, Education and Culture in our countries acting at the heart of people's lives for their well-being. Sonatel, its subsidiaries and the Foundations have contributed significantly thanks to the support of the Orange Foundation for the response to Covid 19.

Our ambition to continuously offer a unique and incomparable customer experience, as the guarantee of loyalty and conquest has been reinforced through the realization of our ambition to be an RCO (resolutely customer-oriented) Group, a special partner in the digital transformation of our companies.

Awareness-raising actions on environmental preservation/protection, the strengthening of eco-design and the reduction of our carbon footprint are also avenues or expressing our commitment to sustainable development.

I now invite you to discover all of our financial results as well as our important achievements in this 2020 annual report.

I wish you a good read.

1

SOLID GOVERNANCE: OUR ETHICAL COMMITMENT

Since 05 May, 2014, the date of entry into force of the new OHADA Uniform Act on the Law of Commercial Companies and Economic Interest Groups (AUSCGIE), all commercial companies have the legal obligation to bring to the attention of their shareholders a certain amount of information, notably concerning the governance of their company.

Articles 547-1, 831-2 and 831-3 of the aforementioned Uniform Act that determine these new rules. Sonatel did not wait for the implementation of these provisions to inform its shareholders about its mode of governance.

Thus, as usual, Sonatel shares with its shareholders the following information.

Enter
the dance



SOLID GOVERNANCE: OUR ETHICAL COMMITMENT

1 TERMS OF PARTICIPATION OF SHAREHOLDERS IN A GENERAL MEETING OF SONATEL

The right to participate in Meetings is subject to the registration of the shareholder's name in the register of registered shares five (5) days before the meeting.

The accounting record of the shares in the name of the shareholder or the temporary agent registered on his behalf, on the third working day preceding the Meeting at midnight local time, in the bearer securities registers kept by the Stock Exchange (Bourse des Valeurs Mobilières, or BRVM) also confers the right to attend General Meetings.

Any shareholder (or group of shareholders) holding at least one hundred (100) shares may attend or be represented at Ordinary General Meetings.

Whatever the number of shares they hold, any shareholder may participate or be represented at Extraordinary General Meetings.

Any shareholder may be represented by their spouse or a proxy of their choice, who may be a shareholder or not.

Every shareholder has as many votes as the shares they own and represent.

The proxy holder of a shareholder has the votes of their principal under the same conditions and the same limit.

2 UPDATE ON THE STATUS OF EMPLOYEE STOCK OWNERSHIP

Sonatel attaches special importance to the shareholding of its staff and it is for this purpose that, since its stock market listing in 1998, all staff are shareholders.

This shareholding of Sonatel Group company employees is now cited as an example, with each employee feeling more concerned about the future of his company.

This example is replicated in many companies today.

As of 31 December, 2020, the Sonatel Group has 1.850 employees in Senegal (excluding foreign subsidiaries and expatriates).

As at 31 December, 2020, 1822 active employees of Sonatel are shareholders (including expatriates and excluding new 2020 recruits), that is, a 6% stake in the share capital.

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3.

COMPOSITION OF THE
BOARD OF DIRECTORS

As at 31 December, 2020, Sonatel's Board of Directors is composed of the following 09 members (08 directors and a representative of the Financial Controller):

Mr
Alioune NDIAYE
Chairman of the Board



Mr Ludovic PECH
Director



Mr Achirou NDIAYE
Director



Mr Jérôme HENIQUE
Director



Mr Abdoulaye SAMB
Director



Mr Abdoulaye DIOP
Director



Mr Hugues FOULON
Director



Colonel Koly FAYE
Director



The late Abdoulaye KAMARA
Representing the Financial
Controller (deceased on
24/12/2020)

4

MANAGEMENT
COMMITTEE
OF THE GROUP



Sékou Drame
Chief Executive Officer



Fabrice Andre
Deputy CEO



Racky Sada Wane
Director of Information Systems



Alioune Kane
Director of Strategy and Transformation



Abdou Karim Mbengue
Director of Institutional Communication and External Relations



Cheikh Tidiane Sarr
Chief of Staff of the Director General



Afissatou Sall Gaye
Director of Risk Audit and Quality



Brelotte Ba
Director General Orange Mali



Ababacar Sadikh Diop
Director General Orange Guinée



Brutus Sadou Diakite
Director General Orange Bissau



Aminata Kane Ndiaye
Director General Orange Sierra Leone



Rokhaya Guèye Diagne
Director of Regulation and Legal Affairs



Ousmane Boly Traoré
Director Finance and Accounting



Gisèle Pouye Guèye
Director of Customer Service and Experience



Mamadou I. Traoré
Director Human Resources



Omar Guèye Ndiaye
Business Director



Ramatoulaye Diallo Shagaya
Director General Orange Mobile Finance Senegal



El Hadj Malick Dary
Director Consumer Marketing



Nogaye Thérèse Tounkara
Director of Programmes



Fatoumata Sarr Dieng
Director of International Operations and Operators



Ousmane Dieng
Director of Networks and Service Platforms



Amadou Deme
Director of Procurement and Logistics



S. Massamba Mbaye
Sales Manager

5

OFFICES AND POSITIONS HELD
BY EACH DIRECTOR

As of 31 December, 2020, the following offices and positions are held in Senegal by the 08 directors of Sonatel:

Mr Alioune NDIAYE :

- Current offices and positions within Sonatel: Chairman of the Board of Directors
- Other offices and positions held in Senegal: none

Mr Achirou NDIAYE :

- Current offices and positions within Sonatel: Director
- Other offices and positions held in Senegal: None

Mr Ludovic PECH :

- Current offices and positions within Sonatel: Director, member of the Audit Committee,
- Other offices and positions held in Senegal: Director at Sonatel Mobiles

Mr Jérôme HENIQUE :

- Current offices and positions within Sonatel: Director
- Other offices and positions held in Senegal: none

Mr Abdoulaye DIOP :

- Current offices and positions within Sonatel: Director
- Other offices and positions held in Senegal: Director of the Sovereign Fund for Strategic Investments (FONSIS).

Mr Abdoulaye SAMB :

- Current offices and positions within Sonatel: Director, member of the Audit Committee,
- Other offices and positions held in Senegal: Director at SENELEC, at the Société Africaine de Raffinage (SAR), at PETROSEN,

Mr Hugues FOULON :

- Current offices and positions within Sonatel: Director
- Other offices and positions held in Senegal: none

Colonel Koly FAYE :

- Current offices and positions within Sonatel: Director
- Other offices and positions held in Senegal: Director on the Supervisory Board of the State Information Agency (ADIE)

6

CONDITIONS GOVERNING THE PREPARATION AND ORGANIZATION
OF THE PROCEEDINGS OF THE BOARD OF DIRECTORS

The rules for preparing and organizing the proceedings of the Board are set by the Articles of Association and By-Laws of Sonatel.

Improvement measures are continuously taken alongside these rules.

Thus, the Chairman now draws up, before the beginning of each year, the annual calendar of meetings of the Board of Directors.

Previously, a half-yearly calendar was established before the beginning of the semester.

The convening notices for the Board meetings specifying the agenda are issued by registered letter, e-mail from the Chairman, at least fifteen (15) days before the date of the meeting or at least three (3) days before the date of the meeting in case of urgency.

The determination of the urgency of the decision or decisions to be taken is left to the discretion of the Chairman of the Board of Directors.

The documents relating to the items on the agenda are communicated to the Directors:

- at least ten (10) days before any meeting in the case of documents communicated for decision-making,
- at least five (5) days (including a weekend) before any meeting when they are documents communicated for information.

The Chairman of the Board of Directors may invite members of the Sonatel Management Team, after consultation with the Director General, according to the items to be dealt with in the agenda.

In any event, the Board of Directors may, at each of its meetings, in case of urgency and on the proposal of the Chairman, deliberate on any question not included in the agenda which is communicated to it.

The Board's deliberations are noted in the minutes drawn up by the Chairman of the meeting and the secretary and signed by the Chairman of the meeting and at least one director.

7

APPLICATION OF THE ISA AND CSPC GOVERNANCE CODES

Since 2011, Sonatel has been complying with the Code of Corporate Governance developed by the Senegalese Institute of Directors (Institut Sénégalais des Administrateurs, or ISA).

The purpose of this code is to promote good governance practices in companies in both the public and private sectors.

The provisions of the code, inspired by OHADA, constitute a set of rules of good corporate conduct.

The Board of Directors of Sonatel decided to comply with the rules defined by this Code because its texts highlight good governance practices. These rules include:

- the relationship between Sonatel and its shareholders resulting in the fair treatment of the shareholders as well as the transparency and quality of any information transmitted,
- the rules relating to the roles, missions, composition, functioning and committees of the Board,
- the relationship between the Board, the General Management and the Managers,
- the Board and the Statutory Auditors,
- the Board and other stakeholders.

We have also been referring since 2012 to the Code of Conduct for Private Sector Enterprises in Senegal developed by the Private Sector Coalition against Corruption (Coalition du Secteur Privé contre la Corruption, or CSPC) which was put in place by the Government of Senegal and the World Bank which consider that corruption is an obstacle to Senegal's economic and social development.

Sonatel has adhered to the Code of Conduct which:

- sets guiding principles and rules of conduct aimed at combating corruption.
- promotes ethics and good corporate governance in private sector companies, and in the relations between private sector companies and between them and administrations, customers and consumers

This Code is based on three guiding principles:

- ethics, through the definition and implementation of development policies and strategies that comply with ethical principles,
- social responsibility through a commitment beyond the finality of profit, to become a socially responsible corporate citizen concerned about its social environment,
- corporate governance through an application of the basic principles of the Senegalese Institute of Directors (ISA), including the integrity of the leaders, the clear and respected definition of roles between the Shareholders' Meeting, the Board of Directors and General Management and, finally, the respect of shareholders' rights and equality in their treatment.

These codes are available from these institutions.

8

PRINCIPLES AND RULES GOVERNING REMUNERATION AND BENEFITS GRANTED TO CORPORATE OFFICERS

The remuneration and benefits of corporate officers are determined in accordance with the provisions of the AUSCGIE. It is a decision of the Ordinary General Assembly and the distribution is the responsibility of the Board of Directors.

A global envelope had been allocated by the Ordinary General Meeting of Sonatel on 08 April, 2009. The Board of Directors distributed the duty allowances.

This envelope amounts to 65 million XOF per annum.

9

TOTAL REMUNERATION AND BENEFITS OF ALL KINDS PAID TO EACH DIRECTOR

During the 2020 financial year, the Board of Directors met nine (9) times, the Audit Committee three (3) times. During the 2020 financial year, the following duty allowances were paid to the directors present at

meetings (Board of Directors and Audit Committee) or to their delegates:

Directors	Board of Directors	Audit Committee	Total
Mr Abdoulaye DIOP	6.400.000 XOF		6.400.000 XOF
Mr. Koly FAYE.	4.000.000 XOF		4.000.000 XOF
Mr. Hugues FOULON	4.800.000 XOF		4.800.000 XOF
Mr. Abdoulaye SAMB	7.200.000 XOF	800.000 XOF	8.000.000 XOF
Mr Achirou NDIAYE	7.200.000 XOF		7.200.000 XOF
Mr. Jérôme HENIQUE	6.400.000 XOF		6.400.000 XOF
Mr Ludovic Pech.	3.200.000 XOF	800.000 XOF	4.000.000 XOF
Mr. Alioune NDIAYE.	12.600.000 F CFA		12.600.000 XOF
Grand Total	51.800.000 XOF	1.600.000 XOF	53.400.000 XOF

The above distribution is in accordance with the overall annual envelope of 65 million XOF francs allocated by the Sonatel Group's Ordinary General Meeting of 08 April, 2009.

10 COMMITMENTS UNDERTAKEN FOR THE BENEFIT OF CORPORATE OFFICERS IN RESPECT OF FISCAL 2020

No commitment was made by Sonatel for the benefit of its corporate officers.

11 LIMITATIONS OF THE POWERS OF THE CHIEF EXECUTIVE OFFICER

The CEO is vested with the broadest powers to act in all circumstances in the name of the company.

He exercises his powers within the limits of the corporate purpose and subject to those which the law and the internal regulations of the Board of Directors expressly confer on him.

The Board of Directors has, however, since 1997, set a ceiling on the commitments of the Director General beyond which the prior authorization of the Board of Directors is required.

This limitation of powers is stipulated in article 13 b of the Articles of Association of Sonatel.

12 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES IN FORCE

Sonatel has had a process of internal control and risk management for years. The activities and results of this internal control and risk management process are monitored by the Audit Committee.

For an effective and efficient management of this process, monitoring structures and committees exist at Sonatel:

- a dedicated department in charge of risk management and internal control, whose main responsibilities are:

- the development and regular updating of risk maps related to the activities of all Sonatel processes (identification, treatment, evaluation and prioritization of risks),
- the management of the top risks (priority risks and unacceptable risks) defined by the General Management,
- risk analysis related to strategic offers and projects,
- the systematic review of procedures to ensure the integration of internal control mechanisms covering risks,
- the provision of support to the businesses for the development and ownership of the internal control,
- the annual verification of compliance with the financial security laws and the Sarbanes Oxley law applicable to companies listed in the USA due to the fact that

SONATEL is a member of the Orange Group (review of internal control environment questionnaires by the Auditors for Validation).

- the coordination of Business Continuity Management (BCM): Business Impact Analysis (BIA), Business Continuity Plans (BCP), Crisis Management, fallback sites.

- a specific organ for the management of ethics and compliance:

- a Department dedicated to steering and facilitating compliance. It is in charge of setting up and monitoring anti-corruption and conflict of interest mechanisms to ensure compliance with Sonatel Group's zero tolerance policy on corruption.
- a CSR, Ethics and Compliance Committee chaired by the Director General, which meets quarterly. All the members of the Management Committee are members of the said Committee,
- a Chief Compliance Officer (CCO) appointed by the Director General: The Director of Audit, Risks and Quality, responsible for coordinating and supervising the effectiveness of compliance measures in the Sonatel Group,
- a network of Compliance ambassadors, interfaces in the deployment and strengthening of the Compliance policy in the Departments
- an ethics Sponsor: the Director of Human Resources,
- a CSR, Ethics and Compliance network with a coordinator, facilitators by domain and correspondents by management department.

- an Internal Audit Department to evaluate the internal control system (tests to ensure the correct application and effectiveness of the documented internal control system).

The Internal Audit's main responsibilities are as follows:

- the development and implementation of an annual audit programme covering SONATEL's strategic orientations

and issues in all areas, particularly those exposed to critical and unacceptable risks,

- monitoring the implementation of the recommendations of the internal and external audit.

Our Internal Audit has obtained a certificate of conformity to international standards of professional practice from the French Institute of Audit and Internal Control (Institut Français de l'Audit et du Contrôle Interne, or IFACI).

This certificate was delivered following an assessment based on the Professional Internal Audit Standard (Référentiel Professionnel de l'Audit Interne, or RPAI) 2020 made up of 100 detailed requirements covering five (05) areas: Positioning-Planning and Steering-Governance, Risk and Control Assessment-Professionalism-Audit process.

- A General Inspection Department responsible for:
 - carrying out investigation missions subsequent to the following causative events affecting SONATEL or a third party:
 - fraud or suspicion of internal or external fraud
 - theft and embezzlement,
 - corruption or attempts at corruption and breaches of ethics,
 - non-compliance with laws, regulations, contracts, policies and procedures causing harm to Sonatel or to a third party,
 - major human or technical failures.
 - following up on the recommendations emanating from the investigations,
 - ensuring reporting at group level on investigations.
- a Risk Committee chaired by the Director General and composed of all the Directors and Heads of Security, Revenue Assurance, Risk Management and Internal Control Departments. The mandate of this Committee, which meets every six months, is to:

- analyze the top risks (priority risks and unacceptable risks) defined by the General Management to ensure their control,
 - identify and stimulate the necessary synergies between the different functions involved in risk management,
 - prepare internal control reviews and follow-up on the conclusions of the review.
- a Risk Review Committee on projects and Sonatel's strategic offers whose role is to:
 - ensure that the risk dimension is taken into account in the projects or worksites before they pass on for validation;
 - ensure that projects that are required to pass a validation stage incorporate the appropriate control mechanisms that are necessary to achieve the various objectives and circumvent, anticipate, correct or reduce the impact of the identified risks.

The results obtained to date are positive and constant monitoring is being conducted to effectively contribute to the sustainability of SONATEL's business.



2

TO BE A DIGITAL AND HUMAN EMPLOYER

Our solid financial and commercial performance is the fruit of the work of competent men and women committed to a three-year Business Project in each subsidiary.

Taking
care of what
matters



TO BE A DIGITAL AND HUMAN EMPLOYER

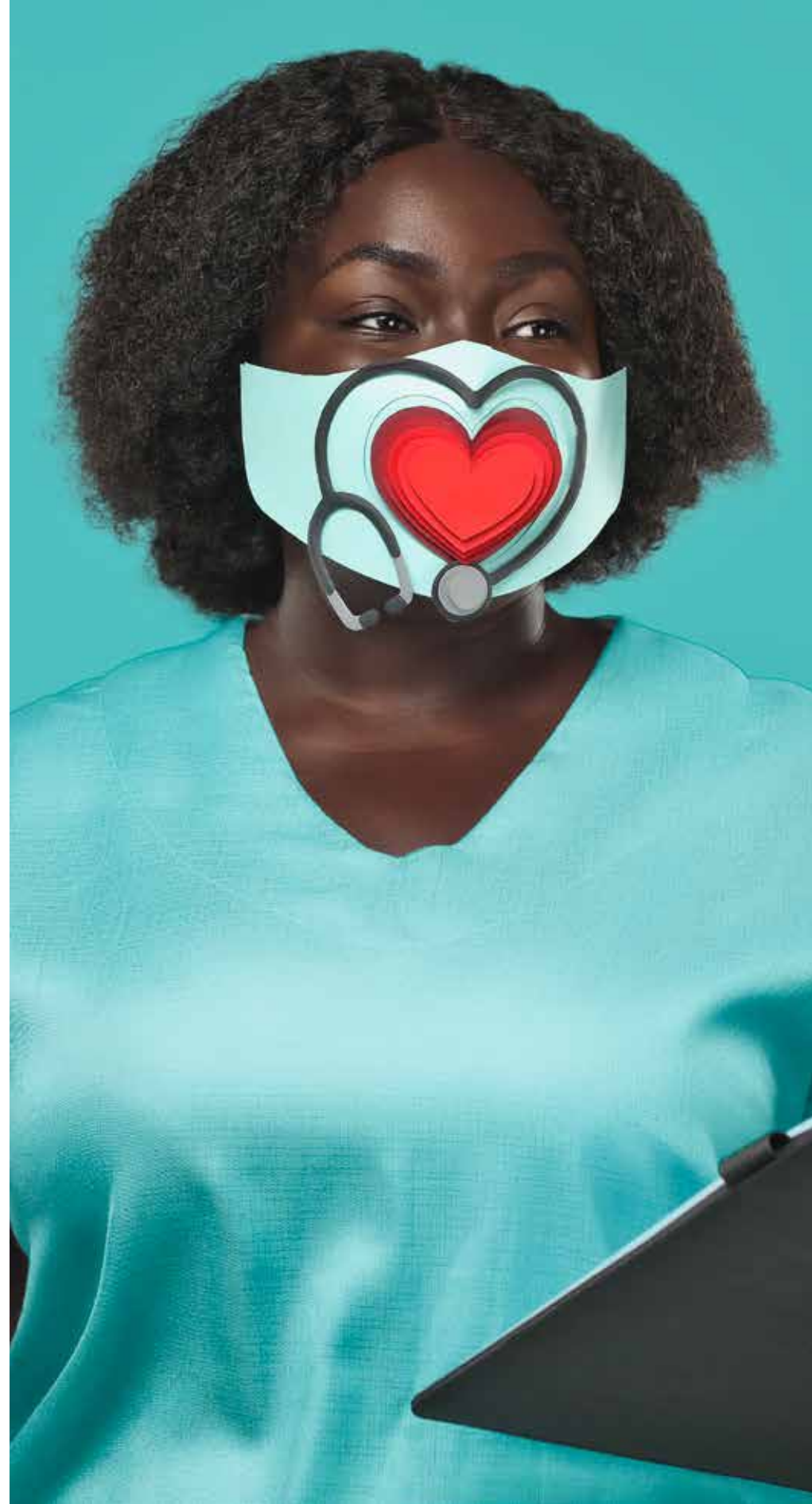
MANAGING THE COVID-19 CRISIS

In the context of the health crisis, we have also had to adapt our ways of working and set up support and protection measures for our employees. This incredible experience tested our resilience and gave us the opportunity to design and put into practice new ways of working while remaining effective.

Several initiatives have thus been adapted in each country to allow the effective management of the Covid crisis, including in particular:

- the implementation of the teleworking system with the support of employees and partners (IT equipment, data and voice packages, operational agility, virtual presence controls);
- the organization of a gradual return to the office in optimal sanitary conditions: distribution of masks, gels and gloves to all staff, service providers, as well as to partners, temperature control by Thermoflash and hand disinfection before entering our buildings;
- the development of rules and the implementation of recurring awareness actions to manage prevention, proven cases and risky situations within the company.

The introduction of remote work thus enabled nearly 70% of employees to work from home.



WE PRESERVE OUR HUMAN AND INTELLECTUAL CAPITAL

Our employees are our greatest asset; we do everything we can to develop their skills and their potential by helping them to progress thanks to customized training plans and the establishment of expertise channels.

In Mali, 11 employees benefited from the international Orange Expert programme in collaboration with our strategic partner, the Orange group.

In Senegal, despite the health crisis, 1.722 employees were trained, nearly 2/3 of whom were in E-learning, on subjects such as Leadership, Super security and the cloud, as well as public speaking.

The year was also marked by the implementation of HR Transformation projects (Human Resources), which constitutes one of the areas of the Business Project. It is in this context that in Senegal, the flextime system was launched, allowing employees to start the working day before 7:30 a.m. (flexible time), while ensuring a full day's work, thus meeting the high expectations of employees. In Mali, we are completing the first year of the local business project with a comfortable overall success rate of 100%.

In terms of digital transformation, our internal communication has also evolved with a record production of digital media such as applications and devices, making the digitalization of our internal processes a reality and thus enhancing the experience of our employees.

INTERNATIONAL RECOGNITION

For nearly 10 years now, our efforts to improve the work environment of our employees, through innovative HR practices that prioritize people, are rewarded with a Top Employer certification confirmed every year.

3

OUR RESPONSIBLE
COMMITMENT



A blooming
future

OUR RESPONSIBLE COMMITMENT

SOCIAL INCLUSION

Today, a brand is chosen and loved more than another depending on its level of involvement in issues that affect people. This has become a real differentiating factor.

At Sonatel, we have been working for almost 20 years on a daily basis for the betterment of populations in all our countries of presence through our Foundations and our CSR policy, which has been a strategic pillar for more than 10 years.

Our positioning, as “more than an operator”, is a reality in our daily actions.

> 23 Village projects rolled outs

An Orange Village Project is an integrated concept that helps disenclave remote areas by building a school, a health center and a water point in a remote village chosen

on the basis of criteria related to the lack of infrastructure in the aforementioned sectors (education, health). In seven years, 23 Village Projects have been implemented by the Sonatel Group in its countries of presence at a cost of more than 2 billionXOF.

In Senegal, the village of Deguerre, in the region of Fatick, 6th Sonatel Foundation’s “Village” project has benefited from major works:

- Rehabilitation and equipment of a 6-classroom school (with digital room)
- Rehabilitation and equipment of a darra
- A building and equipment for a health post;
- Construction of housing for medical staff
- Installation of solar energy
- Rehabilitation of a borehole
- Transition from the Green School concept to that of a Green Village.

In Mali, a new “Orange village” was built in Sien Marka in the Tominian circle, bringing the total number of villages built in the country to 10.

In Guinea, the inauguration of a 6th Village, in Sakhoyah, where until then, nearly 500 school-age children had no access to education and nearly 1.000 people had to travel more than 25 km to access health care.

> Health: between pandemic and vulnerability

Supporting populations and States in building resilience against the Covid-19 pandemic in our countries

In all our countries of presence, our Foundations have mobilized to support the populations most vulnerable people affected by the Covid19 pandemic. More than 3 billion XOF were thus made available to contribute to the response by the States.

In addition to this participation, and thanks to the support of the Orange Foundation, thousands of emergency packs made up of essential anti-Covid19 equipment were distributed in Senegal, Mali, Guinea, Guinea Bissau and Sierra Leone.

- 100.000 FFP1 masks
- 50.000 FFP2 masks
- 150.000 Bottles of hydroalcoholic gel
- 150.000 Gloves
- 12.500 medical suits
- 2.000 gun thermometers - CE standard
- 1.000 Protective goggles
- 10.000 Visors
- 150.000 Euros (98.4 million XOF) in cash to contribute to the actions of local health authorities and/or NGOs

Further, many initiatives related to our core business have been implemented as part of this health response, in particular the sending of millions of free sensitization

text messages in coordination with the health authorities, the granting of telephone credit and terminals to health actors in the field, the equipment of call centers (resizing, free toll-free number), free access to dedicated official websites, the establishment of solidarity offers to support the people affected in their activities such as pupils, students, SMEs/SMIs, etc. through the reduction of Orange Money fees, free access to distance learning platforms (E-learning), reduced Internet access prices, etc.

Depending on the context, each country has also implemented additional actions to meet the specific needs of populations and states.

In Senegal, in addition to the emergency medical equipment provided to the Diamniadio hospital from the start (ventilators, ECG devices, etc.), the Sonatel Foundation has thus rehabilitated, upgraded and fully equipped in less than 30 days an emergency treatment center at the pilgrims hangar at Léopold Sédar Senghor airport in Dakar, for a capacity of around 100 patients.



In Mali, the budget allocated to the Ministry of Health and Social Action was mainly devoted to the purchase of equipment to strengthen the Malian medical platform. In addition to resuscitation ventilators and hospital beds, thousands of pairs of special high protection boots as well as hundreds of hand washing kits with 100 liter buckets (foot mechanism), were made available to health authorities.

In Guinea, we have notably contributed to equipping the treatment units of the treatment center with resuscitation medical equipment for the management of serious cases.

In Guinea Bissau, we have set up a USSD free awareness platform in order to facilitate access to all WHO recommendations and a permanent sensitization voice push notification before the call rings. Like other countries, we have also opened mass Orange Money accounts as protective measures and reduced our Orange Money pricing.

In Sierra Leone, a system for analyzing population movements has been created and made available to health authorities, thus enabling them to measure the effectiveness of measures at national level, in partnership with FluxVision. Terminals have also been given free of charge to the National Police in order to verify the traffic e-passes during the regional lockdown.

Health remains the primary concern of the populations of West Africa

In our countries of presence, health remains the 1st concern of the populations because access to healthcare remains a major difficulty in West Africa, heightened by the health crisis of this year.

It is with a view to making a significant contribution in this regard that various initiatives have been implemented by our corporate foundations.

The Sonatel Foundation notably contributed to the start of the 1st association specializing in free palliative care at home, an initiative that finds its full meaning in this pandemic period.

The year 2020 was also marked by the launch of the 3rd edition of the Scholarship Programme Medical Specialization of the Sonatel Foundation. Twenty (20) new doctors will be able to specialize, thus joining the more than forty who already benefited from the programme. This contribution aims to strengthen the efforts of the public authorities to provide Senegal with more specialist doctors across the country in the specializations that are most lacking (Obstetrics Gynecology - Nephrology - Emergency Medicine - Pediatrics - Radiotherapy - Geriatrics).

Likewise, in Mali, the 16th edition of the ophthalmological caravan in partnership with the National Programme for the Fight against Blindness (PNLC) and the National Council for Older Persons (CNPAM) was launched. 4.400 consultations and 500 surgeries were performed during this caravan in the localities of Djenné (Mopti), Bla (Ségou), Sélingué (Bougouni), and Bafoulabe (Kayes).

The fight against uterine cancer also remains an area benefiting from a strong commitment. In Mali, for example, the “weekend 70” project is entering its fourth year with more than 345.000 women screened in the district of Bamako, a coverage rate of 54%. In Sierra Leone also, this commitment was renewed this year as part of the Thinking Pink awareness campaign.

In Sierra Leone, commitment to the fight against maternal mortality, in partnership with a local NGO funded by Columbia University, enabled girls from 20 schools in Freetown (Western Urban 15 & Rural 5), to receive 2.000 menstrual hygiene kits as part of the implementation of the 1st phase of the Menstrual Hygiene Pack. Orange’s partner, Girl Child Network, also educated girls about menstrual hygiene and sexual and reproductive health.

Education: from building schools to disseminating content

Our Foundations are committed to the service of Education and are constantly working to make their contribution to Government efforts in terms of improving learning and teaching conditions in schools.

Pursuant to this policy, the Sonatel Foundation has supported a total of 8 schools located in the regions of Saint Louis, Kaolack, Tambacounda, Thiès and Dakar in Senegal, by rehabilitating them to standards and fully equipping them for a total cost of 800 million euros. XOF. Thus, more than 7.000 students and teachers henceforth benefit from better learning and teaching conditions.

The promotion of excellence in the school environment remains one of our priorities through scholarships and IT and educational equipment awarded to the best students (general competition, 100% CFEE, national spelling and reading competition, WikiChallenge, etc.) in our countries of presence.

Education also means access and learning digital tools. In Mali, for example, the Orange Foundation reinforced its Digital Schools programme with 35 new public schools in addition to the already 70 beneficiaries for the benefit of 35.000 students across the country. The objective of digital schools is to familiarize pupils with digital technology and to improve their academic results through a fun teaching method using ICT, with a view to ensuring equal opportunities for all students. children.

Furter, in order to promote the empowerment of women and enhance their digital inclusion through training, five new digital houses were opened in 2020 in Dakar (Senegal), Kayes, Bougouni and Kati (Mali) and in Bissau (Guinea Bissau).

More than 1000 women were thus able to be trained in basic financial and entrepreneurship education. The

concept of a digital house is based on the supply of digital equipment, educational content and support in learning. A new opportunity is therefore given to women in difficulty to integrate professionally and regain financial autonomy.

The Orange Guinea Foundation, for its part, was able to confirm its willingness to continue working for equal access to education and capacity building for young people. We can mention, among others, the collaboration with local NGOs to strengthen Digital Schools with 79 schools already built.

In Sierra Leone, basic education has been in the spotlight with the construction of 3 schools (centres for toddlers) as part of our commitment to support the flagship programme of the Government Free Quality Education Programme in Kambia, Pujehun and Moyamba, and the distribution of menstrual kits for young girls In connection with the ministry of primary and secondary education and that of information and communication, other programmes have also been put in place in 2020 with a significant impact on the lives of the main beneficiaries. This is particularly the case with the “Digital academy” to train one hundred (100) secondary school students over a period of five (05) years, as well as the “Woman Digital School” in partnership with NAYCOM.

> Culture: committed to the preservation of our heritage

The Covid19 pandemic has had a significant impact on cultural activities. However, a few have been carried out in Mali, such as the Women’s Writing Day through the Network of Women Writers of Mali and the Diaspora, the 7th edition of the International Festival of Slam and Humour (FISH) and the Didadi of Bougouni and Fescauri of Siby festivals.

The fight against the pandemic was also an opportunity to highlight the talents of local artists while raising

awareness among the populations on the importance of respecting protective gestures, through StreetArt - urban art - in Faranah and in Kankan.

> Diversity, solidarity: closer to vulnerable groups

Globally, we are strengthening our solidarity with the populations of our countries of presence.

For two years, we have launched a real strategy of social inclusion in the field of disability. The year 2020 was an opportunity to implement several actions to build this new strong commitment of the Sonatel Group in Senegal. The permanent dialogue established with the targeted stakeholders made it possible to determine that their main expectation is their financial autonomy.

We have therefore set up a Handi-Engaged (Disability-committed) digital platform, sonatel-handicap.com, for the promotion of disabled entrepreneurs by providing them the opportunity to offer their products to a wider target, thus increasing their sources of income. Coordinated reflection with the human resources department was also started with respect to the recruitment of people with disabilities and their integration into Orange Digital Center training. Other activities have been rolled out within the framework of this strategy, in particular the free screening of 100 disabled women during the breast cancer screening day with LISCA, the training on the Disability of our 70 disabled employee volunteers.

These actions ended in December with an active and engaging communication campaign to raise awareness among all of our stakeholders on the social inclusion of people with disabilities.

The solidarity day of the Orange foundation in Mali, which is part of the national calendar of “the month of solidarity and the fight against social exclusion”, could not be held this year because of the health crisis. However, the foundation has invested more than 50 millions in



food, school kits, motorbikes, ambulances and tricycles for vulnerable populations. Thus, 9.000 inhabitants of the village of Kassela benefited from a borehole fully constructed by the Orange Foundation.

In Guinea, we have demonstrated our solidarity with the local populations by being even more supportive of the vulnerable who are particularly weakened by the pandemic. 1.595 meals as well as basic foodstuffs were distributed to patients in hospitals in Conakry, Kindia, Nzérékoré, Kankan, Mamou and Labé and in six orphanages (Conakry and regions).

Further, on an annual basis, International Children's Day has been an opportunity to provide food for nearly 400 destitute children hosted in dedicated institutions. Orange Bissau employees, in a spirit of solidarity, contributed 2 million XOF for the implementation of this activity.

In Sierra Leone, the holy month of Ramadan was an opportunity to distribute food throughout the country in several mosques as well as to orphanages and disadvantaged communities. The Ebola epidemic created a difficult situation for the people of Sierra

DIGITAL INCLUSION

The development of our countries necessarily requires digital transformation. Our contribution, as a major responsible player in the economies of our countries of presence, includes all stages of this inclusion: from training to financing through the creation or support of startups and acceleration.

The Orange Digital Center concept is the materialization of our commitment to support digital transformation by preparing young people for the future job market and encouraging innovative entrepreneurship. This year, the Orange Digital Center of Mali has been finalized and those of our other subsidiaries are in progress and should be operational from 2021. That of Mali therefore joins that of Senegal, a pillar of digital inclusion and which brings together a set of free programmes:

Leone. Since the end of the epidemic in 2015, fifty (50) Ebola orphans have been adopted in partnership with SOS Villages and the Ministry of Gender, Women and Children. Their education, medical care, food, clothing and accommodation are financed each year.

- A dedicated Coding school, Sonatel Academy (or Orange Academy in some subsidiaries) dedicated to training of young people aged 18 to 30, employability and digital literacy with encouraging results:

500 learners | 30% feminization rate | 79% of insertion rate | A community of over 1000 Developers | 3 Sonatel Academy Clubs (Dakar, Kolda, Saint-Louis).

We are targeting 500 learners per year (face-to-face and hybrid e-learning), a presence of regional branches (ODC Club).

The activities of Sonatel Academy represent a productivity gain of 5.8% for beneficiaries.

- A support space for startups

From the competitions that we organize throughout the year, the selected startups have a co-working space where they can be trained in digital tools, business management and art of pitching, and guided on marketing strategy and the development of their business. Capacity building is often entrusted to incubator partners.

These competitions have become essential events in the digital entrepreneurship scene in most of our countries of presence.

- Orange Prize for Social Entrepreneur in Africa and the Middle East (POESAM) for all projects of a societal nature with, in Guinea, the innovative introduction of a special prize reserved for the project having the most positive impact on the female gender.
- Linguère Digital Challenge (LDC) dedicated to women entrepreneurs in the digital field in Senegal; This year, on July 23, the Linguère Digital Academy, a fully online capacity building programme and space for virtual discussions dedicated to the community of women entrepreneurs, was launched. It resulted from the success achieved during the last 5 editions of the Linguère Digital Challenge and now has nearly 700 women entrepreneurs.

Orange Fab, the acceleration programme of the Orange Group.

14 Startups from Sonatel Academy operating in the fields of E-education, AI (Artificial Intelligence) for Transport, digital com, agri-tech, e-health, e-services,...; 18 startups accelerated as part of Orange Fab.



Ils représenteront le Sénégal à la phase Internationale



sonatel

- An "Innovation lab" space dedicated to strengthening the culture of innovation within the Sonatel Group through training in design thinking in particular.
- A solidarity FabLab: DIY space based on physical membership, with open access and equipped with tools and machines for digital manufacturing and

collaboration, for school dropouts, actively seeking employment, female trade associations.

Since its opening, the Solidarity Fablab has supported:

392 beneficiaries, 27% of whom are women | 10 projects are supported and documented | 9 areas of training in Digital Manufacturing

Preservation of the environment

Despite the difficulties in implementing certain activities in the field due to the health crisis, we were able to reaffirm our strong commitment to the preservation of the environment. We continued our contribution to improving the living environment of the populations by supporting, during religious events, our partner the Solid Waste Management Coordination Unit (UCG), the armed wing of the Senegalese Government in the fight against insalubrity: cleaning, awareness and prevention.

The month of June, which hosts World Environment Day, was also an opportunity to raise awareness, and improve our commitment actions. An e-DSF (Digital Society Forum) was thus held on the theme «Air quality,

what impact during the COVID19 crisis, Listening and Awareness" as well as collaborative workshops on the environment with partners such as the Solid Waste Management Coordination Unit (UCG).

Our strategy to reduce our carbon footprint is also continuing, in particular through the 5th edition of the tree planting session in Palmarin with the participation of volunteer employees and the surrounding populations.

Thirty thousand (30.000) mangrove propagules were planted in 2020, bringing the total number to 103.300 in five years.

DIALOGUE WITH OUR STAKEHOLDERS

In order to get closer and better listen to our stakeholders, we have readapted and especially innovated with various exchange frameworks in all our countries of presence.

This is, for example, the concept of the Digital Society Forum, which in addition to the Environment theme, was also held in digital format on contextual subjects such as Digital technology in the service of education.

Among these many exchanges, we can also note those with stakeholders such as the executive, the legislature, consumers, local authorities, civil society and the media on topical issues:

- their expectations,
- changes in our offers and prices,
- our achievements in terms of network coverage,
- our customer relations,
- our civic commitment,
- the impact of our activity (economic and societal).



4

RECOGNITION
OF OUR
INTEGRATED APPROACH

An image
without any
false notes



RECOGNITION OF OUR INTEGRATED APPROACH

We remain a company that takes the satisfaction and expectations of its stakeholders to heart.

We have therefore been engaged for several years in a process of continuous improvement and economic,

social and environmental development of society.

The integrated management system policy reflects the company's commitment in several areas:



IN CSR

by relying on **ISO 26000** standard, to improve our Corporate Social Responsibility policy, based on the 4 pillars:

- Community Well-Being
- Growth and economic development
- Good Governance
- Preservation of the environment



IN QUALITY

by listening to our stakeholders to offer them an incomparable experience thanks to **ISO 9001** and Service Excellence, through:

- Improved employee experience by generating enthusiasm
- A better understanding of the needs of our current and future stakeholders to offer them customized and innovative services
- Continuous improvement in the perceived quality and experience of our stakeholders



IN HEALTH/SAFETY

by developing a health and safety culture at work for our employees and all people working on behalf of Sonatel by relying on **OHSAS 18001** This involves:

- Securing working conditions by preventing accidents and damage to health by involving employees in the improvement measures
- Promoting the health and safety risk reduction approach with our service providers
- Continuously improving the management of health and safety at work for our employees, all people working on behalf of Sonatel and visitors.



IN ENERGY MANAGEMENT

by reducing energy consumption thanks to **ISO 50001**. This involves:

- Encouraging the purchase and design of energy efficient products and services
- Promoting the eco-responsible behaviour of employees and subcontractors
- Managing our energy uses and continuously improving our energy performance



IN ENVIRONMENT

by controlling the impacts of our products and activities by relying on **ISO 14001**. This involves:

- Encouraging the purchase and design of sustainable products and services
- Implementing an environmental risk reduction approach throughout the life cycle of our products
- Promoting environmental risk reduction by our service providers



INFORMATION SECURITY

by guaranteeing the security of information for the services we offer thanks to **ISO 27001**. This involves:

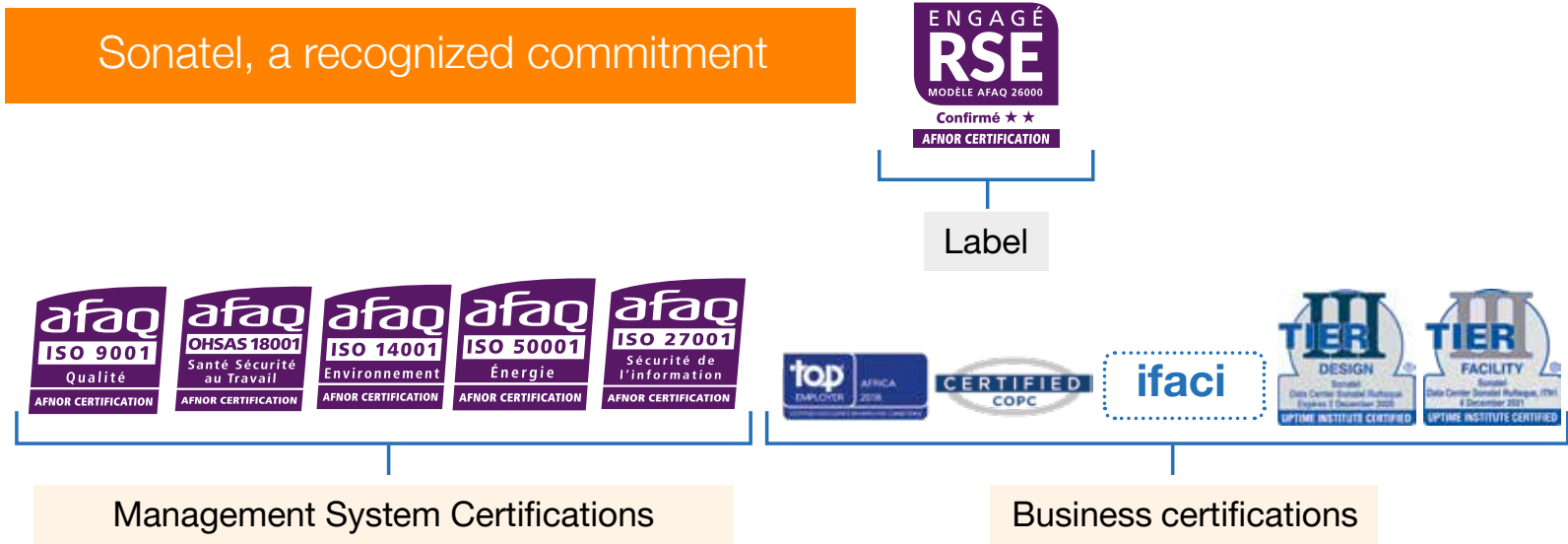
- Achieving a level of security that meets the requirements of our stakeholders
- Continuous improvement in the efficiency of our information security risk management systems

We are certified in the various standards by independent certifying bodies, which audit our management system regularly to maintain our certificates.

This international recognition demonstrates the ability of our company to always better meet the expectations of its internal and external stakeholders.

This year two main changes were noted in the fields of Health and Safety at work (Migration from OHSAS 18001 to ISO 45001) and Energy management (from 6 sites to the Generalization of the process).

OUR CERTIFICATES AND LABELS



TCCF certification (Tier III Certification DOF Constructed Facility) of the Rufisque Datacenter.

Following the Tier III Design certification for our Datacenter located in Rufisque (Senegal), we have successfully obtained the TCCF certification (Tier Certification of Constructed Facility) in December 2019 for an initial period of one year renewed in 2020 until 04 December 2021.

This TCDD Certification was issued by Uptime Institute which is the only organization authorized to issue Datacenter certifications since the 2015.

The TCCF makes it possible to verify the Tiering level in situ by Uptime experts. This check consists of carrying out failover tests, redundancies, etc., in order to confirm the functional level of the Data Center.



5

OUR BASE
(BUSINESS AND NETWORKS)

Technology
at the service
of Man



OUR BASE (BUSINESS AND NETWORKS)

- Summary sheet of Sonatel Group achievements (1 page)
- Synthetic country reporting (2020 highlights)

5.1 OUR CORE BUSINESS NETWORKS AND INFORMATION SYSTEMS

> Modernization of the mobile network

In our desire to offer our customers technical networks that are always at the cutting edge of technology, we have continued the important work of modernization and extension of our infrastructures through the deployment of last generation equipment supporting 2G/3G/4G as well as the modernization of the Datamobile core network and service platforms.

Our investments amounted to 204 billion XOF at the end of 2020 and focused mainly on the mobile access network (extension, densification, 3G, 4G, 4G+), the deployment of fiber, swap and transport upgrade projects.

> Continued rollout of 4G/4G+/4.5GG

Our sustained investment efforts have enabled the rollout of 4.5G coverage in all theregional capitals and that of 4G+ in all departmental capitals. The 4.5G being an evolution of 4G+ to offer even faster connection speed

and greater capacity. A connection speed up to 8 times faster than 4G, allowing speeds ranging from 600 Mbps to 1 Gbps This a first step towards 5G.

At the end of 2020, the base in Senegal had grown to 1.415 4G sites, 1.307 4G+ sites and 489 4.5G sites and we continued to densify the networks, especially that of 4G.

In Mali, we have strengthened the extension and modernization of 2G/3G access and the densification of 4G/4G+, and we have launched 4G+ this year in Guinea. True to our position as an operator at the forefront of innovation, we tested 5G in 2020 for the first time in Senegal. Demonstrations made it possible to show the general public and officials the performance of 5G, both in terms of speed (up to 1613 Mbps reached) and latency. In 2021, the extension of coverage will continue with the densification of 4.5G in urban areas and extension of 4G coverage in rural areas.

> Rollout of Fiber Optic and extension of microwave links (MW) for 3G/4G collection

We have strengthened the fiber optic service to urban areas (regional capitals, major cities of départements and certain large localities) with 105 new sites and 73 Wifi-offload connected with fiber.

In particular, this made it possible to continue the Fiber To The Home project in several districts of Dakar and its suburbs as well as in the regions in areas such as Saly, Mbour, Kaolack, Thiès, Somone, ST-Louis, Ngalele, Touba mosquée and Ziguinchor, considerably increasing the total number of connectable home equivalents.

> Modernization of the fixed network

The IMS (IP Multimedia Subsystem) solution has made it possible to connect certain customers to FTTH by providing them with voice services and be ready to launch VOIP offers.

Internationally, the migration of flows to the new international IP transit center (CTI-IP) continued in order to meet the expectations of partner operators with an IP interconnection.

> Continued investment in rural arease

Sonatel is pursuing its investment policy in the rural areas with a programme of 41 new sites in 2020 to improve the coverage of localities of more than 500 inhabitants and priority roads. Further, mobile broadband coverage in rural areas has been greatly strengthened with the rollout of new 4G and 3G sites.

We have also extended several of our microwave links (MW) with 360 extended MW links to support coverage and 3G/4G densification in rural areas.

> Evolution of the IP core network, mobile voice, national and international transmission

The network has undergone significant changes during 2020, including in particular:

- Extension of Internet bandwidth from 300 to 450 Gbps with the launch of the 100Gbps international link on Main One.
- Increase in the capacity of the different network core backbones
- Co-location of SES antennas in Gandoul
- Deployment of new sites (Wifi-offload) and network (WDM, BAFO)

> Evolution of services

- *Evolution of Orange prepaid abundance offers (Illimix package)*
 - Launch of the Bird pilot in Touba allowing retailers to top up Orange and sell data, voice, sms and value-added service packages
 - Launch of the new illimix package with an update of the compatibility matrices
- *Broadband Services*
 - Launch of the wifi offload service in Dakar with credit bonuses for end customers
 - Launch of Act 6 of the Internet overhaul for B2B and B2C markets
 - Launch of a video surveillance service on the B2B and B2C markets

5.2 OUR ACTIVITIES

Orange Money strengthens the multiservice operator strategy of the Sonatel Group and responds to the challenges encountered in 2020

2020 marks ten years since the launch of Orange Finances Mobiles' flagship commercial product, Orange Money. Today, 50 million Africans including 4.8 million in Senegal have an Orange Money account. The advent of mobile money was at the origin of a major change which took place in our societies and which continues to transform our modes of life. Access to mobile financial services for millions of Africans has definitely been a remarkable and positive disruption for the continent and for our countries of presence in particular.

2020 is also the year of all challenges with the COVID-19 pandemic which has imposed an acceleration in the digitization of services and customer experiences, but which has above all put Mobile Money to the test as a strong lever for supporting African populations during these times.

In Senegal, we continued to realize our vision and our ambitious diversification objectives while seeking to be a solidarity business during a pandemic. Despite this, we continued our growth dynamic with a turnover up by +22% and an increasingly significant presence in the economic ecosystem.

It is however interesting to note that our subsidiaries Orange Finances Mobiles have suspended part of their initially anticipated turnover in order to participate in the war effort made by the Sonatel Group at a time when all our countries of presence, like the

rest of the world, are facing a global health crisis. Various

actions were thus taken to respond to the call of the Central Bank of West African States (BCEAO) to support the populations and promote electronic payments:

- waiving the fees on money transfer services and bill payments and merchant payment commissions by traders,
- the relaxation of the conditions for opening an account
- raising the balance limit for Orange Money accounts from 2 to 3 million and the monthly total from 10 to 12 million.

Despite the prevailing context in the economic activities of the country and increasing competition in the Mobile Money sector in Senegal, Orange Money has maintained its leadership by remaining innovative and close to its customers and distributors by adopting measures such as the complete digitalization of the Orange Money registration process, the reopening of the money transfer service from France to Senegal, the launch of the Self-correction option for deposit and transfer errors, the integration of new bank-to-wallet partners (transferring money from one's bank account to one's Orange Money account).

Orange Money continues to be a factor in strengthening our footprint in the development and empowerment of the populations by striving to dematerialize money, reducing travel by promoting electronic financial services, creating indirect jobs for young people and women through the distribution network present throughout the country, including in remote areas, and taking part in

projects such as the distribution of family and student subsidies on behalf of the Government, in partnership with entities such as NGOs involved in providing assistance to the populations in dire situations of vulnerability or with industries specializing in "plastic waste collection".

In order to offer a wide range of services Orange Finances Mobiles Mali also continues to forge new partnerships to meet the expectations of customers looking for new offers to make their daily lives easier. Added to this is a good increase in the penetration of the Orange Mali Sugu application that reached over 210,000 active users, accelerated by the new challenges of digitization related to the health crisis. Finally, to further strengthen the proximity to our customers, the number of points of sale doubled in 2020, from 40,144 in 2019 to more than 89,000 this year. This great dynamic has enabled us to have more than 3,000,000 active 30-day Orange Money customers as well as a net increase in the compliance rate of the Orange Money database with 93% of compliant customers.

In Guinea, this has resulted in greater financial inclusion with an Orange Money penetration rate of the mobile base by 19% and Internet by 35%, supported by 4G. Nearly 4 out of ten (10) customers now have an Orange Money account and are connected to the Internet.

Thus, despite the fierce competition, Orange Money achieved a market share of 56% with, moreover, an increase in the use of e-recharge.

This performance has resulted in the compliance certification of Orange Finances Mobile Guinea by the GSMA and by a turnover growth of +46% and 50% EBITDA.

In Guinea Bissau, our active Orange Money portfolio experienced a strong growth of 153% compared to 2019 and turnover grew about 300% thanks to marketing events, the use of mobile Money as a protective meas-

ure, the development of domestic and international transfers (IRT), the buy-in of Orange Money by the distribution network and the launch of the Bank-to-wallet service (possibility by the customer to fund his OM account via his bank account and vice versa) through a bank.

In Sierra Leone, in addition to Bank-to-wallet, other innovations such as Micro Loan (micro-credit) and International Transfer (IRT) have also entered the field of financial services in 2020.

5.2.1 In Senegal... Orange maintains its leadership in the Senegalese mobile market with a 53.94% market share.

Despite increased competition in the mobile market, we have maintained our leadership with a mobile subscriber base of around 10.6 million. To facilitate exchanges and support the dynamism of economic activities, we launched several strong actions in 2020.

> Act 5 of the digital revolution

• The Illimix range is reinventing itself

To better conform to the more diverse uses of mobile service customers, we have revised our Illimix range marketed under Jamono Allo, Jamono Max and Jamono New School. The range has expanded to cover all price segments and voice and internet needs. This range also brings new features including the possibility of buying a new illimix while already having an illimix and taking advantage of the best validity. The subscription and purchase options for third parties are also possible for a better experience of use and sharing with loved ones.

• Kirene with Orange

After Wotel and Konec'tél, we offer our customers Kiréne with Orange, the new range of Mixel which combines business with pleasure through abundance of voice and

internet, accessible prices from 490F and valid minutes to all networks.

> Making mobile Internet more accessible to all

• Evolution Night Pass 2GB to 5GB

As part of our civic commitment and during this period of health crisis, we have upgraded the 2GB night pass with 3GB of additional internet volume, extended the validity of the 5GB pass and harmonized the hours of use of the 500MB night pass.

• Making the mobile pricing and offers more accessible to young people

• Price repositioning

In 2020, we are committed to democratizing mobile access for young people with a price reduction for calls and text messages for the young with Jamono New S'cool. Thus, we offer young people under 30 years exclusive advantages and renew our commitment to them..

• Pass Allo S'cool 200F

In 2020, we launched an Allo S'cool pass at a smart price, which offers 30 minutes of non-stop calls (non-stop from the purchase) to all networks in Senegal, exclusively for Jamono New S'cool customers.

> Keeping in touch with our loved ones in the diaspora

As part of the 2022 Business Project initiatives, we have made changes to the international pricing by zone by creating 2 additional zones with attractive prices.

In addition to addressing international call needs, this initiative has helped enhance the attractiveness of our international price list and improve profitability.

> Launch of the Classic Box, Box Max and Box Intense offers

We launched our fixed Internet offers based on LTE TDD technology for our General Public customers. We have thus made available 3 offers with access fees standardized at 25,000 XOF including tax:

- Classic Box: Prepaid offer without commitment using the dedicated 4G LTE TDD network.
- Box Max: 200GB unlimited postpaid offer
- Box intense: 200GB unlimited postpaid offer.

New: Customers of the Box Max and Box Intense offers benefit from an unlimited internet connection with a reduced speed upon exhaustion of the 200GB and 300GB buckets.

> Redesigning of the fiber optic offers

Sonatel is committed to contributing to the “2025 Senegal Digital Plan”, a strategic government programme, by making the Internet more accessible to the populations. Over the past four years, we have carried out price changes with different moves (from February 2016 to September 2019).

For the year 2020, we have redesigned the fiber optic offers as follows:

- Fibre Bi: Increase in throughput when sending and receiving the stream, with the maintenance of the reduction applied to the monthly fee for new customers.
- Max Fiber: Increased throughput when sending and receiving the stream.
- The introduction of a new fiber optic offer in the price list: Mega Plus Fiber. With a speed of **100Mbps/20Mbps**, a monthly voice plan, a Wifi modem, Orange TV service of your choice and a reduction of the monthly fee for the first twelve (12) months for new customers.

> Smartphones for everyone

In order to accelerate the development of mobile data, we have made it easier to equip customers with 4G

terminals to make better use of the Internet with the Jamono Pack, thanks to a partnership with the parallel market.

• Content, the guarantee of innovation

In 2020, we continued positioning ourselves as a decisive player in the content and digital sector, Regarding video on demand from Orange TV and the Wido mobile application, our customers in Senegal and the diaspora were able to access exclusive local content such as “Idols” season 7, Diamond House season 1, “Infidèles” Season 1.

We have thus supported the local cultural ecosystem with in particular the acquisition and co-production of the series “Diamond House” Season 2, “Idoles” season. 8, “Mœurs” S 2 and “Gloire”.

2020 was also rich in content with Youscribe, the largest digital library in Europe which provides access to newspapers, magazines, audiobooks, annals and books through a web and mobile application.

> Orange Energie has a positive impact on people's lives by providing access to electricity at a lower cost

Aware of the potential of renewable energies and wishing to contribute to the energy sovereignty ambitions of our countries of presence, we are committed, as part of our diversification strategy and our Corporate Social Responsibility policy, to promote access to electricity for rural communities by providing them with individual solar kits.

Launched in the pilot phase in August 2018, the range of individual Orange Energie kits (Solar Home System type), intended for households and small businesses in rural areas, significantly transforms the lives of the populations in Senegal, Mali, Sierra Leone and Guinea.

Orange Energie offers an alternative and lower cost solution to replace kerosene lamps, disposable batteries or even diesel consumption, polluting and potentially dangerous alternatives. The kits are also accompanied by accessories (lamps, phone charger, TV screen, radio, torch ...) making it possible to have electricity for less than 140F per day for the Lighting kit, 240F per day for the Comfort Kit (Lighting + Radio + Torch) and 450F by day for the TV Kit.

The launch of the offer in Sierra Leone, first at Kabala, in the north of the country, followed by several other regions in the country, was one of the highlights of the year.

Today, nearly Twenty Thousand (20.000) households are equipped with Orange Energie offers throughout our 5 countries of presence.

• Orange Business Services, the brand dedicated to companies and the State

In 2020, we consolidated our B to B subsidiaries to become a single entity that offers end-to-end solutions. to companies which supports the Government's Digital Senegal of the future strategy.

With the implementation of digital tools that allow you to continue working from anywhere, connectivity, Mobile offers, integration or even the Cloud, our 300 advisers support our clients on a daily basis - organizations, companies (SMEs/SMIs, Sohos, Large Enterprises) and Governments - for their telecommunications needs, including the digitization of their activities. We have therefore launched a set of digital initiatives to listen and discuss with businesses that have initiated their digital transformation, as well as coaching sessions with digitization experts.

Despite the crisis, we have thus been able to maintain the growth of our turnover in the Enterprise and State

market (+3.2%). Our decision to focus on small and medium-sized enterprises is

bearing fruit, and there is no doubt that the development of our countries will necessarily involve the support and structuring of small businesses which alone generated +5% of the growth in 2020 in the Senegalese B-to-B market.

Offers designed to meet all our clients' needs have also made it possible to achieve these objectives; the new Teranga packages (all-in-one mobile plan much more generous with the latest generation Internet) and Fiber (more speed at low prices) or even the new Orange

Cloud Services and Business Continuity price lists (for Remote Work, Collaborate or Meet Virtually).

Since 2019, we have joined the very closed Club of certified customer services, COPC, a standard that is respected for the excellent performance of Call Centers around the world. Our business service thus joined that of the general public already certified 6 years ago.

Our unique web platform for monitoring and supporting the needs of our customers, the Online Customer Center, has become a real factor in keeping us closer our customers.

5.3 A SALES FORCE DELIVERING SOLID COMMERCIAL PERFORMANCE

> Continuous improvement of the customer experience

This year, our desire to be resolutely customer-oriented has also materialized in how we receive and deal with our customers in our network of commercial agencies by adapting to the situation created by the health crisis.

We thus launched the appointment and ticket booking remotely to allow our customers to plan their way through an appointment booking 24 hours in advance on the basis of the time slots offered to them and registration in the queue before arriving at the agency. Likewise, we have set up a toll-free number for fiber and ADSL online ordering.

> Continuation of the digitization of indirect distribution

In order to support our distributor customers as well in their business, we have implemented several digital solutions:

- Dual Wallet, which improves the wholesaler's journey with air time supply from their Orange Money UV
- Bird, which offers distributors the opportunity to sell passes and illimix, thus making it easier for some customers to access offers
- Top up distributors, which allows recharging via Orange Money for Seddo customers
- E-shop, commercial platform for digitization and diversification of distribution channels.

> Job creation for young people

To support our commitment to improve the employability rate of young people, we have recruited Field Vendor Partners (FVP) for the marketing of all our products and services. We financed them to acquire administrative documents (NINEA and trade register) to enable them to

formalize and thus have a real economic impact for the country and a strong lever for the development of their own business.

Today, there are approximately 3000 field sellers (compared to 1550 in 2019) marketing our products throughout Senegal.

5.4 SONATEL, A COMPANY RESOLUTELY CUSTOMER-ORIENTED

We aim on delivering an Incomparable experience to customers, transforming ourselves into a resolutely customer-oriented group, building a fully digital customer relationship..

Again, always and more than ever, our vision and our ambition are very strongly anchored in our customers, making the customer experience our main differentiation lever to favour Orange.

To do this, we are pursuing our multi-year strategy based on three (3) frameworks:

- the B2C Customer Service Transformation Programme, launched in 2013 for 4 years renewable and updated every year;
- Business Projects (2015-2018 and 2019-2022): incomparable customer experience, resolute customer orientation, fully digital customer relationship;
- one-off Competition Plans launched according to the context with a Customer Relations project.

Thus, in 2020, we launched a total of eighteen (18) projects organized around digitization, operational excellence, tools, customer culture and customer value.

Ten (10) of them are now closed or in the process of being closed and seven (7) in post-pilot generalization.

In 2021, digitization projects, customer care tools and customer culture will continue to occupy a special place.

Renewal and generalization of the 2020 Certification in the COPC standard

Our certification in this international high performance standard specific to the customer service profession, brilliantly obtained in February 2020 with 100% compliance in the 33 classes of requirements, despite a difficult context and for the fifth year in a row, brings us closer to operational excellence and, therefore, to an incomparable customer experience.

Version 6.1 of the COPC standard integrated the multi-channel customer experience with a focus on non-assisted channels; version 6.2 on which the 2021 certification will be carried out will integrate the demanding new concept of the service pathway.

After B2B customer service (companies) in 2019, the mechanism for sharing the expertise acquired on this standard continued in 2020 to support distribution, technical intervention and wholesale customer service.

In February 2021, the challenge will be to proceed with a single B2C and B2B customer service certification.

Strengthening the continuous improvement management system

We have made progress towards the maturity of our continuous improvement management system, by ensuring the professional activities are driven by a solid, co-constructed and industrialized collective dynamic to achieve fast, efficient and lasting operational excellence.

Operational managers in customer service professions were also supported in their skills development in the area of underperformance analysis.

Finally, the listing and addressing of top pressure points in fixed, mobile, internet, Orange TV, Orange Money, etc. were performed with greater completeness, efficiency and speed.

Accelerating the digital transformation of customer service

Our digital platform, launched in June 2016, continued to offer our customers its services through the very popular mascot, Ibou, despite the difficult context of the Covid 19 pandemic and some bad buzz. We have thus succeeded in obtaining remarkable performance in terms of accessibility, availability, digital multichannel (facebook, twitter, messenger, ussd, Orange and me, community, portal, ...), efficiency, response speed, quality of customer support and communication.

As part of the ambition to build a fully digital Customer Relations by 2021, new structuring projects in this area have been initiated.

Managing the COVID 19 crisis

Thanks to an inclusive system, the management of this crisis with Care is a fine example of collective and human agility which has made it possible to reduce and control the impacts of the pandemic on the operational excellence of Care, and therefore, customer experience and income assurance.

Various achievements

Operations control activities, the rebound in sales and customer loyalty, which began in 2019, truly came into their own in 2020 with a very good performance that allow the customer experience and care professions to contribute significantly to the business and income assurance.

Further, the original scope of Customer Service has evolved to naturally integrate the fundamental dimension of Customer experience with a one-stop shop whatever the point of contact and market segment.



> Innovation at the heart of our decisions

We have placed innovation at the heart of our business by launching new fiber optic offers, So'box, Smartphones...

We have also maintained our leadership and succeeded in our 2020 ambition, which was to be the partner of digital transformation in Mali.

Orange Mali remains a competitive operator with a market share of 55% volume and brand power estimated at 49.4%, thanks to two priority areas:

- Network (modernization of 2G/3G access and extension of coverage, densification of 4G/4G+);
- The commercial performance of the Orange money, B2B growth drivers and especially Data (including in the conquest market of fixed internet LTE/FO).

• Innovative products and services for more than 12.3 million customers, individuals and businesses

Always listening to our customers, we have proposed a catalog of innovative offers and services,

integration solutions dedicated to professionals and businesses, through Internet offers for all uses.

• Mobile: more than 24.5% increase in Data turnover and good resilience in Voice/Sms turnover

This strong growth can be explained by the adoption of Internet solutions through Internet Pass offers So'box, Fiber, 4G terminals (smartphones, tablets etc.). Voice offers through the Séwa package (voice + data + sms bundles). In 2020, 1.317.849 customers thus connected to our 4G network.

The new Orange Mali Sugu application has enabled customers with IOS & Android smartphones to simplify the use of our services and improve their customer experience.

On the Malian territory, the distribution network has developed in a regular and structured manner to ensure the availability of refill cards everywhere and at all times. The business market has seized new opportunities by developing bandwidth for highly innovative internet solutions.

5.6 IN GUINEA... ORANGE GUINEA, A MULTI-SERVICE OPERATOR

> A delicate political and economic environment in the midst of a health crisis

As in all our countries of presence, our Guinean subsidiary has been affected by the health crisis which has severely weakened most of the world's economies and deepened social and economic inequalities.

In Guinea, this crisis was compounded by socio-political tensions with the holding of legislative (coupled with a referendum) and presidential elections (the outgoing president was re-elected for a 3rd disputed term).

On the economic front, GDP growth forecasts have been revised downwards given the impacts on mining, tourism and industrial activities, in addition to the continued sharp depreciation of the Guinean franc.

In the telecommunications sector, the year was marked by the commercial launch of the national Backbone, the relaxation of the conditions for opening Orange Money accounts by the Central Bank (Self subscription), the launch of 4G+, a stronger fiscal (taxes, customs) and regulatory (ARPT, Guinean Office on Advertising, BGDA,...) pressure.

> Maintaining leadership in all our market segments

Despite this difficult environment and in particular the impact of the pandemic on business activities (cessation of field events, reduction or end of activity of certain B2B clients), we have demonstrated a strong operational resilience which has helped us maintain our leadership in the mobile market with volume market shares of 59%, 49.1% on the Internet, 72% on Orange Money and 68.7% on postpaid mobile B2B.

These market shares are reflected in the crossing of the bar of 8.5 million active mobile customers, 603,000 active customers on 4G and 1.6 million active on Orange Money.

Operational performance supported by the strengthening of the number range with the PQ 610, the coverage of 205 new localities in 2G/3G/4G, the densification of the Data network (+283 upgraded to 4G), the distribution network (recruitment of new distributors and points of sale, signing of partnerships merchants on Orange Money) and the launch of offers on residential (unlimited Homebox, Diamabox, Airbox 4G, unlimited Smart Internet) and general public (Pass Data dedicated to social networks, Perco, E-education Pass, ...).

5.7 IN GUINEA BISSAU... ORANGE GUINEA BISSAU, SUSTAINED LEADERSHIP THANKS TO GROWTH DRIVERS

> Maintaining market share value despite Covid-19

The covid-19 health crisis strongly impacted the cashew season (60% of GDP) with a severe economic recession (-2.3%). So we had to adapt through an operational efficiency programme to decrease the impact of declining income.

Due to the fierce competitive, the constraints of the protection measures and the impact of the failure of the cashew season, the income of operators in Guinea-Bissau dropped by 4.4% compared to 2019

Thus, for Orange Bissau, income is down slightly on traditional voice and wholesale services. On the other hand, mobile data, Orange Money and fixed internet are growing very strongly. These growth drivers allowed us to consolidate our leadership in the 2020 value market share.

Mobile

Our active base grew by 13% in 2020 thanks to the field event campaigns in Bissau and in the provinces and customer retention campaigns. In Guinea Bissau, we have a volume market share of 48%.

Internet

As of 31 December, 2020, our active mobile data base grew 55% compared to 2019.

To continue the development of Mobile Data, several innovations were launched this year: redesign and simplification of data passes, possibility of purchasing any of the range of data passes via Orange Money, launch of new unlimited passes, enrichment of our catalog of low cost and VIP smartphones (3G smartphone at 15.000 XOF francs and 4G smartphone at 18.000 XOF francs) and improvement of the data customer experience.

5.8 ...IN SIERRA LEONE ORANGE SIERRA LEONE: UNFAILING RESILIENCE

2020 was first marked by a consolidation of leadership in Sierra Leone with growth of over 30% in the number of active telecom customers for a volume market share of 52%, and the achievement of the symbolic bar of 1.000.000 active Orange Money customers. The evolution of turnover has been remarkable with a 31.5% growth compared to 2019, and is among the best in the Africa and Middle East zone. The same applies to the

EBITDA level, which increased to 25.5%, with an annual growth of 92.8%. For the first time since the acquisition of the subsidiary in 2016, the net income is positive, with 20.2 billion Leones and an annual growth of 212%.

Synergies as well as an excellent business and managerial dynamic, despite the fierce competition and the impact of the Covid-19 pandemic, helped achieve this level

of performance. The introduction by the Telecommunications regulator of a floor price on voice of SLL 590 per minute also played a role in the increase in revenue levels.

Several initiatives have made it possible to accentuate this level of performance.

While the introduction of the new floor price on voice has limited the operators' room for manoeuvre in terms of promotions and free access, the battle over data raged. We have succeeded in capturing a large part of the data market, especially among young people, thanks to the launch of the Spak offer. Spak is a dedicated data offer to young students at an affordable cost, launched in February 2020, a clear strategy to win back the data market with the objectives of:

- increasing the Data customer base
- improving the level of Data turnover
- regaining the confidence of pupils and students as well as customer experience
- improving "Top of Mind" and ensuring a good knowledge of products and services for this segment
- creating a club with a view to a future gain.

This offer significantly contributed to our performances with 100.000 new customers, 37% of annual data income and 18% of customer data base.

"Orange Lek Yu" is a loyalty programme to say Thank you to our customers and to make them enjoy certain benefits. It is an imperative need to always ensure an adequate response to the new demand for the use of our products and services.



6

SHARING OUR EXPERTISE
INTERNATIONALLY

Moving
things
forward



SHARING OUR EXPERTISE INTERNATIONALLY

Strengthened international connectivity, innovative wholesale solutions, active participation in the success of major international events: we are maintaining ourselves at the benchmark level of global telecommunications for an emerging West Africa in ITCs.

6.1 CONNECTIVITY IN THE MIDST OF THE COVID-19 HEALTH CRISIS

We have almost doubled our access to the global internet compared to 2019 thanks to our internet bandwidth accompanied by an optimized load control plan.

To continue to offer international connectivity that is available and of very good quality to our customers, we are exploring and continuing to study all opportunities for the implementation of terrestrial, submarine and satellite infrastructures with the very latest technologies. The Main One and Djoliba cables were thus put into service.

Djoliba, 1st Pan-African fiber optic network, connects 8 West African countries, Senegal, Mali, Côte d'Ivoire, Guinea, Liberia, Nigeria, Ghana and Burkina Faso with an extension to the international networks of Orange and Partners.

In partnership with the Société Européenne des Satellites (SES), we will install the O3b mPOWER gateway, which is a new medium earth orbit (MEO) satellite communication infrastructure. This new generation equipment is being deployed in Gandoul (Senegal) and will eventually allow us to house the 1st Teleport in West Africa.

This technical strategy, combined with an adapted commercial policy (update of our catalog of offers, more efficient tools) and recognized expertise, has enabled us to acquire new customer operators and even bring back others, in winback mode.

6.2 INNOVATIVE CORRIDOR OFFERS AND THE LAUNCH OF THE 1ST MVNO HELPED BOOST WHOLESALE TRAFFIC

The incredible experience of the health crisis tested our resilience and provided us the opportunity to design and implement offers that meet the new standards of our customers. Corridors and specials offers were thus proposed to the Senegalese in the diaspora to allow them to stay in contact with their families and loved ones, thanks to lower prices to Senegal and other countries, which allowed us also to increase traffic.

In addition to these corridors, roaming is democratized with a 50% reduction in our prices and greater generosity on our Travel Passes valid in 30 countries. Travel Passes are also now accessible via our Orange et Moi application for more agility for our customers.

A2P SMS, defined as a growth driver, has remained highly prized by companies in 2020 in this context of a pandemic, despite an upsurge in fraud on this product. To address this, we had to put in place a real strategy for securing the SMS network, notably with new partners such as Lafricamobile and Cequens which generated 6M additional SMS. The implementation of tariff levels

adapted to the volumes and types of SMS (Google, Facebook), also made it possible to aggregate more volumes circulating in the gray market.

In addition, Sirius Telecoms (operating under the Promobile brand) is one of the 3 MVNOs that obtained an MVNO license in June 2017. It started its activities in August 2020, making the commercial exploitation of a virtual operator a reality in Senegal and West Africa, through the Sirius Télécoms Afrique and Sonatel partnership.

By bringing the capacities of its network to Promobile, we are faithful to our commitment to be present alongside entrepreneurs and contribute to the emergence of a powerful national digital ecosystem as expected in the Digital Senegal Plan 2025.

Drawing from the Promobile experience will enable us to welcome other MVNOs in order to mitigate the decline in CORE activities.

6.3 INTERNATIONAL RELATIONS

In this context of the COVID-19 health crisis, all the international activities and meetings that were maintained took place in virtual mode.

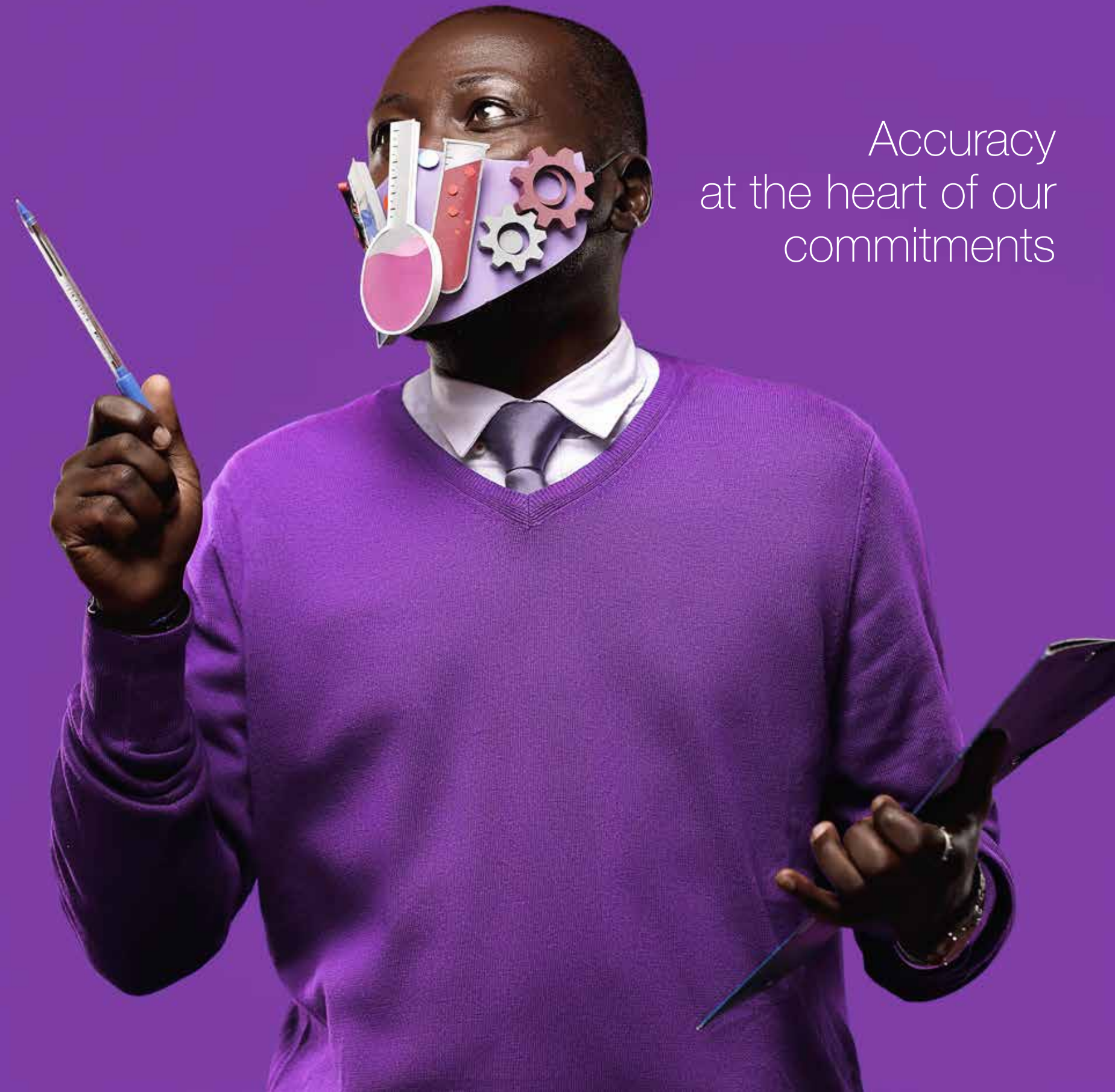
We thus participated, alongside other institutional contributors from Senegal, in some twenty meetings of world organizations (International Telecommunications

Union - ITU), pan-African (African Telecommunications Union - ATU) and sub-regional (West African Telecommunications Conference - WATCO and Conference of Operators and Suppliers of Telecommunications Services in the EU-MOA - COFTEL / WAEMU space).

7

KEY FIGURES SONATEL IN THE STOCK EXCHANGE

Accuracy
at the heart of our
commitments



ENVIRONMENT AND BUSINESS 2020

Competition and regulation

- Decline in market value in Senegal
- Announcement by the main competitor in Senegal of the sale to Helios Tower of its passive infrastructure base for 105 billion XOF
- Relaxation of the rules on promotions in Senegal
- Market offensive on Mobile Money by new entrants and challengers
- Lower prices of national terminations (Senegal, Mali, Sierra Leone) and maintenance of asymmetry on interconnection prices in Mali
- Introduction of floor prices on bundle offers and promotions in Sierra Leone
- Inauguration and commercial launch of national Backbone in Guinea
- Anti-covid measures of BCEAO on Orange Money from April to June 2020 (free partner payments and KYC relief)

Business

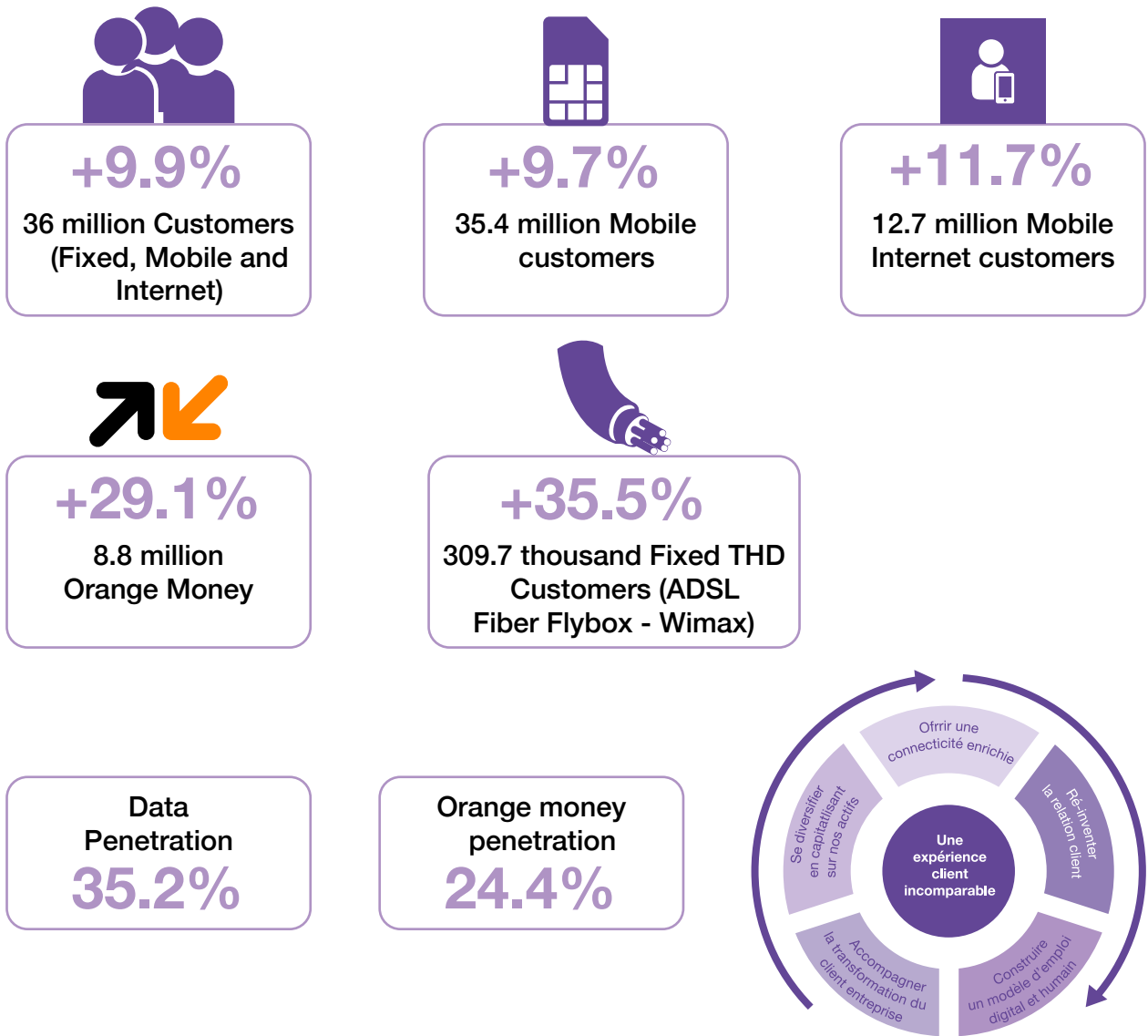
- Evolution of the range of abundance offers (Illimix) in Senegal (market repair) in response to the drop in value observed in the prepaid market
- Price revision of the prepaid mobile offers in Mali, Guinea, Bissau and Sierra Leone
- Achievement of the symbolic bar of 10 million mobile subscribers in Senegal and 8 million customers in Guinea and 1M Active Orange Money customers in Sierra Leone
- Rollout of Fiber and TDD (Mali), TDD launch and 5G test (Senegal).
- 4G+ launch (Guinea) and Orange Energie (Sierra Leone)
- Increased promotions on customer equipment in support of data usage
- Launch of Orange Energie in Sierra Leone and the “Lajor” offer, an innovative financial solution providing fast loans to subscribers through Orange Money.
- Strengthening digital solutions in the context of Covid 19 (education platform, teleworking support)

Environment

- Global health crisis related to the Covid 19 pandemic with significant effects on economic activity
- Sustained commitment of Group entities with the governments of the countries in which they are present in the fight against the pandemic and economic resilience actions
- Political transition underway in Mali in a still tense security context.
- Re-election of the president outgoing in Guinea, political situation under tension affecting the economy
- Success of the Sonatel bond loan on the BRVMstock exchange

OPERATIONAL KEY FIGURES

- Sustained growth of the base by 9.9%, notwithstanding the slowdown effects of COVID19 (restrictions on field actions).
- Good performance of the mobile Data base at Cluster level, mainly driven by Senegal thanks to a good policy focused on abundance.
- An increase in Orange Money base for the Group, driven by the strong recruitment drive and the relaxation of account opening measures in the context of the Covid.
- Continued growth of the very high speed network around Fiber, LTE / FDD and TDD offers.



FINANCIAL KEY FIGURES



+2.3%
1 206.1 billion
Turnover

Income

Growth compared to 2019 (+27 billion XOF, +52 billion XOF proforma) driven by mobile activity with the strengthening of data usages, orange money and fixed internet. The Growth driven by Guinea, Mali and Sierra Leone is offsetting the drop in Senegal and Bissau.



+7.6
519.2 billion
Ebitdaal

Ebitdaal

Strong growth in operating margin of +37 billion XOF, +48 billion XOF in proforma mainly due to efforts to control operating expenses as a result of savings on overheads, A&P and operating taxes.



+15.7%
314.8 billion
Free Cash Flow

Résultat Net

Up 3% thanks to the improvement in Ebitdaal which covers the increase in depreciation and financial costs.



+3%
201.91 billion
Net Income

Free Cash Flow

Up 12.8%, linked to the good generation of margins combined with the reduction in capex realizations.



+0.4%
204,4 billion
Ecapex

Ecapex

The entire net result is invested in capex in order to prepare our networks and service platforms to carry even more traffic with an excellent quality of service, but also to deploy new offers and innovations to accelerate our transformation into a full-service operator.

Ebitdaal rate
43%
+2.1pts

Net margin
16.7%

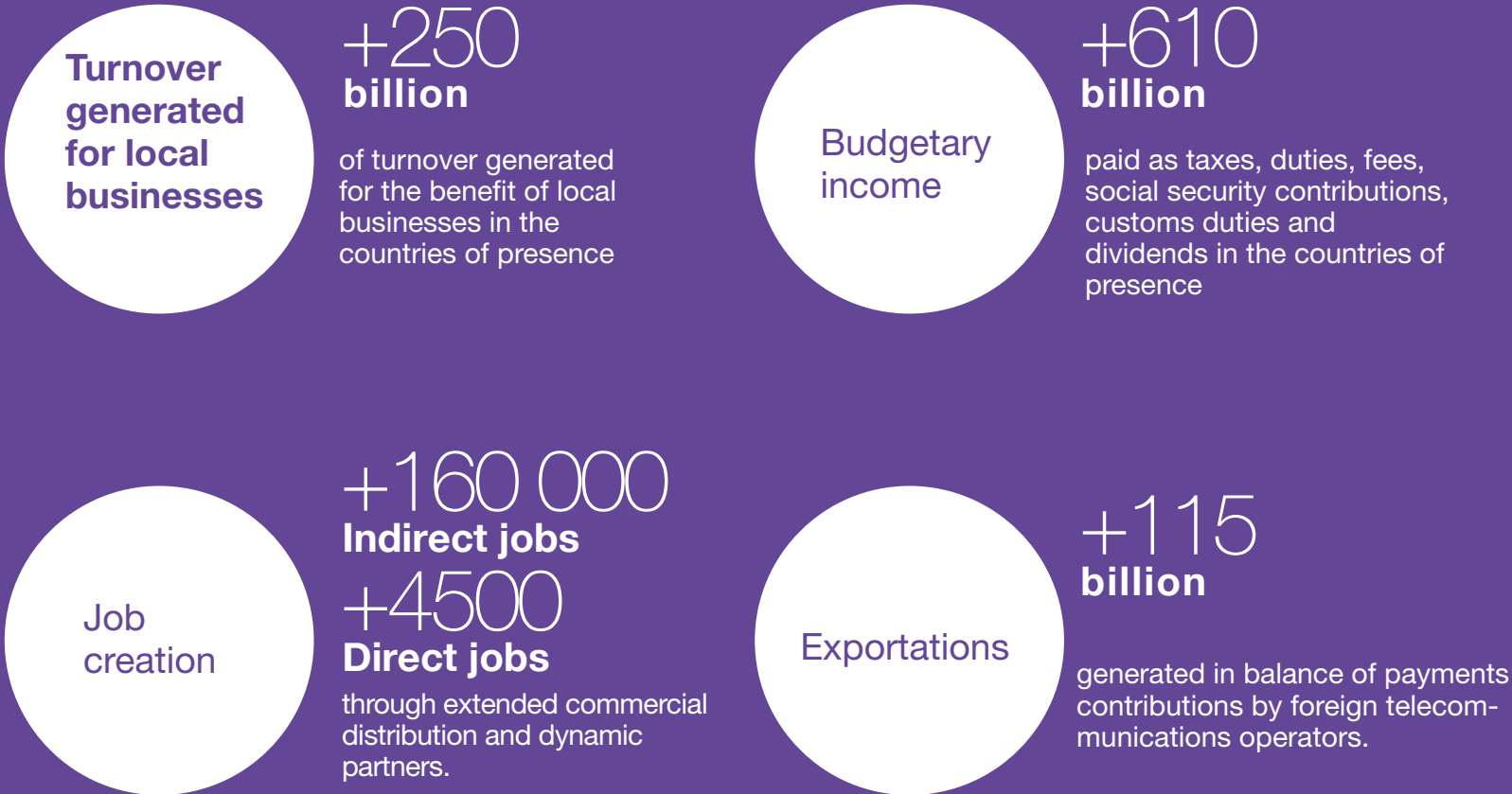
Ecapex rate
16.9%

COUNTRY OF PRESENCE






	Sénégal	Mali	Guinée	Guinée-Bissau	Sierra Leone
GDP growth*	0.7%	-2.0%	1.4%	-2.9%	-3.1%
Inflation*	2.5%	1.8%	8.7%	2.6%	17.5%
Population	16.8 millions	19.7 millions	14.0 millions	1.8 millions	8.0 millions
Penetration	108%	105,2%	108,0%	87%	71,0%
Market share	55.6%	55.3%	58.7%	48.0%	52.2%
Position	Leader	Leader	Leader	Second	Leader
3G coverage	97.9%	95.5%	85.0%	70%	80.0%
4G coverage	79.4%	63.3%	69.0%	54%	38.1%

*Economic data: source IMF October 2020 except Senegal (government estimate)






CONTRIBUTION TO THE ECONOMY



SUBSCRIBER BASE: FIXED, MOBILE AND INTERNET

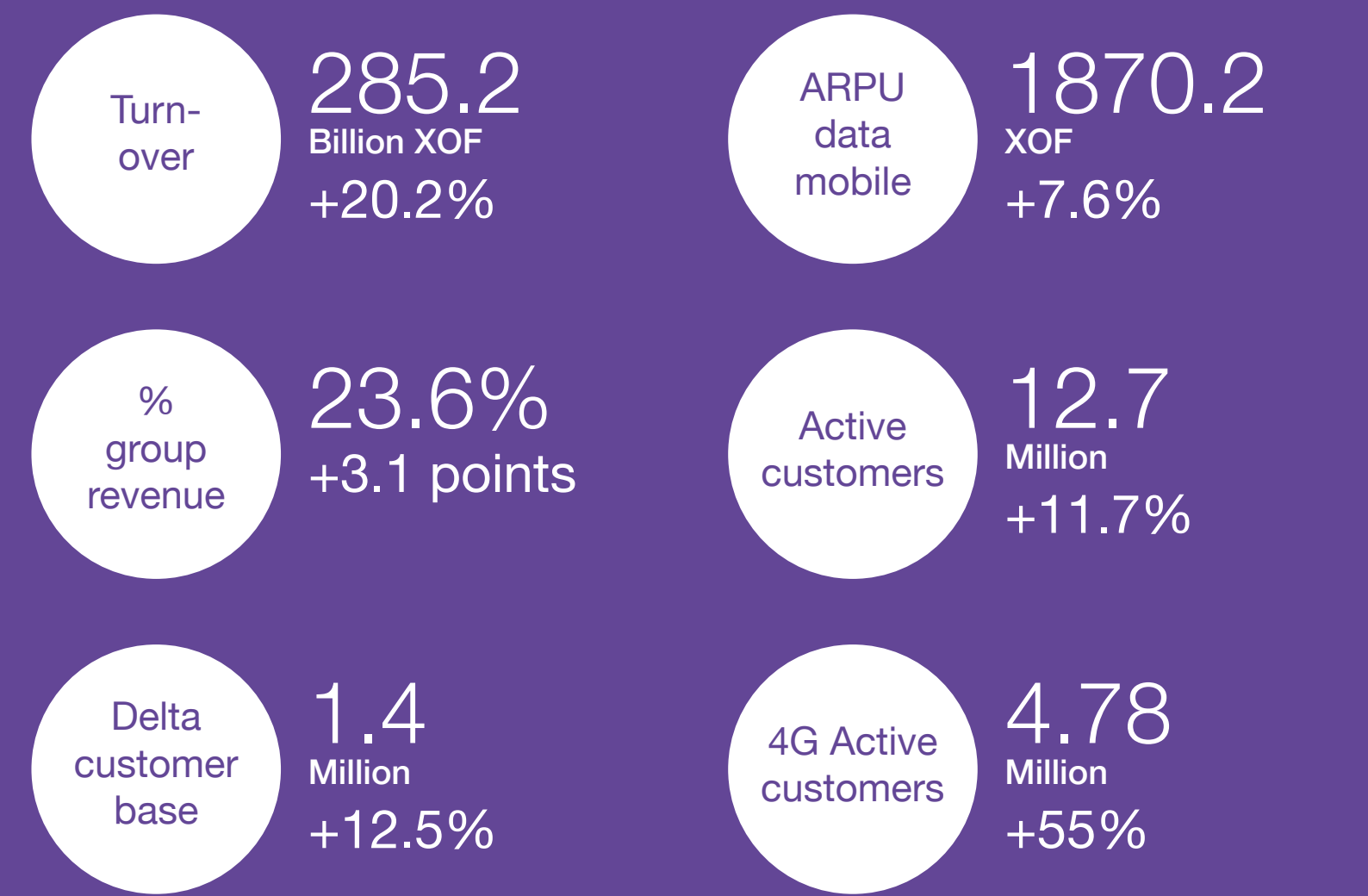
	Sénégal	2018	2019	2020	2019 / 2018	2020 / 2019
Senegal		8.734.542	9.575.174	10.594.894	9.6%	10.6%
Mali		10.468.834	11.881.918	12 318 240	13.4%	3.7%
Guinea		7.268.259	7.670.324	8.503.852	5.5%	10.9%
Bissau		682.701	709.819	801.536	4%	12.9%
Sierra Leone		1.992.314	2.473.881	3.234.775	24.2%	30.8%
Mobile		29.146.650	34.311.116	35.453.297	10.8%	9.7%
Fixed		302.243	206.173	227.645	-31.7%	10.4%
Internet		219.144	228.640	309.749	4.8%	35.5%
TOTAL PARC		29.668.037	32.745.929	35.990.691	23.8%	9.9%

ARPU

	 Senegal	 Mali	 Guinee	 Guinee-Bissau	 Sierra Leone
Mobile (recharge chip)	2809.3	2358.1	2371.3	2271.9	1201.3
Annual variation	-11.2%	2.2%	15.2%	-6.9%	21.4%
Mobile Data	2319.1	2120.3	1241.6	2230.3	1424.8
Annual variation	-3.9%	22.5%	24.5%	-15.5%	6.1%
Orange Money	1702.2	1750.5	2019.1	819.3	503.8
Annual variation	-0.1%	-0.4%	11.8%	55.8%	-3.8%
Broadband Internet	8941	33436.4	15093.4	21564.7	129139
Annual variation	6.1%	-32.9%	115.6%	-1.6%	N/A

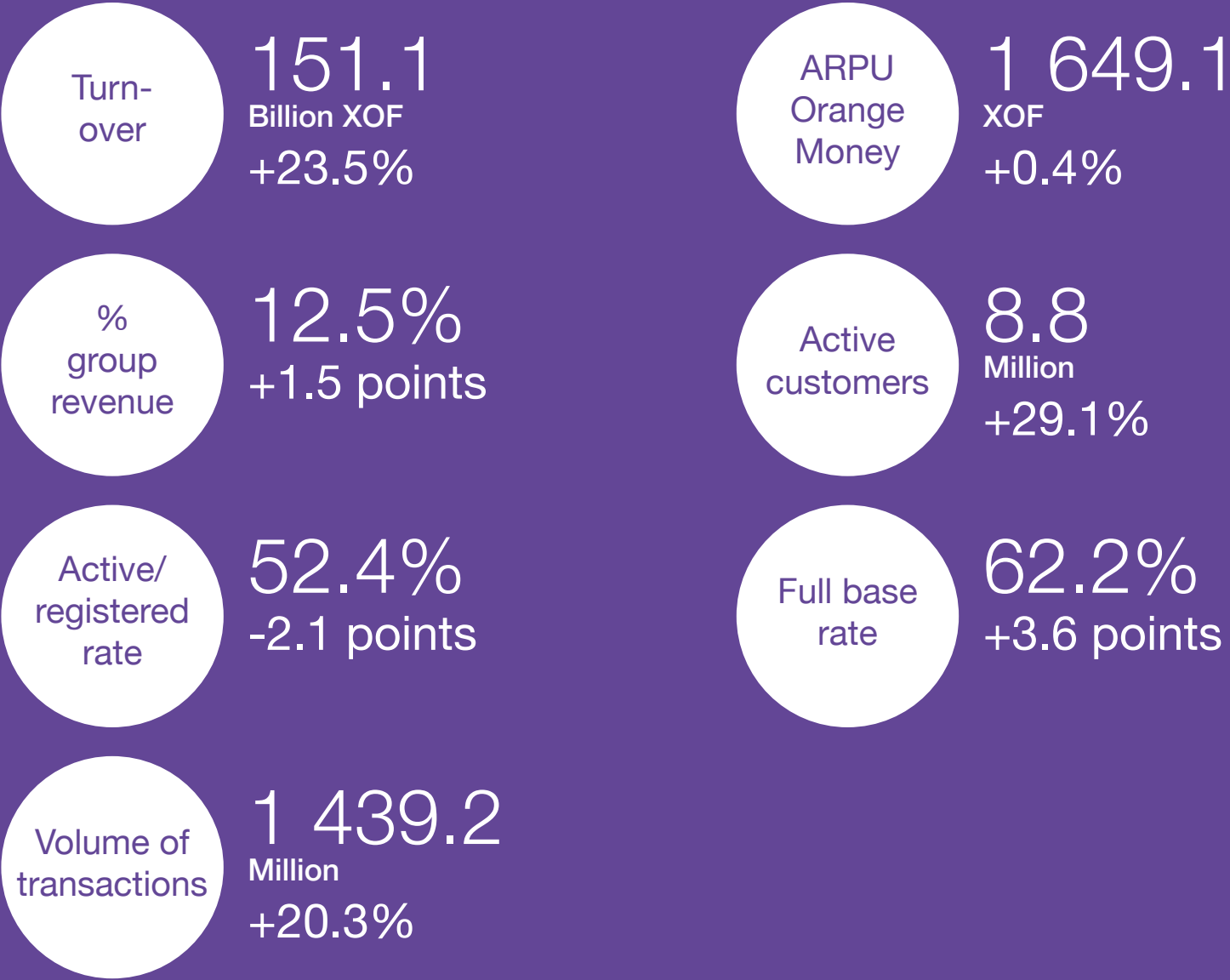
MOBILE DATA

Strong commercial and financial performance driven by revenue growth (+20.2%) and supported by strong growth of the base and abundance usages and the development of very high speed (4G/4G+). Continued rollout of 4G with nearly 4.8 million active customers (+55% over one year). Almost 1/4 of turnover comes from Mobile Data services, i.e. +3.1 points of improvement in one year.



ORANGE MONEY

Very good performance with an increase in turnover of 23.5% despite the health crisis driven by the growth of the Base (+1.9 million active customers over one year) with more than half of registered customers active on our services and usages (+20.3% increase in volume transactions over one year). Strengthening the compliance with 62.2% of our customers fully compliant. In 2020, almost 12.5% of our income was generated by our Mobile Money activities.



FINANCIAL INCOME

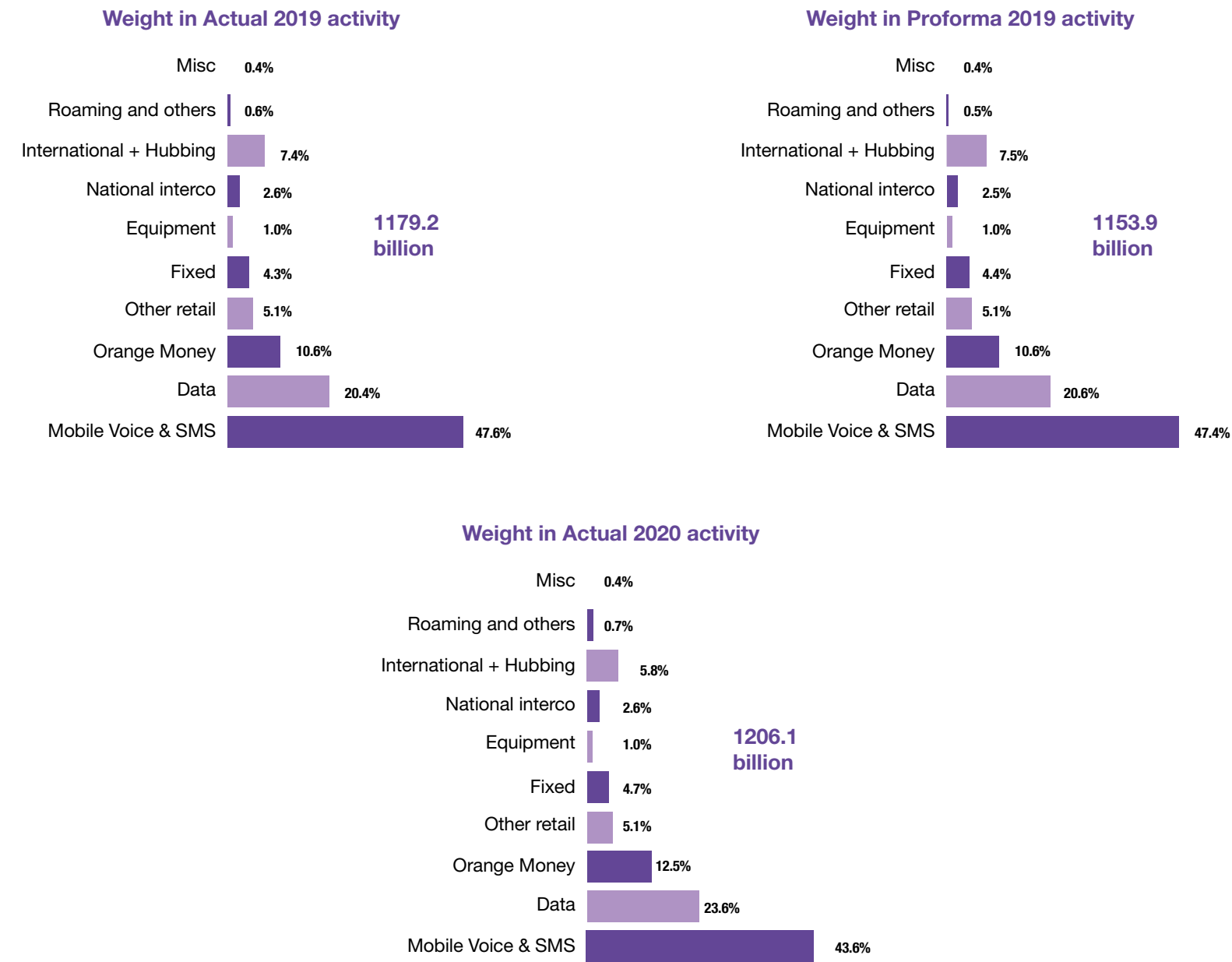
Solid financial performance despite the slowdown effects of the health crisis and the harsher environment regulatory environment. Free cash flow growth.

	2019	2019 PF	2020	2020/2019	2020/2019 PF
Turnover	1179.2	1153.9	1206.1	2.3%	4.5%
Ebitdaal	482.7	471	519.2	7.6%	10.2%
EBITDA margin	40.9%	40.8%	43%	2.1 pts	2.2 pts
Operating income	320.7	312.6	339.7	5.9%	8.7%
Operating margin	27.2%	27.1%	28.2%	1 pt	1.1 pt
Net income (in billions)	195.3	192.6	201.91	3%	4.8%
Net margin	16.5%	16.7%	16.7%	0.2 pt	0 pt
Ecapex	203.5	198.9	204.4	0.4%	2.8%
CAPEX rate	17.2%	17.3%	16.9%	-0.3 pt	-0.3 pt
Free Cash Flow	279.1	272.1	314.8	12.8%	15.7%



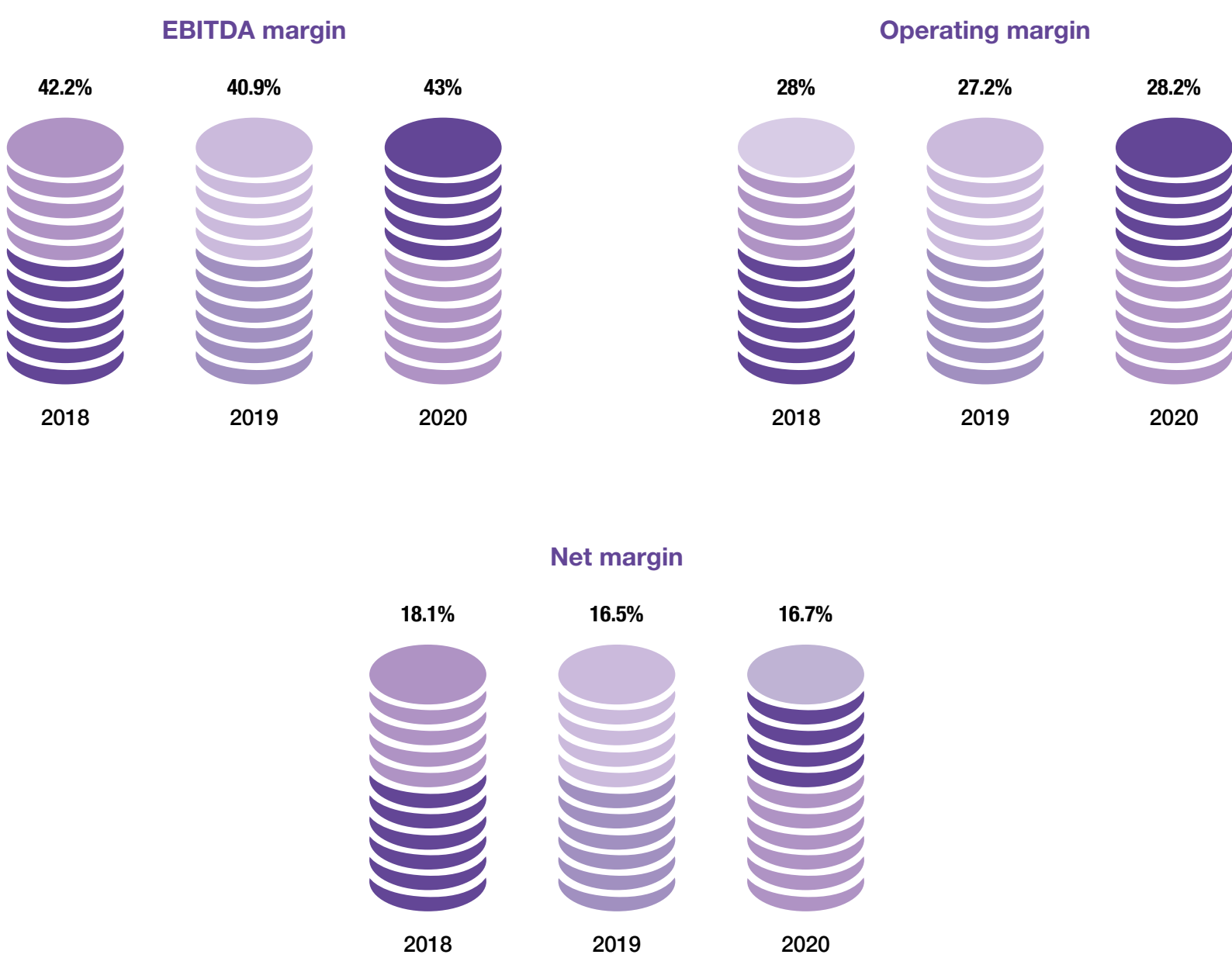
TURNOVER

Turnover/change mix: strengthening of the contribution of Data and Orange Money in the face of the decline in international markets. The core business activities, Voice, SMS, are experiencing a slight decline but still occupy a prominent place in income generation.



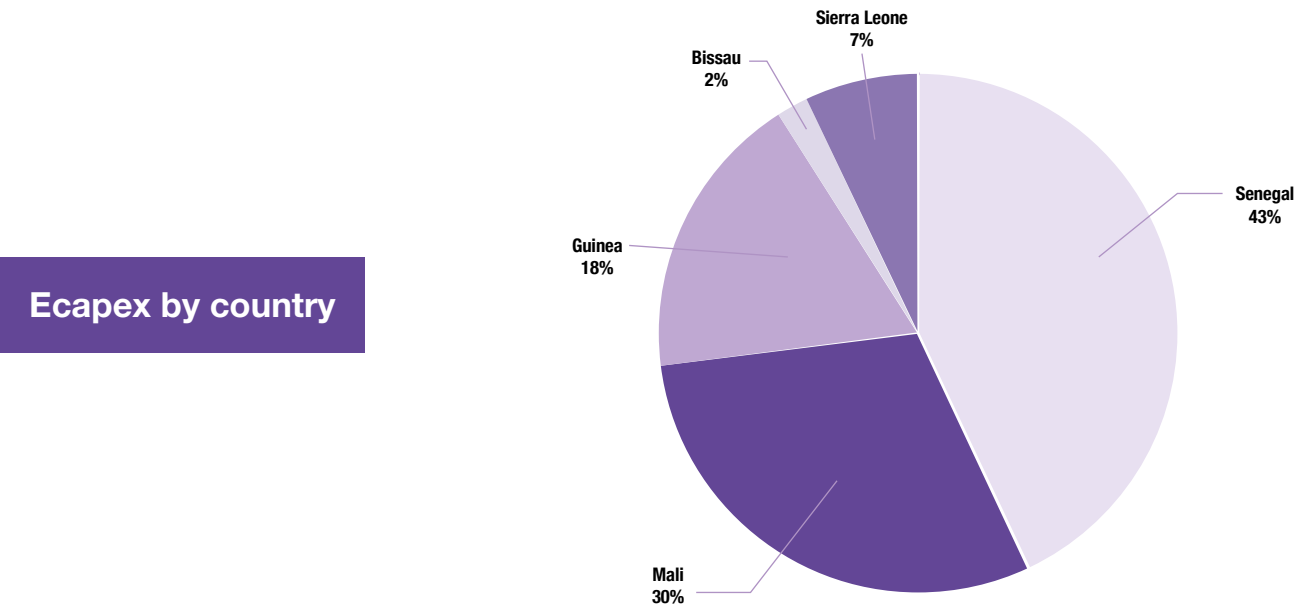
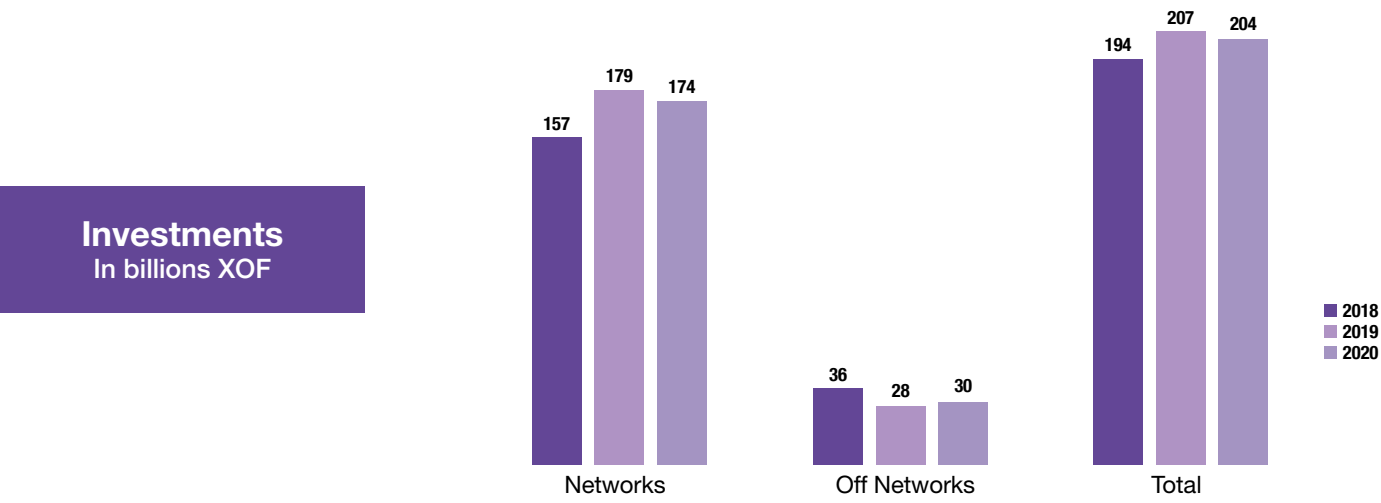
MARGINS

Strong improvement in the Ebitdaal margin thanks to good cost control. Good growth in operating and net margins despite higher depreciation and financial charges and despite the negative currency effects suffered.



INVESTMENTS

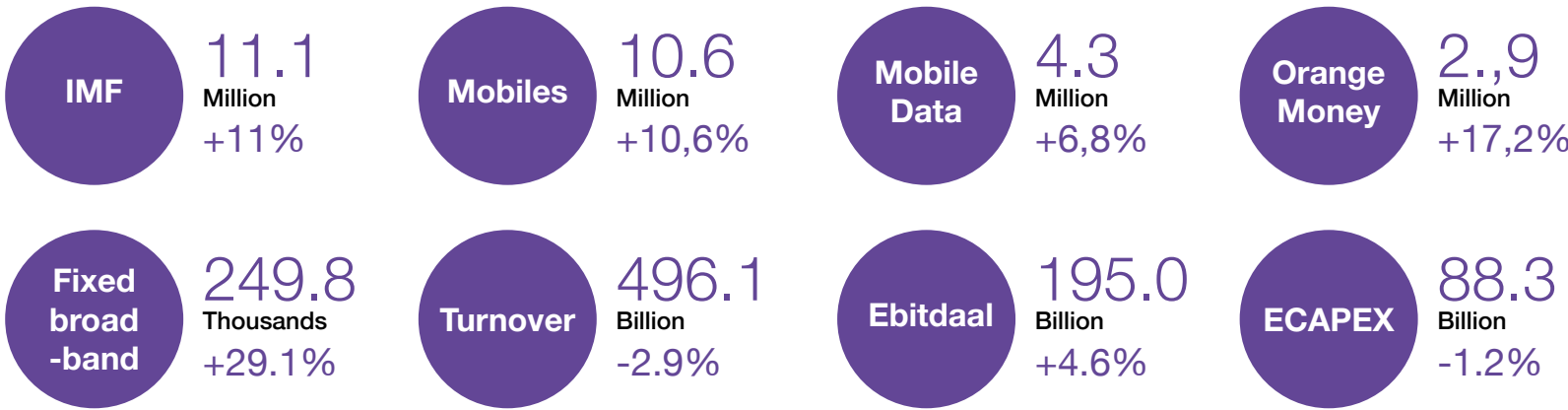
Maintenance of investment efforts (16.9% of income) in all Cluster countries, in particular for the implementation of the MainOne submarine cable, but also to meet the needs of rural extension, Mobile deployment and FTTH in order to support data and fixed internet.



SÉNÉGAL

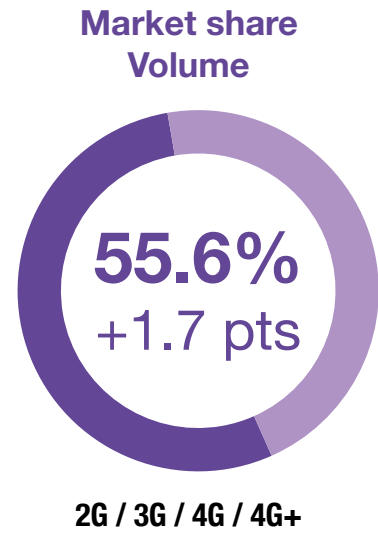


Good demonstration of resilience with growth in Ebitdaal and Free Cash flow despite a sharp decline of turnover supported by the increase in competition with a high destruction of the value of the prepaid mobile market. At the operational level, the merger of the Sonatel Mobile, Sonatel Multimedia and Sonatel Business Solutions entities with SA. Strengthening of our commercial positions in volume and value thanks to the good recruitment drive. Launch of a bond loan to finance our ambitious investment programme to maintain the competitive advantage on very high speed broadband.



- Success and record listing of the Sonatel bond loan on the BRVM stock exchange
- Merger of Sonatel Mobiles, Sonatel Multimedia and Sonatel Business entities Solutions with Sonatel SA;
- Orange confirmed as the best mobile network for a unique customer experience (Fastest Mobile Network Awards)
- In accordance with its strategy of being a first mover in new technologies, Sonatel carried out the first 5G tests;
- Launch of Promobile, the first MVNO in Senegal and West Africa hosted by Orange with more than 100 thousand customers
- Announcement by Free Senegal of the sale of nearly 1.200 sites to the Helios Group for 160 million euros;
- Formal notice served by the Regulatory Authority to Expresso for defaulting in investment activities;
- Mobile Money Market offensive: new entrants and challengers taking advantage of the Covid situation (Wave, Wizall, Yup)
- Sonatel's CSR posture in the context of the Covid19 crisis;
- Announcement of a partnership between Expresso and Huawei for 4G

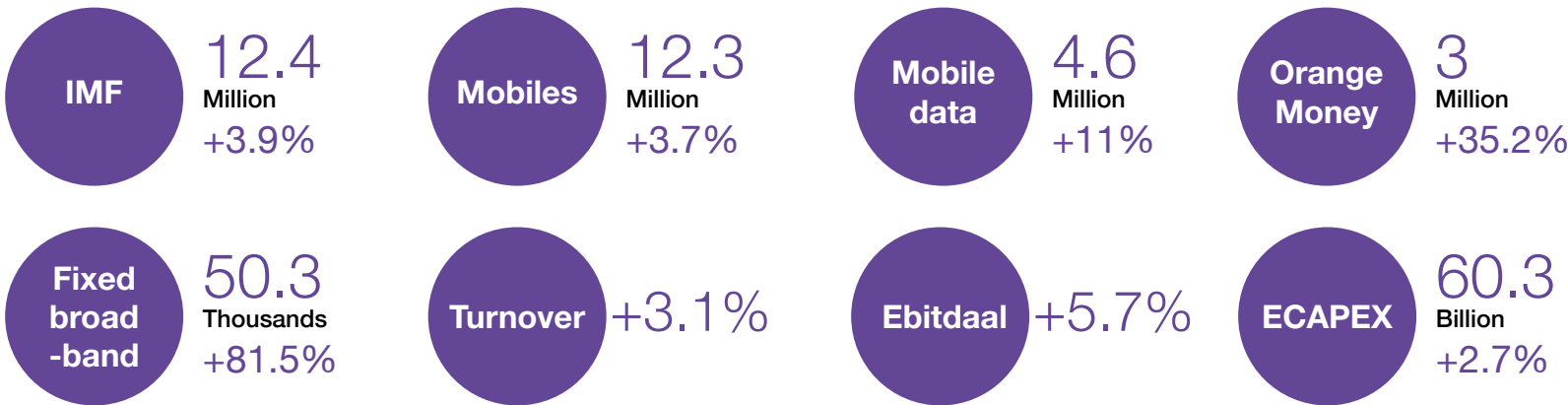
*SYSCOHADA financial statements



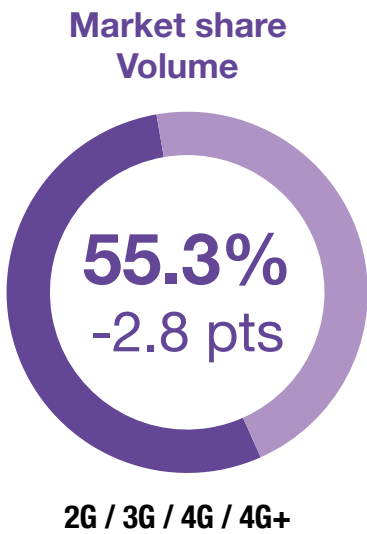
MALI



Despite an unfavourable context marked by a political, security and health crisis, Orange Mali was able to achieve a strong commercial and financial performance. Profitability targets were exceeded, despite lower than expected revenue growth. Regulatory pressure is intensifying in particular on the supervision of promotions, lower termination rates, and regulation of internet connections. Sustained investments in broadband fixed and mobile, as well as financial services enabled revenue growth of 3.1% YOY, 4% Excluding direct COVID impacts (bonuses, price reductions).



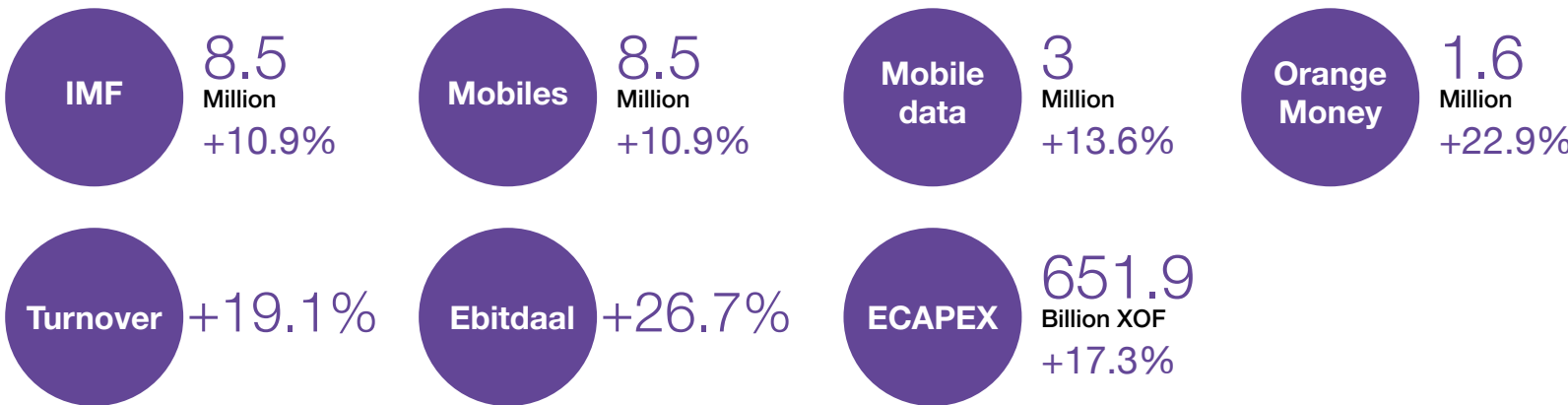
- Military coup on August 18 following the numerous demonstrations by the M5-RFP since 5 June, 2020;
- Appointment of a President of the transition, and of a Vice President former head of the CNSP.
- Appointment of a civilian Prime Minister and a 25-member transition government for 18 months;
- ECOWAS embargo (closure of land borders, suspension of financial transactions) from 18 August to 6 October, 2020
- Material, technical and human support to the Ministry of Health in the fight against Covid-19 through the Orange Mali Foundation;
- Implementation of action plans to boost the (promotion base on access fees and recruitment of additional salespeople);
 - 5.4 million customers onboarded in 2020 with a strong acceleration in the second half of 2020
 - more than 6.000 fiber customers recruited during the year.
- Entry into force of new asymmetric interconnection charges
 - To Orange: from 5.7 XOF to 2.5 XOF / min
 - To Malitel: from 7 XOF to 3 XOF / min
- Renewal of the sponsorship contract with the Malian Football Federation;
- Orange Mali named fastest fixed Internet service provider in Mali



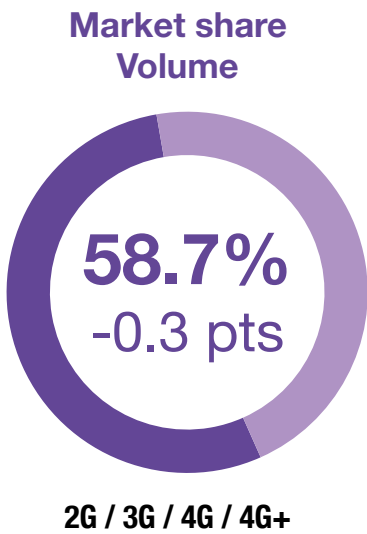
GUINEA



Solid operational and financial performance despite an unstable socio-political environment and a pandemic context. Performance favoured by the maintenance of the investment effort and the good commercial dynamics and promoting the development of the base and its usages. Crossing the bar of 8.5 million Mobile customers and more than 600 active customers on 4G. Improved operating margin. Extension of the network coverage of the country, particularly rural, with more than 200 new localities covered.



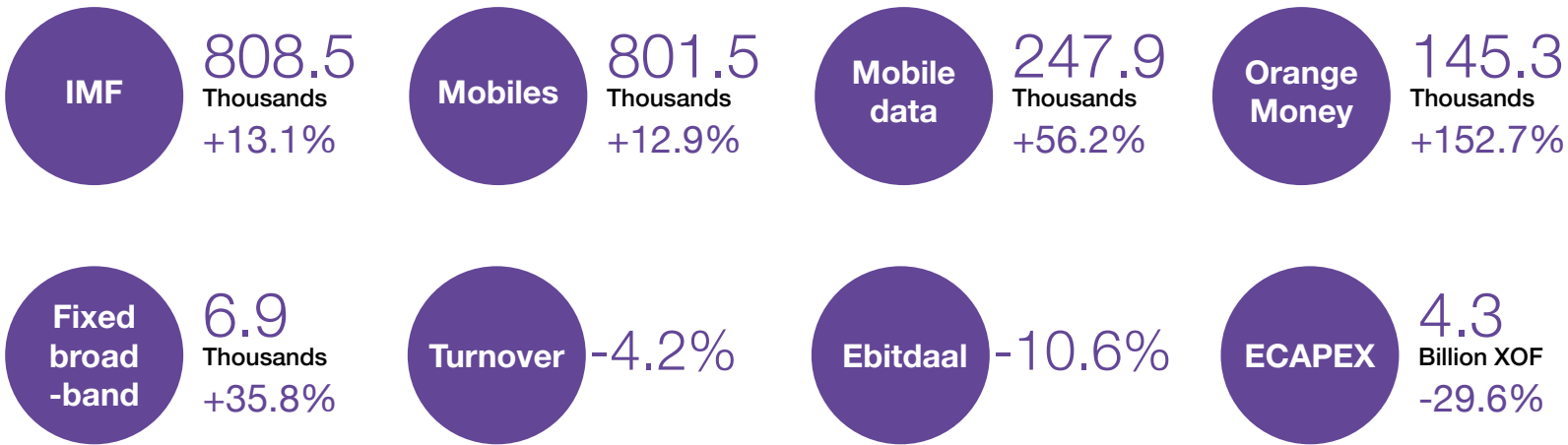
- Re-election of the outgoing President Alpha CONDE.
- Continuing socio-political tensions in the country throughout the year
- Orange leader in the services offered to customers: voice, data and SMS following the audit of networks by the ARPT
- Continued depreciation of the Guinean franc and lack of foreign currency
- Maintaining leadership in all services (source ARTP - Q3 2020):
 - Mobile Volume market share stable at 59% and Value Market share: 72.4%
 - Internet Market Share: Orange 49%
 - Market share Mobile money Orange: 72%
 - Launch of home offers: HomeBox Rural, HomeBox Unlimited and PMP;
- Crossing the bar of 8.5 million mobile subscribers and 600.000 4G Data Customers
- Launch of a new number range: +224 610xxxxxx;
- Launch of 4G + and Inauguration of 5 franchises in Conakry and in the provinces
- Inauguration and commercial launch of the national Backbone in Guinea; Audit and work ongoing for the relaunch of the historical operator Guinea Telecom
- Maintenance of QSE certification (Quality; Safety & Environment) and Top Employer for the 5th consecutive year



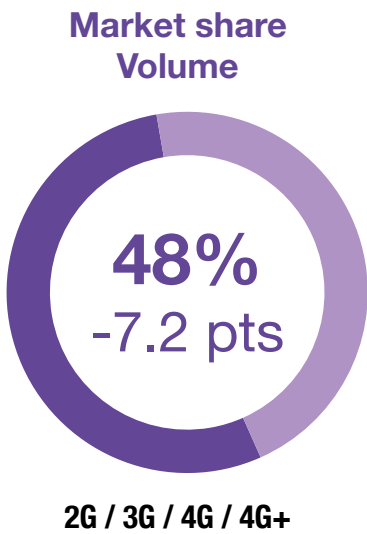
BISSAU



Financial results strongly affected by the health, economic (poor cashew season) and political crisis
Beginning of resolution of the political crisis with the election of a new President; Improvement of the volume market share after the loss of leadership; Launch of a vast programme to modernize and extend the network.



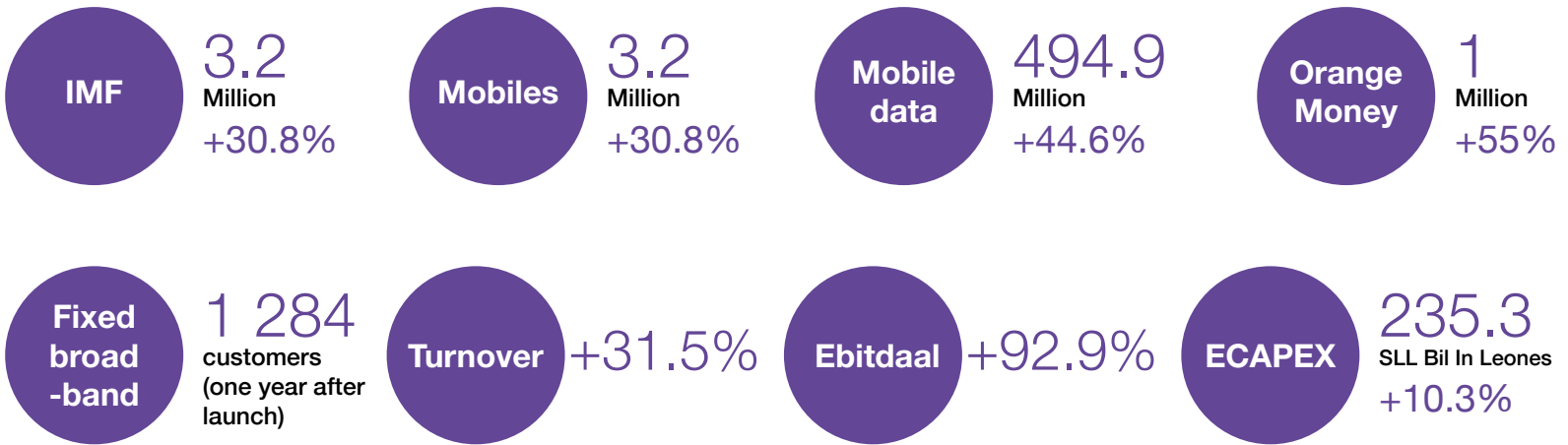
- Return to normal after several years of political instability following the election of President EMBALLO in February 2020 and withdrawal of ECOWAS forces installed in Guinea-Bissau since 2012
- Economic situation severely degraded by the Covid-19 crisis with restrictive measures (closure of borders, state of emergency, partial lockdown, etc.)
- 1.5 point drop in economic growth in 2020 following the drop in world prices of cashew nuts and exports affected by the Covid-19 crisis
- New telecom tax approved for 2021
- Launch of a vast programme to modernize and extend the network of Orange Bissau
- Commissioning of the ACE cable initially scheduled for June 2020 postponed to the month of July 2021
- Modification of the fine in the event of non-compliance with the specifications (from 15 million to 5% of turnover)
- Implementation of the traffic control system
- Relaunch of the matter of the sale of the historical operator Guinéeetel



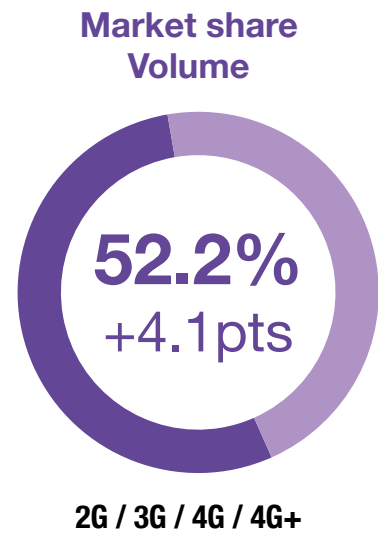
SIERRA LEONE



Confirmation of leadership in volume despite the COVID context. Solid financial performance thanks to good commercial performance and sustained revenue growth. Fiscal and regulatory pressure still heavy despite the adoption of measures conducive to business activity. Reinforcement of investments to support the business growth and development ambitions (especially rural coverage).



- Launch of a data-oriented mobile offer dedicated to students ("Spak")
- Introduction of a loyalty programme ("Orange Lek You")
- Launch of Orange Energie
- Good recruitment drive, continued field events on offers and promotions
- Crossing the bar of 1 million active Orange Money customers. Two new offers: Pico Credit and International Transfer
- Introduction of a floor price on voice and a framework for promotions
- Acceleration of the devaluation of the SLL against foreign currencies especially the Euro
- Focus on expanding network coverage with addressing of rural areas (55 new sites) as well as increased capacity in urban areas
- Improved relationship with the ecosystem (based on public relations and CSR) and launch of the Orange Foundation
- Launch of a free educational portal in partnership with the Ministry of Education
- Validation of 5 regulations as well as a new law on Telecommunications
- Unbundling of the monopoly of the access point to the ACE cable and the terrestrial backbone
- Project to set up an Interconnection Clearing House suspended following the minister's statement in early November



SHARE PRICE

20.5% drop in the share price against an 8.7% drop in the BRVM composite index in 2020 partly explained by the cautiousness of foreign institutional investors in emerging markets in the face of the Covid-19 crisis.



Floating 23%

- 30% General public
- 10% institutional WAEMU
- 60% institutional outside WAEMU

30.8%

of the index
composite

48.6%

of the index
BRVM 10

DIVIDEND POLICY 2020

EXERCICES	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Price at 31/12	12.000	15.400	12.000	14.500	20.050	22.800	25.000	25.000	23.500	16.000	16.995	13.500
Dividend (in G XOF)	135	140	145	150	155	160	167	167	167	167	136	136
Dividend net per share	1.215	1.260	1.305	1.350	1.395	1.440	1.500	1.500	1.500	1.500	1.225	1.225
Rate Dividend growth	3.9%	3.7%	3.6%	3.5%	3.3%	3.2%	4.2%	0%	0%	0%	-18.3	0%
Rate of return dividend	10%	8%	11%	9%	7%	7%	6%	6%	6.4%	9.4%	7.2%	9%
Distribution rate (%) Sonatel SA	91%	82%	114%	87%	106%	92%	106%	108%	102%	156%	88%	88%
Distribution rate (%) Group	73%	76%	94%	88%	88%	73%	76%	77%	82%	82%	70%	68%

WORKFORCE

Solid financial performance despite the slowdown effects of the health crisis and the harsher competitive and regulatory environment. Free cash flow growth.

SONATEL GROUP	2016	2017	2018	2019	2020	19/18	19/20
Senegal	1.791	1.780	1.819	1.824	1.848	0.27%	1.32%
Mali	582	612	649	672	646	3.54%	-3.87%
Guinea	326	353	361	378	393	4.71%	3.97%
Bissau	90	90	90	94	98	4.44%	4.26%
Sierra Leone	-	182	181	185	191	2.21%	3.24%
TOTAL	2.789	3.017	3.100	3.153	3.176	1.71%	0.73%



INCOME

INCOME STATEMENT 31 DECEMBER, 2020					
Name SONATEL SA entity		Year ending		31/12/2020	
Identification No. 0018061-2G3		Duration (in months)		12	
REF	ITEMS	w	NOTE	YEAR ENDING 31/12/N NET	YEAR ENDING 31/12/N-1 NET
TA	Sale of goods A	+	21	0	0
RA	Purchases of goods	-	22	0	0
RB	Variation in stocks of goods	-/+	6	0	0
XA	SALES MARGIN (Sum TA to RB)			0	0
TB	Sale of manufactured goods B	+		0	0
TC	Works, services sold C	+		433.634.311.518	257.156.786.339
TD	Accessory products D	+		11.643.371.855	37.146.316.522
XB	TURNOVER (A + B + C + D)			445.277.683.373	294.303.102.861
TE	Stored production (or destocking)	-/+	6	0	0
TF	Capitalized production		21	2.888.907.559	2.931.306.023
TG	Operating subsidies		21	0	0
TH	Other products	+	21	20.365.210.149	8.191.209.017
TI	Transfers of operating expenses	+	12	1.912.946.070	2.780.643.866
RC	Purchase of raw materials and related supplies	-	22	0	0
RD	Variation in stocks of raw materials and related supplies	-/+	6	0	0
RE	Other purchases	-	22	35.205.343.903	14.865.596.980
RF	Variations in stocks of other supplies	-/+	6	2.970.318.530	318.133.258
RG	Transport	-	23	412.311.383	913.010.026
RH	External services	-	24	135.757.134.756	96.272.043.082
RI	Duties and taxes	-	25	26.108.759.749	26.465.021.014
RJ	Other expenses	-	26	13.999.879.792	9.123.104.917
XC	VALUE ADDED (XB + RA + RB) + (sum TE to RJ)			255.990.999.038	160.249.352.490
RK	Staff costs	-	27	72.379.206.922	77.912.624.075
XD	GROSS OPERATING SURPLUS (XC + RK)		28	183.611.792.116	82.336.728.415
TJ	Depreciation reversals and provisions	+	28	6.660.389.266	16.373.515.776
RL	Depreciation. provisions and impairments	-	3C&28	84.705.215.142	41.853.341.280

INCOME (continued)

XE	OPERATING INCOME (XD + TJ + RL)			105.566.966.240	56.856.902.911
TK	Financial and similar income	+	29	104.548.576.190	130.316.174.623
TL	Reversals of provisions and financial impairments	+	28	482.859.905	334.172.910
TM	Financial expense transfers	+	12	0	0
RM	Financial charges and similar expenses	-	29	26.309.162.084	18.679.900.098
RN	Allocations for provisions and financial impairments	-	3C&28	2.706.884.944	1.818.230.905
XF	FINANCIAL INCOME (sum TK to RN)			76.015.389.067	110.152.216.530
XG	EARNINGS FROM ORDINARY ACTIVITIES (XE + XF)			181.582.355.307	167.009.119.441
TN	Proceeds from disposal of fixed assets	+	3D	95.037.426	4.955.082.085
TO	Other EOA income	+	30	419.175.519	362.298.563
RO	Accounting values of disposals of fixed assets	-	3D	29.973.184	364.095.029
RP	Other EOA expenses	-	30	1.722.287.065	26.688.525
XH	INCOME EXCLUDING EARNINGS FROM ORDINARY ACTIVITIES (sum TN to RP)			-1.238.047.304	4.926.597.094
RQ	Employee stock ownership	-	30	0	0
RS	Income Taxes	-		29.897.345.371	17.133.881.150
XI	NET INCOME (XG + XH - RQ - RS)			150 446 962 632	154 801 835 385

ASSETS

ASSET BALANCE SHEET AT 31 DECEMBER, 2020						
Name entity SONATEL SA Identification No. 0018061-2G3			Year ending Duration (in months)		31/12/2020 12	
REF	ASSETS	Note	YEAR ENDING 31/12/N			YEAR ENDING 31/12/N-1
			GROSS	AMORT. and DEPREC.	NET	NET
AD	INTANGIBLE ASSETS	3	240893697318	128772707367	112120989951	103618417582
AE	Development and prospecting costs		12 775956	12 775956	0	608169
AF	Patents, licenses, software, and similar rights		238212999487	127231540459	110981459028	103617809413
AG	Goodwill and leasehold right		2 547318273	1 528390952	1 018927321	0
AH	Other intangible fixed assets		120 603 602	0	120 603 602	0
AI	TANGIBLE FIXED ASSETS	3	1 173342362 684	815121566744	358220795940	147704953663
AJ	Land (1)		3 920037965	0	3 920037965	3 882537965
AK	Buildings		39 542737889	24 498196818	15 044541071	14 264731666
AL	Layouts, fixtures and fittings		35 297692067	29 534584163	5 763107904	3 631 204 251
AM	Biological equipment, furniture and assets		1 074661620 541	746604571183	328057049359	119243486466
AN	Transportation equipment		19 920274222	14 484214581	5 436 059 641	6 682993315
AP	Advances and deposits paid on fixed assets	3	0	0	0	0
AQ	FINANCIAL FIXED ASSETS	4	268355578911	1 848482138	266507096773	271623215659
AR	Equity securities		179763161145	1 376336907	178386824238	186867813197
AS	Other financial fixed assets		88 592417766	472145231	88 120272535	84 755402462
AZ	TOTAL FIXED ASSETS		1 682591638 913	945742756249	736848882664	522946586904
BA	CURRENT ASSETS EOA	5	218433681	0	218433681	0
BB	INVENTORIES AND STOCKS BILLABLE	6	8 896713877	1 098868100	7 797845777	4 450 532 941
BG	ACC, RECEIV. AND RELATED ITEMS		219233528301	28 578402060	190 655 126 241	232872638703
BH	Suppliers deposits paid	17	592306579	0	592306579	291 646 990
BI	Customers	7	118468763430	27 573331612	90 895431818	120631642672
BJ	Other claims	8	100172458292	1 005070448	99 167387844	111 949 349 041
BK	TOTAL CURRENT ASSETS		228348675859	29 677270160	198671405699	237323171644
BQ	Investment securities	9	1 389956968	0	1 389956968	2 224 320 290
BR	Values for collection	10	1 987687779	0	1 987687779	137463669
BS	Banks, postal cheques, cash and similar	11	89 538341548	0	89 538341548	47 705505240
BT	TOTAL CASH FLOW-ASSETS		92 915986295	0	92 915986295	50 067289199
BU	Translation difference-Asset	12	195 512 939	0	195 512 939	55 251 421
BZ	GRAND TOTAL		2 004051814 006	975420026409	1 028631787 597	810392299168

LIABILITIES

BILAN PASSIF AU 31 DECEMBRE 2020				
Name entity SONATEL Identification SA 0018061-2G3			Financial year ended Duration (in months)	
			31/12/2020 12	
	ASSETS	Note	NET	NET
CA	Capital	13	50 000 000 000	50 000 000 000
CB	Uncalled capital contributors	(+)	13	0
CD	Share capital premiums	14	75 260 792 320	0
CE	Revaluation differences	3c	0	0
CF	Non-distributable reserves	14	10 000 000 000	10 000 000 000
CG	Free reserves	14	136 437 126 302	83 709 513 325
CH	Brought forward (+ or -)	14	0	0
CJ	Net income for the year (profit+ or loss-)		150.446.962.632	154.801.835.385
CL	Investment subsidies	15	458 263038	525 921 822
CM	Regulated provisions	15	1 646 893 439	1 802 272 488
CP	TOTAL EQUITY AND SIMILAR RESOURCES		424 250 037 731	300 839 543 020
DA	Loans and various financial debts	16	225 668 177 619	126 178 441 266
DB	Capital lease debts	16	0	0
DC	Provisions for risks and charges	16	57 424 116 723	52 524 415 958
DD	FINANCIAL DEBTS AND SIMILAR RESOURCES		283 092 294 342	178 702 857 224
DF	TOTAL STABLE RESOURCES		707 342 332 073	479 542 400 244
DH	Current debts EOA	5	54 649 200 166	3 883 645 435
DI	Clients. advances received	7	1 525 573 489	234 152 695
DJ	Trade payables	17	84 120 409 655	60 937 166 270
DK	social and tax debts	18	65 326 955 996	46 788 244 332
DM	Other debts	19	10 671 931 396	83 677 861 753
DN	Provisions for short term risks	19	195 512 939	55 251 421
DP	TOTAL CURRENT LIABILITIES		216 489 583 641	195 576 321 906
DQ	Banks, discount credits	20	0	0
DR	Banks, financial institutions and cash credit	20	104 681 399 049	135 273 577 018
DT	TOTAL CASH-LIABILITIES		104 681 399 049	135 273 577 018
DV	Translation difference-Liability	12	118 472834	0
DZ	GRAND TOTAL		1 028 631 787 597	810 392 299 168

CFT

TFT AU 31 DECEMBRE 2020				
Name Entité SONATEL SA		Year ending 31/12/2020		
Identification No. 0018061-2G3		Duration (in months) 12		
REF	ITEMS	Note	Year N	Year N-1
ZA	Cash at 1st January (Cash assets N-1 - cash liabilities N-1)		-84 206075328	-102 820201908
	Cash flow from operating activities		0	0
FA	Global Self-Financing Capacity (GSFC)		230495370256	176812433265
FB	- Current assets EOA (1)			0
FC	+ Variation in stocks		1 171537241	-537 141948
FD	- Variation of receivables		-14 619 954 644	-42 196475253
FE	+ Variation in current liabilities		-3 960446084	69 672928200
	Variation in Fin. Needs related to operating activities (FB + FC + FD + FE)		-17 408863487	26 939 310 999
ZB	Cash flow from operating activities (sum of FA to FE)	B	213086506769	203751744264
	Cash flow from investing activities			
FF	Disbursements related to acquisitions of intangible assets		-13 513283926	-4 620797798
FG	Disbursements related to acquisitions of tangible fixed assets		-82 853394268	-42 714040425
FH	- Disbursements related to acquisitions of financial fixed assets		-6 991760288	-3 187032561
FI	+ Receipts related to the disposal of intangible fixed and tangible fixed assets		95 037426	3 282798218
FJ	+ Receipts related to the disposal of financial fixed assets		0	1 672283867
ZC	Cash flow from investment activities (sum FF to FJ)	C	-103 263 401 056	45 566788 699
	Cash Flow from Equity Financing			
FK	+ Increase of share capital by new subscriptions		0	0
FL	+ Investment subsidies received		0	0
FM	- Capital levy		0	0
FN	- Dividends paid		-136 111 111 111	-166 666666667
ZD	Cash flows from shareholders equity (sum of FK to FN)	D	-136 111 111 111	-166 666666 667
	Cash from financing with foreign capital			
FO	+ Borrowings		133337619792	53 044232861
FP	+ Other financial debts		0	0
FQ	- Repayment of loans and other financial debts		-34 608951817	-26 948607670
ZE	Cash flows from foreign capital (sum FO to FQ)	E	98 728667975	26 095 625 191
ZF	Cash flow from financing activities (D + E)	F	-37 382443136	-140 571041476
ZG	Change in net cash position for the period (B + C + F)	G	72 440662577	17 613914089
ZH	Net cash position at 31 December (G + A) (control: cash assets N - cash liabilities N)	H	-11 765412754	-85 206287819

(1) excluding variations in receivables and payables related to investing activities (variation in receivables on disposal of fixed assets and debts on acquisition or production of fixed assets) and financing (for example variation in receivables on investment subsidies received).

NOTES 1

NOTE 1: FULLY COLLATERALIZED DEBTS					
Name entity SONATEL SA Identification No 0018061-2G3			Year ending Duration (in months)		31/12/2020 12
ITEMS	Note	Amount Gross	REAL COLLATERAL		
			Mortgages	Pledges	Bonds/Others
Financial debts and related resources					
Convertible bond loans		0	0	0	0
Other bond loans		0	0	0	0
Loans and debts of credit institutions		0	0	0	0
Other financial debts		0	0	0	0
SUBTOTAL (1)		0	0	0	0
Capital lease debts		0	0	0	0
Real estate lease debts		0	0	0	0
Financial lease debts		0	0	0	0
Debts on lease-purchase contracts		0	0	0	0
Debts on capital leases		0	0	0	0
SUBTOTAL (2)		0	0	0	0
Accounts payable and related accounts		0	0	0	0
Customers		0	0	0	0
Staff		0	0	0	0
Social security and social organizations		0	0	0	0
Government		0	0	0	0
International organizations		0	0	0	0
Associates and Group		0	0	0	0
Sundry creditors		0	0	0	0
SUBTOTAL (3)		0	0	0	0
TOTAL (1) + (2) + (3)		0	0	0	0
FINANCIAL COMMITMENTS				Commitments given	Commitments received
Commitments to related entities				-	-
Unmatured repayment premiums				-	-
Endorsements, sureties, guarantees				10 584 130 144	-
Mortgages, collateral, guarantees, other				-	2 050 453
Unmatured discounted bills				-	-
Trade and business receivables assigned				-	215 240 636
Contingent claims write-off				-	-
TOTAL				10 584 130 144	217 291 089

Commentaire :

2- Commitments given

The collaterals are itemized as follows:

A / CLM bank submission guarantees	300 000 000
B / CBAO bank guarantees	654 981 721

C / CBAO submission of bank guarantees	337 756 687
D/ CBAO Performance Bonds	1 051 307 962
E/ Customs credit guarantees	2 700 000 000
G / CBAO TAX DEPOSITS	5 400 083 774
NON-TAX DEPOSIT	140 000 000

NOTE 2

NOTE 2 : REQUIRED INFORMATION			
Name	entity SONATEL SA	Financial year ended	31/12/2020
Identification	0018061-2G3	Duration (in months)	12
A - DECLARATION OF CONFORMITY TO SYSCOHADA			
he financial statements are prepared in accordance with the OHADA accounting system and the Uniform Act relating to accounting law and.- financial information			
B- ACCOUNTING RULES AND METHODS			
The financial statements have been prepared in accordance with postulates, conventions and valuation rules stipulated by SYSCOHADA and the Uniform Act.			
C- DEROGATION FROM ACCOUNTING POSTULATES AND CONVENTIONS			
Compliance with all the accounting postulates and conventions without any derogation			
D - ADDITIONAL INFORMATION RELATING TO THE BALANCE SHEET, THE INCOME STATEMENT AND CASH FLOW TABLE			
During the financial year, Sonatel carried out a restructuring operation by merging the following entities: Sonatel Business Solution, Sonatel Multimédia and Sonatel Mobiles. Further, the measures taken by the Sonatel Group during the COVID-19 pandemic had a negative impact of 4.827 million XOF on the income statement.			

Comments:

The financial statements are prepared in accordance with the revised SYSCOHADA which entered into force from 1st January 2018 Pension provisions are valued using the actuarial method.

NOTE 3A: GROSS FIXED ASSETS

NOTE 3A: GROSS FIXED ASSETS							
Name	entity SONATEL SA			Year ending		31/12/2020	
Identification	0018061-2G3			Duration (in months)		12	
POSITIONS AND TRANSACTIONS	A	INCREASES B			DECREASES C		D = A + B - C
HEADINGS	GROSS AMOUNT AT OPENING OF THE FINANCIAL YEAR	Acquisitions, Contributions, Creations	Transfers item to item	Following a reassessment during the year	disposals, non-service split-ups	Transfers item to item	GROSS AMOUNT FOR THE FINANCIAL YEAR
INTANGIBLE ASSETS	230427648465	6513283926	3952764927	0	0	0	240893697318
Development and prospecting costs	12775956	0	0	0	0	0	12775956
Patents, licenses, software, and similar rights	227867554236	6513283926	3832161325	0	0	0	238212999487
Goodwill and leasehold right	2547318273	0	0	0	0	0	2547318 273
Other intangible fixed assets	0	0	120603 602	0	0	0	120603 602
TANGIBLE FIXED ASSETS	1089311183 055	82853394268	4002451 396	0	-2824666035	0	1173342362 684
Land excluding investment property	3882537965	37500000	0	0	0	0	3920037 965
Land and investment property	0	0	0	0	0	0	0
Buildings excluding investment property	37480856008	3104192722	-1042310841	0	0	0	39542737 889
Buildings - Investment property	0	0	0	0	0	0	0
Layouts, fixtures and fittings	31509433967	573772	3787684328	0	0	0	35297692 067
Biological equipment, furniture and assets	997201926660	78524568199	830933600	0	-1895807918	0	1074661620 541
Transportation equipment	19236428455	1186559575	426144 309	0	-928858117	0	19920274 222
ADVANCES AND DEPOSITS ON FIXED ASSETS	0	0	0	0	0	0	0
Intangible fixed assets	0	0	0	0	0	0	0
Tangible fixed assets	0	0	0	0	0	0	0
FINANCIAL FIXED ASSETS	275251236476	12134975852	0	0	-19030633417	0	268355578911
Equity securities	187450672622	6199906376	0	0	-13887417853	0	179763161145
Other financial fixed assets	87800563854	5935069476	0	0	-5 143215 564	0	88592417 766
GRAND TOTAL	1 594 990 067 996	101 501 654 046	7 955 216 323	0	-21 855 299 452	0	1 682 591 638 913

Comments:

Investments for fiscal year 2020 amount to 96 billion, mainly made up of network equipment (74 billion XOF), IT (5.4 billion XOF), energy and equipment as well as our stake in Orange Abidjan Participations (3 billion XOF). The transfers from item to item are mainly explained by the entries for the transmission of assets related to the merger.

NOTE 3 C FIXED ASSETS (AMORTIZATION)

NOTE 3 C: FIXED ASSETS (AMORTIZATION)				
Name	entity SONATEL SA		Year ending	31/12/2020
Identification	0018061-2G3		Duration (in months)	12
POSITIONS AND TRANSACTIONS	A	B	C	D = A + B - C
	Cumulative depreciation at the beginning of the financial year	Allocations increases of the fiscal year.	Depreciation reduction	CUMULATIVE DEPRECIATION AT END OF THE YEAR
Development and prospecting costs	12 775 956	26 032 060	-26 032 060	12 775 956
Patents, licenses, software, and similar rights	113 060 481 414	14 172 265 752	-1 206 707	127 231 540 459
Goodwill and leasehold right	1 018 927 304	480 296 982	29 166 666	1 528 390 952
Other intangible fixed assets	0	0	0	0
SUB-TOTAL: INTANGIBLE ASSETS	114 092 184 674	14 678 594 794	1 927 899	128 772 707 367
Land excluding investment property	0	0	0	0
Land - Investment property	0	0	0	0
Buildings excluding investment property	23 123 171 464	1 373 662 688	1 362 666	24 498 196 818
Buildings - Investment property	0	0	0	0
Layouts, fixtures and fittings	27 814 415 534	1 677 588 087	42 580 542	29 534 584 163
Biological equipment, furniture and assets	692 893 603 482	55 090 659 532	-1 379 691 831	746 604 571 183
Transportation equipment	12 497 486 323	2 492 384 062	-505 655 804	14 484 214 581
SUB-TOTAL: TANGIBLE FIXED ASSETS	756 328 676 802	60 634 294 369	-1 841 404 427	815 121 566 744
GRAND TOTAL	870 420 861 476	75 312 889 163	1 839 476 528	943 894 274 111

I : Crédit-bail immobilier; M: Crédit-bail mobilier; A: Autres contrats (dédoubler le poste si montants significatifs)

Comments:

I. Property lease; M Financial equipment leasing;

A: Other contracts (duplicate the item if significant amounts) Comment:

Intangible fixed assets

They are amortized over a period of five (5) years. «unbundled» software (which is invoiced separately from the computer hardware) is also capitalized and amortized over an estimated useful life of three (3) years.

Tangible fixed assets Construction 20 years

Land reclamation work 40 years Office and residential furniture 10 years Office equipment 05 years

Layouts, fixtures, fittings 10 years; Transport equipment 05 years;

Switching material 10 years

Transmission and Data Equipment 10 years Line and network equipment 10 years Energy equipment 10 years

Measuring devices 3 years;

Other Operating Equipment 10 years.

NOTE 3 D: FIXED ASSETS CAPITAL GAIN AND LOSS ON TRANSFER

NOTE 3 D: FIXED ASSETS CAPITAL GAIN AND LOSS ON TRANSFER					
Name	entity SONATEL SA		Year ending	31/12/2020	
Identification	0018061-2G3		Duration (in months)	12	
POSITIONS AND TRANSACTIONS	GROSS AMOUNTS	PRACTICAL AMORTIZA-TION	NET BOOK VALUE	DISPOSAL PRICE	CAPITAL GAIN AND LOSS
	A	B	C = A + B	D	E = D - C
Development and prospecting costs	0	0	0	0	0
Patents, licenses, software, and similar rights	0	0	0	0	0
Goodwill and leasehold right	0	0	0	0	0
Other intangible assets	0	0	0	0	0
SUB-TOTAL: INTANGIBLE ASSETS	0	0	0	0	0
Land		0	0	0	0
Buildings		0	0	0	0
Layouts, fixtures and fittings		0	0	0	0
Biological equipment, furniture and assets	1 895 807 918	1 877 868 058	17 939 860	0	-17 939 860
Transportation equipment	928 858 117	916 824 793	12 033 324	95 037 426	83 004 102
SUB-TOTAL: TANGIBLE FIXED ASSETS	2 824 666 035	2 794 692 851	29 973 184	95 037 426	65 064 242
Equity securities	0	0	0	0	0
Other financial fixed assets	0	0	0	0	0
SUB-TOTAL: FINANCIAL FIXED ASSETS	0	0	0	0	0
GRAND TOTAL	2 824 666 035	2 794 692 851	29 973 184	95 037 426	65 064 242

Comments:

Mention the justification for the sale as well as the acquisition date and the exit date

Comments:

The capital gain is essentially made up of the sale of reconditioned vehicles to Sonatel staff.

NOTE 4: FINANCIAL FIXED ASSETS

NOTE 4: FINANCIAL FIXED ASSETS						
Name	entity SONATEL SA		Year ending		31/12/2020	
Identification	0018061-2G3		Duration (in months)		12	
ITEMS	2020	2019	% Variation	Receivables within one year	Receivables over one year and two years at most	Receivables over two years old
Equity securities	179 763 161 145	187 450 672 622	-4,11	0	0	179 763 161 145
Loans and receivables	0	0	0,00	0	0	0
Staff loan	78 951 386 056	77 551 930 260	1,80	0	0	0
Claims on the Government	0	0	0,00	0	0	0
Fixed securities	13 120 000	13 120 000	0,00	0	0	13 120 000
Deposits and guarantees	3 425 926 777	1 384 485 474	147,45	0	0	3 425 926 777
Accrued interest	90 833 333	90 833 333	0,00	0	0	0
GROSS TOTAL	262 244 427 311	266 491 041 689	-2	0	0	183 202 207 922
Depreciation of equity securities	1 376 336 907	582 859 425	136	0	0	0
Depreciation other fixed assets	472 145 231	482 859 905	-2	0	0	0
NET TOTAL DEPRECIATION	260 395 945 173	265 425 322 359	-2	0	0	0
Liste des filiales et participation						
Company name	Location (city /country)	Acquisition value	% Held	Amount of subsidiary equity	Subsidiary last financial year income	
ORANGE MALI	MALI	19 878 403 524	69	182 381 173 570	73 798 858 374	
ORANGE BISSAU	GUINEE BISSAU	3 639 090 000	89	17 917 301 690	2 908 336 830	
ORANGE CONAKRY	GUINEE CONAKRY	28 694 336 558	89	114 317 516 337	42 818 972 100	
ORANGE FINANCES MOBILES SENEGAL	SENEGAL	7 000 000 000	100	14 395 446 335	7 282 520 835	
ORANGE SIERRA LEONE	SIERRA LEONE	109 195 687 205	50	47 107 385 762	-1 083 129 328	
GROUPE ORANGE SERVICES	COTE D’IVOIRE	2 817 410 000	20,9	7 846 872 761	-562 000 781	

Comments:
The drop in the value of the securities is explained by the cancellation of stakes in the entities: Sonatel Mobiles. Sonatel Business Solutions and Sonatel Multimedia following the merger (in November 2020 Sonatel absorbed its 3 subsidiaries).

NOTE 5: CURRENT ASSETS EOA

NOTE 5 : ACTIF CIRCULANT HAO			
Name	entity SONATEL		Financial year ended
Identification	0018061-2G3		Duration (in months)
			31/12/2020
			12
ITEMS	2020	2019	% Variation
Receivables on disposal of fixed assets	218 433 681	218 433 681	0
Other receivables excluding ordinary activities	0	0	0
GROSS TOTAL	218 433 681	218 433 681	0
Depreciation receivables EOA	0	0	0
NET TOTAL DEPRECIATION	218 433 681	218 433 681	0
Comments:			
- Comment on any significant variation.			
- Depreciation: indicate the events and circumstances that prompted the depreciation or reversal			
Current debts EOA			
TEMS	2020	2019	% Variation
Investment Providers	54 649 200 166	3 883 645 435	1307%
Bills payable investment suppliers	0	0	0
Payments still to be made on equity securities and non-paid-up fixed securities	0	0	0
Other debts excluding ordinary activities	0	0	0
TOTAL	0	0	0

Comments:
This variation is mainly explained by the flow of investment operations over the period.

NOTE 6: INVENTORIES AND STOCKS BILLABLE (1)

NOTE 6: INVENTORIES AND STOCKS BILLABLE (1)			
Name Identification	entity SONATEL SA 0018061-2G3	Year ending Duration (in months)	31/12/2020 12
Items	2020	2019	% Variation
Goods	0	0	
Raw materials and related supplies	0	0	
Other supplies	6 781 496 823	8 268 450 286	-18%
Current billable products	0	0	
Current billable services	0	0	
Finished products	0	0	
Intermediate products	0	0	
Stocks in transit, on consignment or on deposit	2 115 217 054	2 161 208 775	-2%
GROSS TOTAL INVENTORIES AND STOCKS BILLABLE	8 896 713 877	10 429 659 061	
Depreciation of stocks	1 098 868 100	1 256 474 870	-13%
NET TOTAL DEPRECIATION	7 797 845 777	9 173 184 191	-15%

Comments:
There is a decrease of 18% in stocks. Inventories took place between 14 to 18 December, 2020

NOTE 7: CUSTOMERS

NOTE 7 : CLIENTS						
Name Identification	Entité SONATEL SA 0018061-2G3	Financial year ended Duration (in months)			31/12/2020 12	
ITEMS	2020	2019	% Vari- tion	Receivables within one year	Recei- vables over one year and two years at most	Accounts recei- vable over two years
Customers (excluding Group property reserves)	62 078 392 081	51 260 010 555	21%	62 078 392 081	0	0
Customer receivables (excluding Group property reserves)	961 700	0	0	0	0	0
Customer receivables (including Group property reserve)	0	0	0	0	0	0
Customers and Group receivables	0	0	0	0	0	0
Receivables from disposal of fixed assets	0	0	0	0	0	0
Non-matured discounted customer bills	0	0	0	0	0	0
Litigious or doubtful debts	29 363 204 475	15 525 575 371	89%	29 363 204 475	0	0
Customers accrued income	27 026 205 174	66 680 335 575	-59%	27 026 205 174	0	0
GROSS TOTAL CUSTOMERS	118 468 763 430	133 465 921 501	-11%	0	0	0
Depreciation customer accounts	27 573 331 612	12 834 278 829	115%	27 573 331 612	0	0
NET TOTAL DEPRECIATION	90 895 431 818	120 631 642 672	-59%	0	0	0
Customers, advances received excl. group	902 908 758	162 692 671	455%	902 908 758	0	0
Clients, advances received group	489 067 278	60 622 920	707%	489 067 278	0	0
Other creditors	133 597 453	10 837 104	1133%	133 597 453	0	0
TOTAL CLIENTS CREDITEURS	1 525 573 489	234 152 695	-59%	0	0	0

Comments:
Variation of -14 billion in receivables in 2020. The provision is essentially made up of the depreciation of fixed line customers.

NOTE 8: OTHER CLAIMS

NOTE 8 : AUTRES CREANCES						
Name Identification	Entity SONATEL SA 0018061-2G3			Year ending Duration (in months)		31/12/2020 12
ITEMS	2020	2019	% Variation	Receivables within one year	Receivables over one year and two years at most	Accounts receivable over two years
Staff	650 788 478	547 657 356	19%	650 788 478	0	0
Social organizations	0	0	0	0	0	0
Governments and public authorities	43 231 635 465	21 338 465 333	103%	43 231 635 465	0	0
International organizations	0	0	0	0	0	0
Contributors, partners and group	3 961 820 711	35 150 315 343	-89%	3 961 820 711	0	0
Special adjustment transitional account linked to the SYSCOHADA review	376 753 705	838 142 422	-55%	376 753 705		
Other miscellaneous debtors	51 951 459 933	55 095 812 869	-6%	51 951 459 933	0	0
Unblocked permanent accounts of establishments and branches	0	0	0	0	0	0
Liability and expense liaison account	0	0	0	0	0	0
Liaison account of joint ventures	0	0	0	0	0	0
GROSS TOTAL OTHER RECEIVABLES	100 172 458 292	112 970 393 323	-11%	100 172 458 292	0	0
			0			
Depreciation of other receivables	1 005 070 448	1 021 044 282	-2%	0	0	0
			0			
NET TOTAL DEPRECIATION	99 167 387 844	111 949 349 041	-11%	0	0	0

Comments:

There is an 11% drop in other receivables linked to the merger of the subsidiaries Sonatel Mobiles, Sonatel Multimedia and Sonatel Business Solutions.

NOTE 8 A: TABLE OF CAPITALIZED EXPENSES

NOTE 8 A: TABLE OF CAPITALIZED EXPENSES						
Name Identification	entity SONATEL SA 0018061-2G3			Year ending Duration (in months)		31/12/2020 12
Items	Formation expenses		Expenses to be spread over several years		Bond repayment premiums	
Total amount to be spread at 1 st January 2018	0		893645568		0	
Duration of spread	0		0		0	
Total fiscal year 2018	Accounts	Amounts	Accounts	Amounts	Accounts	Amounts
			614300	7 320 560		
			631800	269 437 398		
			632710	10 903 554		
			632800	36 000		
			638420	3 175 280		
			638440	6 929 100		
			638460	79 964		
Total fiscal year 2019			614300	7 320 560		
			631800	269 437 398		
			632710	10 903 554		
			632800	36 000		
			638420	3 175 280		
			638440	6 929 100		
			638460	79 964		
		0	614300	7 320 560		0
Total fiscal year 2020			631800	269 437 398		
			632710	10 903 554		
			632800	36 000		
			638420	3 175 280		
			638440	6 929 100		
			638460	79 964		
		0				
		0		0		0
Total fiscal year 2021		0		0		0
Total fiscal year 2022		0		0		0
GRAND TOTAL		0		893 645 568		0

Comments:

Detail of the spread of 4751 concerning the expenses to be spread over 3 years

NOTE 9: INVESTMENT SECURITIES

NOTE 9: INVESTMENT SECURITIES			
Name	entity SONATEL	Financial year ended	31/12/2020
Identification	0018061-2G3	Duration (in months)	12
Items	2020	2019	% Variation
Treasury securities and short-term cash certificates	0	0	0
Stock	1 389 956 968	2 808 519 103	-50,51
Obligations	0	0	0
Subscription warrants	0	0	0
Marketable securities outside regions	0	0	0
Accrued interest	0	0	0
Other similar values	0	0	0
TOTAL GROSS SECURITIES	1 389 956 968	2 808 519 103	-50,51
Depreciation of securities	0	584 198 813	-100
NET TOTAL DEPRECIATION	1 389 956 968	2 224 320 290	-37,52

Comments:
50% decrease in securities held, which can be explained by the new allocation of shares. No depreciation of the Sonatel share at 31.12.2020.

NOTE 10: VALUES FOR COLLECTION

NOTE 10: VALUES FOR COLLECTION			
Name	Entity SONATEL SA	Year ending	31/12/2020
Identification	0018061-2G3	Duration (in months)	12
Items	2020	2019	% Variation
Bills for collection	0	0	0
Bills sent for collection	0	0	0
Cheques for collection	521 994 330	389 700	323,41
Cheques sent for collection	0	0	0
Credit cards for collection	228 638 053	134 952 381	-56,16
Other values for collection	1 237 055 396	2 121 588	309,17
GROSS TOTAL VALUES FOR COLLECTION	1 987 687 779	137 463 669	109,88
Depreciation of values for collection	0	0	0
NET TOTAL DEPRECIATION	1 987 687 779	137 463 669	109,88

Comments:
The values for collection have experienced a strong increase in 2020 linked to payment by electronic money.

NOTE 11: CASH ASSETS

NOTE 11: CASH ASSETS			
Name	Entité SONATEL SA	Year ended	31/12/2020
Identification	0018061-2G3	Duration (in months)	12
Items	2020	2019	% Variation
Local banks	74 822 804 192	43 353 229 604	73%
Banks other governments regions	0	0	0
Banks, term deposits	0	0	0
Other banks	10 240 641 982	2 881 069 822	255%
Banks accrued interest	318 817 053	340 110 798	-6%
Postal cheques	17 862 289	0	0
Other financial institutions	3 921 009 402	1 044 042 475	276%
Financial institutions accrued interest	0	0	0
Cash instruments	0	55 842 406	-100%
Cash	32 348 757	31 210 135	4%
Mobile electronic cash register	0	0	0
Imprest and credit transfers	0	0	0
GROSS LIQUID ASSETS	89 353 483 675	47 705 505 240	87%
Depreciation	0	0	0
NET TOTAL DEPRECIATION	89 353 483 675	47 705 505 240	87%

Comments:
The fund was inventoried on 31/12/2020
We note an improvement of 41 billion in net cash in 2020 linked to the merger of the entities in Senegal.

NOTE 12: TRANSLATION DIFFERENCES

NOTE 12: Translation difference					
Name	Entité SONATEL SA		Year ending		31/12/2020
Identification	0018061-2G3		Duration (in months)		12
Items	Curren- cies	Currency amount	UML Rate acquisition Year	UML rate 12/31	Variation in absolute value
Asset translation differences: (478) itemize the receivables and debts concerned		-	0	0	0
	USD	6 880 275	565,0793425	538,5111789	182 796 275
	CHF	14 825	510,5373145	605,6956068	1 410 688
	XDR	149 421	752,8213631	775,6297951	3 408 056
		-	0	0	7 897 920
		0	0	0	0
Liability translation differences: (479) itemize the receivables and debts concerned		0	0	0	0
During the financial year, Sonatel carried out a restructuring operation by merging the following entities: Sonatel Business Solution, Sonatel Multimédia and Sonatel Mobiles. Further, the measures taken by the Sonatel Group during the COVID-19 pandemic had a negative impact of 4.827 million XOF on the income statement.	USD	1 916 834	600,1197449	538,5111789	118 093 386
	SLL	2 157 206	0,105738627	0,053340521	113 034
	XDR	131 578	773,6050046	775,6297951	266 417

Commentaire :

Items	2020	2019	% Variation
Transfers of operating expenses: 78.781 itemize the nature of the expenses to be transferred	1912946070	2 780 643 866	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
Transfers of financial expenses: 787 itemize the nature of the expenses to be transferred	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0

NOTE 13: NOMINAL VALUE OF SHARES OR STOCK

NOTE 13: NOMINAL VALUE OF SHARES OR STOCK					
Name	entity SONATEL SA		Year ending		31/12/2020
Identification	0018061-2G3		Duration (in months)		12
CAPITAL		Par value of the shares or stock:			Disposals or Refunds during the year:
Surname and first name	Nationality	Nature of shares or stock (ordinary or preference)	Number	Total amount	
Francetelecom/FCR	FRANCAISE	Ordinaires	42 333 340	21 166 670 000	
Government of Senegal	SENEGALAISE	Ordinaires	27 156 310	13 578 155 000	
General public		Ordinaires	22 431 480	11 215 740 000	
Employees		Ordinaires	8 078 870	4 039 435 000	
TOTAL			100 000 000	50 000 000 000	

NOTE 14: PREMIUMS AND RESERVES

NOTE 14: PREMIUMS AND RESERVES			
Name Identification	Entity SONATEL SA 0018061-2G3	Financial year ended Duration (in months)	31/12/2020 12
Items	2020	2019	Variation in absolute value
Share premium	0	0	0
Issuance premiums	0	0	0
Merger premium	75 260 792 320	0	75 260 792 320
Conversion premium	0	0	0
Other premiums	0	0	0
TOTAL PREMIUMS	75 260 792 320	0	75 260 792 320
			0
During the financial year, Sonatel carried out a restructuring operation by merging the following entities: Sonatel Business Solution, Sonatel Multimédia and Sonatel Mobiles. Further, the measures taken by the Sonatel Group during the COVID-19 pandemic had a negative impact of 4.827 million XOF on the income statement.	10 000 000 000	10 000 000 000	0
Statutory Reserves	0	0	0
Net long-term capital gains reserves	0	0	0
Reserve of free allocation of shares to salaried staff and senior managers	0	0	0
Other regulated reserves	0	0	0
TOTAL NON-DISTRIBUTABLE RESERVES	10 000 000 000	10 000 000 000	0,00
			0
Free reserves	136 437 126 302	83 709 513 325	52 727 612 977
			0
Carried forward	0	0	0

Comments:
Constitution of 18 billion in reserves on the 2019 income
The OGM that led to this operation was held on 28 May, 2020

NOTE 15 A: TOTAL REGULATED SUBSIDIES AND PROVISIONS

NOTE 15 A : TOTAL REGULATED subsidies AND PROVISIONS							
Name Identification	Entity SONATEL SA 0018061-2G3	Year ending Duration (in months)		31/12/2020 12			
Items	NOTE	2020	2019	Variation in absolute value	% Varia- tion	Tax system	Deadlines
Government		-	-	-	0		
Regions		-	-	-	0		
Departements		-	-	-	0		
Communes and decentralized public authorities		-	-	-	0		
Public or mixed entities		-	-	-	0		
Entities and private organizations		458 263 038	525 921 822	67 658 784	13%		
International organizations		-	-	-	0		
Others		-	-	-	0		
TOTAL SUBSIDIES		458 263 038	525 921 822	67 658 784	13%		
Accelerated depreciation		-	-	-	0		
Capital gain on disposals for reinvestment		1 646 893 439	1 802 272 488	155 379 049	9%		
Special provision for revaluation		-	-	-	0		
Regulated Provisions for Fixed Assets		-	-	-	0		
Regulated provisions for inventories		-	-	-	0		
Provisions for investment		-	-	-	0		
Other regulated provisions and funds		-	-	-	0		
TOTAL REGULATED PROVISIONS		1 646 893 439	1 802 272 488	155 379 049	9%		
TOTAL REGULATED SUBSIDIES AND PROVISIONS		2 105 156 477	2 328 194 310	223 037 833	10%		

Comments:
The capital gain to be reinvested and the investment subsidies are impacted by the depreciation of the assets of the year.

NOTE 16 A: FINANCIAL DEBTS AND SIMILAR RESOURCES

NOTE 16 A: FINANCIAL DEBTS AND SIMILAR RESOURCES							
Name	entity SONATEL SA			Year ending		31/12/2020	
Identification	0018061-2G3			Duration (in months)		12	
ITEMS	2020	2019	Variation in absolute value	% Varia- tion	Debts within one year	Debts over one year and up to two years at the most	Debts over two years
Bond loans	100 000 000 000	-	100 000 000 000	0%		10 000 000 000	90 000 000 000
Borrowings and debts from credit institutions	119 678 467 688	123 502 430 043	-3 823 962 355	-3%	44 283 533 356	32 244 409 262	43 150 525 070
Advances received from the Government	-	-	-	0%	0	0	0
Advances received and blocked current accounts	-	-	-	0%	0	0	0
Deposits and guarantees received	897 491 732	887 167 879	10 323 853	1%	0	0	0
Accrued interest	5 092 218 199	2 549 911 722	2 542 306 477	100%	0	0	0
Advances received on special terms	-	-	-	0%	0	0	0
Other borrowings and debts	-	-	-	0%	0	0	0
Debts linked to subscriptions	-	-	-	0%	0	0	0
Permanent locked accounts of entities and subsidiaries	-	-	-	0%	0	0	0
TOTAL BORROWINGS AND FINANCIAL DEBTS	225 668 177 619	126 939 509 644	98 728 667 975	78%	44 283 533 356	42 244 409 262	133 150 525 070
Real estate leasing	-	-	-	0%	0	0	0
Financial leasing	-	-	-	0%	0	0	0
Lease purchase	-	-	-	0%	0	0	0
Accrued interest	-	-	-	0%	0	0	0
Other lease-purchase debts	-	-	-	0%	0	0	0
TOTAL LEASE PURCHASE DEBTS	-	-	-	0%	0	0	0
Provisions for litigation	41 709 208 810	35 074 473 161	6 634 735 649	19%			
Provisions for guarantees given to customers	100 000 000	100 000 000	-	0%			
Provisions for loss on future completion markets	-	-	-	0%			
Provisions for exchange loss	-	-	-	0%			
Provisions for taxes	-	-	-	0%			
Provisions for pensions and similar obligations	15 614 907 913	18 183 727 078	-2 568 819 165	-14%			

Pension plan assets	-	-	-	0%			
Restructuring provisions	-	-	-	0%			
Provisions for fines and penalties	-	-	-	0%			
Own insurer’s provisions	-	-	-	0%			
Provisions for dismantling and refurbishment	-	-	-	0%			
Deduction right provisions	-	-	-	0%			
Other provisions	-	-	-	0%			
TOTAL PROVISIONS FOR RISKS AND CHARGES	57 424 116 723	53 358 200 239	4 065 916 484	8%			

Comments:
“Long-term debt shows a net variation of 106 billion which is mainly explained by the issuance of the 100 billion bond loan on 16/07/2020 for a period of 7 years including 2 years deferred.
The variation in provisions for risks and charges is explained by the combined effect of the increase in the special provision over the financial year which experienced an upward variation of 6 billion XOF attenuated by provisions for pensions which experienced a decrease of 2 billion due to the change in actuarial assumption over the period.»

NOTE 16 B: RETIREMENT COMMITMENTS AND SIMILAR BENEFITS

NOTE 16 B : RETIREMENT COMMITMENTS AND SIMILAR BENEFITS			
Name	entity SONATEL SA	Year ending	31/12/2020
Identification	0018061-2G3	Duration (in months)	12
ACTUARIAL ASSUMPTIONS			
Items	2020	2019	
Rate of salary increase			
Discount rate	0,1	0,1	
Inflation rate	1,5	1,5	
Probability of being present in the entity on the date of retirement (past experience)	99,9	99,9	
Probability of being alive at retirement age (mortality table)			
Effective rate of return on plan assets	6,5	6,5	

VARIATION IN THE VALUE OF THE RETIREMENT COMMITMENT DURING THE FINANCIAL YEAR		
Items	2020	2019
Obligation for retirement commitments at beginning	18 183 726 000	16 692 126 000
Costs of services rendered during the year	964 965 000	1 086 538 000
Financial cost	1 454 698 000	1 335 370 000
Actuarial losses / (gain)	-3 870 467 000	1 971 811 000
Services paid during the year	-1 118 013 000	-3 309 467 000
Cost of past services		
Obligation on retirement commitments at year end	15614909000	17 776 378 000

Comments:
Indicate the amount of the expense by type recognized during the year.

SENSITIVITY ANALYSIS OF THE ACTUARIAL ASSUMPTIONS				
Items	2020		2019	
	Increase	Decrease	Increase	Decrease
Discount rate (% variation)				
Salary growth rate (% variation)				
Employee departure rate (% variation)				

NOTE 17: TRADE PAYABLES

NOTE 17: TRADE PAYABLES							
Name	entity SONATEL SA	Year ending	31/12/2020				
Identification	0018061-2G3	Duration (in months)	12				
ITEMS	2020	2019	Absolute Value Variation	% Variation	Debts within one year	Debts over one year and up to two years at the most	Debts over two years
Suppliers accounts payable (outside Group)	46 742 227 316	29 740 086 039	10 502 104 587	28,97	46 742 227 316	0	0
Suppliers bills payable (excl. group)	0	0	0	0	0	0	0
Suppliers, debts and bills payable group	0	6 460 140 640	0	0	0	0	0
SUPPLIERS, CURRENT PURCHASE OF FIXED ASSETS		0					
Suppliers outstanding invoices (Group)	11 718 628 261	11 533 897 939	201 809 930	1,75	11 718 628 261	0	0
Suppliers outstanding invoices (excl. Group)	25 659 554 078	13 203 041 652	12 479 328 868	94,68	25 659 554 078	0	0
TOTAL FOURNISSEURS	84 120 409 655	60 937 166 270	23 183 243 385	38,04	84 120 409 655	0	0
Suppliers, advances and down payments (excl. group)	89 354 217	78 654 217	10 700 000	13,6	89 354 217	0	0
Suppliers, advances and de- posits Group	0	0	0	0	0	0	0
Other trade payables	502 952 362	212 992 773	289 959 589	136,13	502 952 362	0	0
TOTAL TRADE PAYABLES	592 306 579	291 646 990	300 659 589	103,09	592 306 579	0	0

Comments:
The variation of 23 billion XOF is mainly explained by the combined effect of the increase in supplier debts and outstanding supplier invoices following the merger of the subsidiaries (SM, SBS and S2M).

NOTE 18: SOCIAL AND TAX DEBTS

NOTE 18: SOCIAL AND TAX DEBTS							
Name	entity SONATEL SA	Year ending		31/12/2020			
Identification	0018061-2G3	Duration (in months)		12			
ITEMS	2020	2019	Variation in absolute value	% Variation	Debts within one year	Debts over one year and up to two years at the most	Debts over two years
Staff advances and down payments	0	0	0	0	0	0	0
Staff remuneration due	7 534 724	3 994 689	3 540 035	-61,77	7 534 724	0	0
Other staff	7 512 792 823	8 604 162 661	-1 091 369 838	-15,06	7 512 792 823	0	0
Social Security Fund	9 218 160	9 682 538	-464 378	-8,52	9 218 160	0	0
Pension fund	183 830 858	174 233 726	9 597 132	3,35	183 830 858	0	0
Other social organizations	0	290 067 004	-290 067 004	-100	0	0	0
TOTAL SOCIAL DEBTS	7 713 376 565	9 082 140 618	-1 368 764 053	-17,43	7 713 376 565	0	0
Govmt., income tax on profits	29 999 231 690	16 422 201 108	13 577 030 582	-8,9	29 999 231 690	0	0
Govmt, duties and taxes	476 592 787	402 252 754	74 340 033	15,29	476 592 787	0	0
Govmt, VAT	16 451 224 294	9 192 838 313	7 258 385 981	-17,98	16 451 224 294	0	0
Govmt, tax withholding	4 973 977 483	4 837 679 591	136 297 892	0,55	4 973 977 483	0	0
Other debts Govmt	5 712 553 177	6 851 131 948	-1 138 578 771	-47,12	5 712 553 177	0	
TOTAL TAX DEBTS	57 613 579 431	37 706 103 714	19 907 475 717	-16,68	57 613 579 431	0	0
TOTAL SOCIAL AND TAX DEBTS	65 326 955 996	46 788 244 332	18 538 711 664	-16,77	65 326 955 996	0	

Comments:
The variation is mainly made up of corporate tax following the merger of the subsidiaries (SA, SM and SBS).

NOTE 19: OTHER DEBTS AND PROVISIONS FOR SHORT-TERM RISKS

NOTE 19: OTHER DEBTS AND PROVISIONS FOR SHORT-TERM RISKS							
Name	entity SONATEL SA	Year ending		31/12/2020			
Identification	0018061-2G3	Duration (in months)		12			
ITEMS	2020	2019	Variation in absolute value	% Variation	Debts within one year	Debts over one year and up to two years at the most	Debts over two years
International organizations	0	0	0	0	0	0	0
Contributors, Capital Transactions	0	0	0	0	0	0	0
Shareholders, current account	0	0	0	0	0	0	0
Shareholders dividends payable	1 378 741 327	40 207 956 096	-38 829 214 769	-97%	0	0	0
Group, current accounts	146 193 982	17 394 346 458	-17 248 152 476	-99%	0	0	0
Other shareholders' debts	0	0	0	0	0	0	0
TOTAL SHAREHOLDERS' DEBTS	1 524 935 309	57 602 302 554	-56 077 367 245	-97%	0	0	0
Sundry creditors	1 893 457 247	25 757 983 455	-23 864 526 208	-93%	0	0	0
Bondholders	5 682 717	0	5 682 717	0	0	0	0
Directors' remuneration	0	0	0	0	0	0	0
Factor Account	0	0	0	0	0	0	0
Contribution merger account		0	0				
Warrants and bonds		0	0				
Remaining payments to be made on non-paid up investment securities (472)	300 924 982	302 616 000	-1 691 018	-1%	0	0	0
Intermediate transactions on behalf of a third party		0	0				
Periodic expense distribution account	11 499 088	14 959 744	-3 460 656	-23%	0	0	0
Special adjustment transitional account related to SYCOHADA revision (475)	0	0	0	0	0	0	0
6 935 432 053	6 935 432 053	0	6 935 432 053				
Prepaid income		0	0	0	0	0	0
Other miscellaneous creditors	9 146 996 087	26 075 559 199	-16 928 563 112	-65%	0	0	0
			0				
Unblocked permanent accounts of entities and subsidiaries	0	0	0	0	0	0	0
Income and expense link accounts	0	0	0	0	0	0	0
Link accounts of joint ventures	0	0	0	0	0	0	0
TOTAL LINK ACCOUNTS	0	0	0	0	0	0	0
			0				
TOTAL OTHER DEBTS	10 671 931 396	83 677 861 753	-73 005 930 357	-87%	0	0	0
			0				
Provisions for short-term risks (see note 28)	195 512 939	55 251 421	140 261 518	254%	0	0	0

Comments:
The variation in shareholders' debts is mainly explained by the settlement of debts and intragroup receivables following the merger operation and by the payment of dividends over the period.

NOTE 20: BANKS, DISCOUNT AND CASH CREDIT

NOTE 20: BANKS, DISCOUNT AND CASH CREDIT			
Name Identification	entity SONATEL SA 0018061-2G3	Financial year ended Duration (in months)	31/12/2020 12
ITEMS	2020	2019	% Variation
Campaign credit discount (564)	0	0	0%
Ordinary credit discount (565)	0	0	0%
TOTAL: BANKS, DISCOUNT AND CASH CREDITS	0	0	0%
Local banks (521)	34 469 986 549	10 518 760 558	228%
Banks other governments regions (522)	0	0	0%
Other Banks (523, 524)	0	0	0%
Banks accrued interest (526)	0	1 732 810 625	-100%
Cash credit (561)	70 211 412 500	123 000 000 000	-43%
TOTAL: BANKS, CASH CREDITS	104 681 399 049	135 251 571 183	-23%
			0%
GRAND TOTAL	104 681 399 049	135 251 571 183	-23%

Comments:

“Short-term debt fell from 135 to 105 billion XOF, ie a downward variation of 23%.

This variation is mainly explained by the combined effect of an increase in bank credit balances of 24 billion XOF and a decrease in cash loans of 53 billion XOFover the period. ”

NOTE 21: TURNOVER and OTHER PRODUCTS

NOTE 21: TURNOVER AND OTHER PRODUCTS			
Name Identification	entity SONATEL SA 0018061-2G3	Year ending Duration (in months)	31/12/2020 12
Items	2020	2019	% Variation
Sales in the region	0	0	0
Sales outside the region	0	0	0
Group Sales	0	0	0
Internet sales	0	0	0
TOTAL: GOODS SALES	0	0	0
Sales in the region	0	0	0
Sales outside the region	0	0	0
Group Sales	0	0	0
Internet sales	0	0	0
TOTAL: MANUFACTURED PRODUCTS	0	0	0
Sales in the region	81 017 282 609	115 208 626 633	-28,26
Sales outside the region	274 989 508 852	0	0
Group Sales	33 901 114 864	25 385 803 108	33,54
Internet sales	43 726 405 193	116 562 356 598	-62,49
TOTAL: SALES OF WORKS AND SERVICES SOLD	433 634 311 518	257 156 786 339	69,26
Accessory products	11 643 371 855	37 146 316 522	-68,66
TOTAL TURNOVER	445 277 683 373	294 303 102 861	51,85
Capitalized production	2 888 907 559	2 931 306 023	-1,45
Operating subsidies	0	0	0
Other products	20 365 210 149	8 191 209 017	148,62
TOTAL OTHER PRODUCTS	23 254 117 708	11 122 515 040	109,07
TOTAL	470 170 467 833	305 425 617 901	53,93

Comments:

«The turnover has grown by 51% due to the merger of the companies (SBS, S2M and SM). The figure is broken down as follows:»

In thousands XOF	2020
Outbound voice revenu	165 751 287
Data revenu	117 754 650
Fixed service revenu including broadband	55 018 378
International inbound revenu	20 398 178
Revenu hubbing arrival	16 674 137
SMS and VAS revenu	16 015 692

Other retail revenu	15 647 045
International inbound revenu	13 087 148
Fixed and mobile equipment sales revenue	8 078 453
Others	7 424 255
Other wholesale revenu	6 998 645
Roaming visitor	2 382 312

NOTE 22: PURCHASES

NOTE 22: PURCHASES			
Name Identification	entity SONATEL 0018061-2G3	Financial year ended Duration (in months)	31/12/2020 12
Items	2020	2019	% Variation
Purchases in the region	0	0	0
Purchases outside the region	0	0	0
Group purchases	0	0	0
TOTAL GOODS PURCHASES	0	0	0
Purchases in the region	0	0	0
Purchases outside the region	0	0	0
Group purchases	0	0	0
TOTAL PURCHASES OF RAW MATERIALS AND RELATED SUPPLIES	0	0	0
Consumable materials	0	0	0
Combustible materials	3 568 846 340	2 055 336 825	73,63
Cleaning products	0	0	0
Workshop, factory and store supplies	17 637 604 126	7 538 330 427	133,97
Water	281 433 649	260 784 246	7,91
Electricity	13 116 379 619	4 465 673 656	193,71
Other energy	0	0	0
Maintenance supply	1 637 331	2 819 340	-41,93
Office supplies	322 505 060	351 919 555	-8,36
Small equipment and tools	261 126 524	190 211 120	37,28
Purchases study, services provision, materials, works and equipment	15 811 254	521 811	2930,07
Procurement of packaging	0	0	0
Procurement costs	0	0	0
Rebates, reductions and discounts	0	0	0
TOTAL OTHER PURCHASES	35 205 343 903	14 865 596 980	136,82

Comments:
The upward variation in other purchases is mainly explained by the variation in workshop, factory and store supplies of 10 billion, i.e. a variation of 134% and by the variation in electricity consumption of 8.7. billion XOF or 194% over the period. These variations are due to the merger operation of the subsidiaries (Sonatel mobiles, Sonatel Business Solutions and Sonatel Multimedia).

NOTE 23: TRANSPORT

NOTE 23 : TRANSPORTS			
Name Identification	entity SONATEL SA 0018061-2G3	Financial year ended Duration (in months)	31/12/2020 12
Items	2020	2019	% Variation
Transportation on sales	-	-	0
Transport on behalf of third parties	-	-	0
Personnel transport	149 829 009	595 519 409	-74,85
Transport of packages	258 467 425	298 401 992	-13,39
Other transport	4 014 949	19 088 625	-78,97
TOTAL	412 311 383	913 010 026,00	-54,85

Comments:
Transport costs fell by XOF500 million or 55% over the period, which is mainly due to the current context of the pandemic.

NOTE 24: EXTERNAL SERVICES

NOTE 24 : SERVICES EXTERIEURES			
Name Identification	entity SONATEL 0018061-2G3	Financial year ended Duration (in months)	31/12/2020 12
Items	2020	2019	% Variation
General subcontracting	14 602 510 939	10 532 340 019	38,64
leases and lease charges	1 309 214 901	1 309 584 372	-0,03
Capital lease fees	0	0	0
Care, repairs and maintenance	11 110 161 576	7 551 884 961	47,11
Insurance premiums	1 172 016 141	987 169 583	18,72
Studies, research and documentation	12 041 717	25 011 551	-51,86
Advertising, publications, public relations	3 803 446 631	2 069 437 376	83,79
Telecommunication costs	59 993 060 915	45 396 552 152	32,15
Bank charges	4 183 342 369	2 269 712 342	84,31
Remuneration of intermediaries and advisers	15 015 312 426	9 392 883 398	59,85
Staff training costs	606 239 832	999 329 748	-39,34
Fees for patents, licenses, software, concessions and similar rights	23 244 238 930	14 482 433 631	60,49
Subscriptions	81 894 054	46 220 710	77,18
Other external expenses	623 654 325	1 209 483 239	-48,44
TOTAL	135 757 134 756	96 272 043 082	41,01

Comments:
External services experienced an upward variation of XOF39 billion or 41%, which is mainly explained by the increase in telecommunications costs of XOF14.5 billion, patent fees of XOF8.7 billion and subcontracting costs 4 billion XOF.

NOTE 24: DUTIES AND TAXES

NOTE 25 : IMPOTS ET TAXES			
Name Identification	Entité SONATEL SA 0018061-2G3	Financial year ended Duration (in months)	31/12/2020 12
Items	2020	2019	% Variation
Duties and direct taxes	25 634 343 749	23 004 143 565	11,43
Duties and indirect taxes	105 997 180	-337 606 058	-131,4
Registration Fees	368 418 820	304 147 917	21,13
Tax penalties and Fines	0	3 494 157 039	-100
Other duties and taxes	0	178 551	-100
TOTAL	26 108 759 749	26 465 021 014	-1,35

Comments:
Direct taxes and duties experienced a variation of -1.35% over the period, which is explained by the combined effect of the increase in direct taxes and duties 2.6 billion XOFfollowing the merger operation and the decrease in penalties and tax fines of 3.4 billion XOFdue to the lack of tax adjustment over the period.

NOTE 26: OTHER EXPENSES

NOTE 26 : AUTRES CHARGES			
Name Identification	entity SONATEL SA 0018061-2G3	Year ending Duration (in months)	31/12/2020 12
Items	2020	2019	% Variation
Losses on receivables	3 087 480 414	2 661 806 346	16%
Losses on other debtors	0	0	0
Share of profit on joint operations	0	0	0
Carrying amount of current disposals of fixed assets	0	0	0
Duty allowances and other remuneration of directors	71 309 855	53 185 577	34%
Donations and patronage	2 198 862 403	1 920 963 351	14%
Other miscellaneous charges	1 021 092 164	4 422 332	22989%
Expenses for provisions and provisions for short-term operating risks (see note 28)	7 621 134 956	4 482 727 311	70%
TOTAL	13 999 879 792	9 123 104 917	53%

Comments:
Other charges increased by 4.6 billion XOFover the period, i.e. 53%, which is mainly due to the increase in provisions for short-term risks.

NOTE 27A: PERSONNEL EXPENSES

NOTE 27A : PERSONNEL EXPENSES			
Name Identification	entity SONATEL SA 0018061-2G3	Year ending Duration (in months)	31/12/2020 12
Items	2020	2019	% Variation
Direct remuneration paid to staff	55 384 261 985	60 435 416 418	-8,36
Lump sum payments to staff	7 929 364 083	7 803 491 362	1,61
Social charges	1 482 340 397	1 446 199 879	2,49
Remuneration and social charges of the individual operator	0	0	0
Transferred remuneration of external staff	4 136 605 886	4 267 244 761	-3,07
Other social charges	3 446 634 571	3 960 271 655	-12,97
TOTAL	72 379 206 922	77 912 624 075	-7,11

Comments:
Staff costs fell by -7.11%, which mainly relates to direct remuneration paid to staff.

NOTE 27B: EMPLOYEES, WAGE BILL AND EXTERNAL STAFF

NOTE 27B : EFFECTIFS, MASSE SALARIALE ET PERSONNEL EXTERIEUR														
Name	entity SONATEL SA							Year ending			31/12/2020			
Identification	0018061-2G3							Duration (in months)			12			
	WORKFORCE							PAYROLL						
	Nationals				Excl. OHADA		TOTAL	Nationals				Excl. OHADA		TOTAL
	M	F	M	F	M	F		M	F	M	F	M	F	
Senior managers	414	194	0	0	0	0	608	15 660 996 025	7 338 727 606	0	0	0	0	22 999 723 631
Senior Technicians and middle managers	431	330	0	0	0	0	761	16 304 080 403	12 483 402 629	0	0	0	0	28 787 483 031
Technicians, supervisors, and skilled workers	268	163	0	0	0	0	431	10 138 036 074	6 166 044 329	0	0	0	0	16 304 080 403
Employees, labourers, workers and apprentices	4	0	0	0	0	0	4	151 313 971	0	0	0	0	0	151 313 971
TOTAL (1)	1 117	687	0	0	0	0	1804	42 254 426 473	25 988 174 563	0	0	0	0	68 242 601 036
Permanents	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Seasonals	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2. External staff								Billed to the entity		
Senior managers	0	0	0	0	0		0	0		0
Senior Technicians and middle managers	0	0	0	0	0		43	93 864 936		62 576 624
Technicians, supervisors and skilled workers	0	0	0	0	0		903	1 971 163 649		1 314 109 099
Employés, manœuvres, ouvriers et apprentis	0	0	0	0	0		191	416 934 947		277 956 631
TOTAL (2)	0	0	0	0	0	0	1 137	2 481 963 532		1 654 642 354
Permanents	0	0	0	0	0	0	0	0		0
Seasonals	0	0	0	0	0	0	0	0		0
TOTAL (1+2)	0	0	0	0	0	0	0	0		0

Comments:
- Make a comment if necessary in the event of significant staff movement.

NOTE 28: PROVISIONS AND DEPRECIATION IN THE BALANCE SHEET

NOTE 28: PROVISIONS AND DEPRECIATION IN THE BALANCE SHEET									
Name	entity SONATEL SA							Year ending	
Identification	0018061-2G3							Duration (in months)	
								31/12/2020	
								12	
	A	B			C			D = A+B-C	
	Provision at the beginning of the year	ALLOCATIONS INCREASES			ALLOCATIONS DECREASES			PROVISIONS AT THE END OF THE YEAR	
		Operating	Financial	Excluding ordinary activities	Operating	Financial	Excluding ordinary activities		
Regulated provisions	1 802 272 488	0	0	0	155 379 049	0	0	1 646 893 439	
Financial provisions for risks and charges	53 358 200 239	0	10 658 646 966	0	0	6 592 730 482	0	57 424 116 723	
Depreciation of fixed assets	1 079 154 926	1 252 187 117	0	0	482 859 905	0	0	1 848 482 138	
TOTAL ALLOCATIONS	56 239 627 653	1 252 187 117	10 658 646 966	0	638 238 954	6 592 730 482	0	60 919 492 300	
Depreciation of stocks	1 256 474 870	247 619 874	0	0	405 226 644	0	0	1 098 868 100	
Depreciation current assets (EOA)	0	0	0	0	0	0	0	0	
Depreciation suppliers	0	0	0	0	0	0	0	0	
Depreciation customers	25 980 212 389	6 771 184 415	0	0	5 178 065 192	0	0	27 573 331 612	
Depreciation other receivables	1 021 639 282	89 902 890	0	0	106 471 724	0	0	1 005 070 448	
Depreciation of investment securities	584 198 813	0	0	0	584 198 813	0	0	0	
Depreciation Values for collection	0	0	0	0	0	0	0	0	
Depreciation liquid assets	0	0	0	0	0	0	0	0	
Depreciation and provisions for short-term operating risks	109 802 105	85 710 834	0	0	0	0	0	195 512 939	

Depreciation and provisions for short-term financial risks	8 762 582	-8 762 582	0	0	0	0	0	0
TOTAL EXPENSES FOR SHORT-TERM DEPRECIATIONS AND PROVISIONS	28 961 090 041	7 185 655 431	0	0	6 273 962 373	0	0	29 872 783 099
TOTAL PROVISIONS AND DEPRECIATIONS	85 200 717 694	8 437 842 548	10 658 646 966	0	6 912 201 327	6 592 730 482	0	90 792 275 399

Comments:
The increase is explained by the combined effect of allocations and reversals of provisions on customer write-downs and on financial provisions for risks and charges..

NOTE 29: FINANCIAL INCOME AND EXPENSES

NOTE 29 : CHARGES ET REVENUS FINANCIERS			
Name Identification	entity SONATEL SA 0018061-2G3	Financial year ended Duration (in months)	31/12/2020 12
Items	2020	2019	% Variation
Interest on borrowings	16 887 494 141	16 168 167 317	4%
Interest in capital leases	0	118 000	-100%
Discounts granted	0	0	0%
Other interests	369 616 002	1 509 110 398	-76%
Discounts of commercial bills	0	0	0%
Exchange losses	9 052 051 941	418 305 570	2064%
Losses on disposals of investment securities	0	0	0%
Mainly due to free allocation of shares to salaried staff and senior managers	0	0	0%
Financial risk loss	0	0	0%
Depreciation charges and short-term provisions of a financial nature (see note 28)	2 706 884 944	2 402 429 718	13%
SUB-TOTAL: Financial expenses	29 016 047 028	20 498 013 003	42%
Interest on loans and other receivables	-274 863 036	816 631 830	-134%
Income from participating interests	-97 379 826 372	129 260 533 068	-175%
Discounts obtained	-27 250 942	-6 258 074	335%
Investment income	-67 751 075	13 435 083	-604%
Exchange gains	-5 849 375 573	56 059 226	-10534%
Gains on disposals of investment securities	0	0	0%
Gains on financial risks	-356 547 797	175 773 490	-303%
Reversal of depreciation charges and short-term provisions of a financial nature (see Note 28)	-1 075 821 300	334 172 910	-422%
SUB-TOTAL: FINANCIAL INCOME	-105 031 436 095	130 650 347 533	-180%
TOTAL	-76 015 389 067	110 152 334 530	-169%

Comments:
Financial charges and income fell by 31%, which is mainly explained by the combined effect of an increase in the exchange loss of 8.6 billion XOFand a drop in dividends from the subsidiaries absorbed over the period.

NOTE 30: OTHER EXPENSES AND INCOME EOA

NOTE 30 : AUTRES CHARGES ET PRODUITS HAO				
Name Identification	entity SONATEL SA 0018061-2G3	Financial year ended Duration (in months)		31/12/2020 12
Items		2020	2019	% Variation
Reported expenses EOA (1) to be itemized		1 722 287 065	26 688 525	6353,28
(1)		0	0	0
(1)		0	0	0
Losses on receivables EOA		0	0	0
Donations and gifts granted		0	0	0
Abandonment of debts granted		0	0	0
Provisioned expenses EOA		0	0	0
Allocations excluding ordinary activities		0	0	0
Employee stock ownership		0	0	0
Balancing subsidies		0	0	0
SUB-TOTAL: OTHER EOA EXPENSES		1 722 287 065	26 688 525	6353,28
Reported income EOA (1) to be itemized		-263 796 470	0	0
(1)				
(1)				
Donations and gifts obtained		0	0	0
Abandonment of debts obtained		0	0	0
Transfer of expenses EOA		0	0	0
Reversal of expenses for depreciation and short-term provisions EOA		0	0	0
Reversals excluding ordinary activities		-155 379 049	-362 298 563	-57,12
SUB-TOTAL: OTHER EOA INCOME		-419 175 519	-362 298 563	15,69
TOTAL		1 303 111 546	-335 610 038	-488,29

Comments:
The variation in EOA expenses is mainly explained by the costs linked to the merger for an amount of 1.6 billion XOF.

NOTE 31: BREAKDOWN OF THE INCOME STATEMENT AND OTHER CHARACTERISTIC ELEMENTS OF THE LAST FIVE YEARS

NOTE 31: BREAKDOWN OF THE INCOME STATEMENT AND OTHER CHARACTERISTIC ELEMENTS OF THE LAST FIVE YEARS					
Name Identification	Entité SONATEL SA 0018061-2G3	Financial year ended Duration (in months)		31/12/2020 12	
NATURE OF INDICATIONS	N	2 019	2 018	2 017	2 016
CAPITAL STRUCTURE AT THE END OF THE FINANCIAL YEAR (2)					
Share capital	50 000 000 000	50 000 000 000	50 000 000 000	50 000 000 000	50 000 000 000
Ordinary shares	100 000 000	100 000 000	100 000 000	100 000 000	100 000 000
Preferred dividend shares (PDS) without voting rights	-	-	-	-	-
New shares to be issued:	-	-	-	-	-
- by agreement on obligations	-	-	-	-	-
- by exercising subscription rights	-	-	-	-	-
OPERATIONS AND RESULTS FOR THE YEAR (3)	50 000 000 000	50 000 000 000	50 000 000 000	50 000 000 000	-
Turnover excluding taxes	445 277 683 373	294 303 102 861	265 066 910 722	321 873 152 157	324 826 597 212
Income from ordinary activities excluding transfers and reversals (operating and financial)	261 851 206 222	194 557 201 753	164 034 412 817	221 103 660 378	214 110 676 767
Employee participation in profits	-	-	-	-	-
Income tax	29 897 345 371	17 133 881 150	10 656 720 271	31 506 101 374	35 147 613 809
Net income (4)	150 446 962 632	154 801 835 385	106 939 462 716	163 578 622 040	154 175 917 915
DISTRIBUTED INCOME AND DIVIDEND	-				
Distributed income (5)	-	136 111 111 111	166 666 666 667	166 666 666 667	166 666 666 667
Dividend allocated to each share	-	1 361	1 667	1 667	1 667
STAFF AND SALARY POLICY	-	-	-	-	-
Average number of staff for the year (6)	1 137	1 753	1 740	1 825	1 767
Average number of external staff	-	3	3	3	3
Payroll distributed during the year (7)	63 313 626 068	68 238 907 780	62 949 204 818	56 167 384 255	51 137 801 782
Benefits paid during the year (social security, social work) (8)	4 992 833 603	5 406 471 534	5 370 468 718	4 490 820 636	4 155 818 640
External staff billed to the entity (9)	4 136 605 886	4 267 244 761	3 317 455 231	2 692 668 210	2 964 042 055

(1) Including the year in which the financial statements are submitted for the approval of the Meeting.
(2) Indication, in the event of partial release of capital, amount of uncalled capital
(3) The items in this section are those in the income statement

((4) The result, when negative, must be in parentheses
(5) Year N corresponds to the proposed dividend of the last financial year
(6) Own staff

(7) Total accounts 651, 662, 663
(8) Total accounts 664, 668
(9) Account 667

NOTE 34: SUMMARY SHEET OF THE MAIN FINANCIAL INDICATORS

Note 34: SUMMARY SHEET OF THE MAIN FINANCIAL INDICATORS			
Name	Entité SONATEL SA	Year ended	31/12/2020
Identification	0018061-2G3	Duration (in months)	12
(In thousands of XOF)	2020	2019	Variation en %
ACTIVITY ANALYSIS			
INTERMEDIATE MANAGEMENT BALANCES			
Turnover	445 277 683	294 303 103	51,29
Commercial margin	0	0	0
Value added	255 990 999	160 249 352	59,74
Gross operating surplus (GOS)	183 611 792	82 336 728	123
Operating income	105 566 966	56 856 903	85,67
Financial income	76 015 389	110 152 217	-31
Earnings from ordinary activities	181 582 355	167 009 119	8,72
Income excluding ordinary activities	-1 238 047	4 926 597	-125,13
Net income	150 446 963	154 801 835	-2,82
DETERMINATION OF SELF-FINANCING CAPACITY			
GOP	183 611 792	82 336 728	123
+Book values of current asset disposals (account 654)	0	0	0
-Income of ordinary capital transfers (account 754)	0	0	0
OPERATING SELF-FINANCING CAPACITY			
Financial income	98 699 201	130 260 115	-24,23
+Foreign exchange gains	5 849 376	56 059	10334,27
+Transfers of financial expenses	0	0	0
- EOA products	514 213	-26 689	-90,33
Transfer of expenses EOA	0	0	-100
- Financial expenses	-17 257 110	-18 261 595	-5,51
- Exchange losses	-9 052 052	-418 306	2063,98
-Participation	0	0	0
-Income taxes	-29 897 345	-17 133 881	74,49
GLOBAL SELF-FINANCING CAPACITY (GSFC)			
-Distribution of dividends made during the year	-159 572 534,48	-166 666 666,67	4,57
SELF-FINANCING			
	70 922 835,77	10 145 766,58	30,38

PROFITABILITY ANALYSIS			
Economic profitability = operating Income (a) / Equity + financial debt	16,24	13,31	2,93
Financial profitability = net income/equity	35,46	51,45	-15,99
FINANCIAL STRUCTURE ANALYSIS			
Equity and related resources	424 250 037,73	300 839 543,02	41,02
-Financial debts* and other related resources (b)	283 092 294,34	178 702 857,22	58,41
-Stable resources	707 342 332,07	479 542 400,24	47,5
-Fixed assets (b)	-736 848 882,67	-522 946 586,91	40,9
WORKING CAPITAL (1)			
Current operating assets (b)	198 418 782,31	237 378 423,07	-16,4
-Current operating liabilities (b)	-161 806 193,77	-191 692 676,47	-15,6
-OPERATING FINANCING NEED (2)	36 612 588,54	45 685 746,59	-19,77
Current assets EOA (b)	218 433,68		0
-Current liabilities EOA (b)	-54 649 200,17	-3 883 645,44	1307,16
= FINANCING NEED EOA(3)	-54 430 766,49	-3 883 645,45	1301,53
GLOBAL FINANCING NEED (4) = (2) - (3)			
	-17 818 177,95	41 802 101,14	-142,69
NET CASH (5) = (1) - (4)			
	-11 688 373	-85 206 288	-86,20
CONTROL: NET CASH = (CASH-ASSETS) - (CASH-LIABILITIES)	-11 765 413	-85 206 288	-86,2
ANALYSIS OF CASH FLOW VARIATION			
Cash flow from operating activities	213 086 507	203 751 744	4,58
-Cash flow from investing activities	-103 263 401	-45 566 789	126,61
+Cash flow from financing activities	-37 382 443	-140 571 041	-73,41
VARIATION IN NET CASH FOR THE PERIOD			
		17 613 914	
ANALYSIS OF THE VARIATION IN NET FINANCIAL DEBT			
Gross financial debt (Financial debt* + Cash - liabilities)	120 986 779	261 452 018	-1430,24
-Cash - assets	-92 915 986	-50 067 289	85,58
NET FINANCIAL DEBT			
	28 070 792	211 384 729	-147,45

(a) Operating income after theoretical income tax.
(b) Translation differences must be eliminated in order to reduce the receivables and payables concerned to their initial value.
Financial debts* = Loans and various financial debts + capital lease debts.

NOTE 35: LIST OF SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION TO BE PROVIDED

Note 35: LIST OF SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION TO BE PROVIDED			
Name	Entité SONATEL SA	Year ended	31/12/2020
Identification	0018061-2G3	Duration (in months)	12
SOCIAL INFORMATION			
Employment: <ul style="list-style-type: none">- the total workforce and the breakdown of employees by sex, age and geographic area;- hirings and layoffs;- remuneration and their evolution.			
Social relations: <ul style="list-style-type: none">- the organization of social dialogue;- the results of the agreements signed with trade unions or employee representatives in matters of health and safety at work.			
Training: <ul style="list-style-type: none">- training policies implemented;- total number of training hours			
Equal treatment: <ul style="list-style-type: none">- measures taken in favour of equality between women and men;- the measures taken in favour of the employment and integration of disabled people.			
ENVIRONMENTAL INFORMATION			
General environmental policy: <ul style="list-style-type: none">- the organization of the company to take into account environmental issues and, where applicable, the environmental assessment or certification procedures;- employee training and information actions carried out in the area of environmental protection. Resources devoted to the prevention of environmental risks and pollution.			
Pollution and waste management: <ul style="list-style-type: none">- measures to prevent, reduce or prepare for discharge into the air, water and soil seriously affecting the environment;- measures for the prevention, recycling and elimination of waste;- taking into account noise pollution and any other form of pollution specific to an activity.			
Sustainable use of resources: <ul style="list-style-type: none">- water consumption and water supply according to local constraints;- consumption of raw materials and measures taken to improve efficiency in their use;- energy consumption, measures taken to improve energy efficiency and the use of renewable energies.			
Climate change : <ul style="list-style-type: none">- greenhouse gas emissions.			
Protection of biodiversity: <ul style="list-style-type: none">- the measures taken to preserve or develop biodiversity.			

INFORMATION RELATING TO SOCIETAL COMMITMENTS IN FAVOUR OF SUSTAINABLE DEVELOPMENT
Territorial, economic and social impact of the company's activity: <ul style="list-style-type: none">- in employment and regional development;- on neighbouring or local populations.
Relations with people or organizations interested in the company's activity (integration association, educational institutions ...): <ul style="list-style-type: none">- the conditions for dialogue with these persons or organizations;- partnership or sponsorship actions.
Subcontracting and suppliers: <ul style="list-style-type: none">- taking into account social and environmental issues in the procurement policy.



NOTE 36: CODE TABLES

NOTE 36 : TABLES DES CODES					
Name	entity SONATEL SA		Financial year ended		31/12/2020
Identification	0018061-2G3		Duration (in months)		12
1- Legal form code (1)			3- Country code of the head office		
Joint Stock Company (JSC)	0	0	OHADA country (2)		
Public			Other African countries	2	1
Public limited company (PLC)	0	1	France	2	3
Limited Liability Company (LLC)	0	2	Other countries of the European Union	3	9
Limited Partnership (LP)	0	3	USA	4	0
Partnership	0	4	Canada	4	1
Joint Venture (JV)	0	5	Other American countries	4	9
Economic Interest Group (EIG)	0	6	Asian countries	5	0
Association	0	7	Other countries	9	9
Simplified Joint Stock Company (SJSC)	0	8			
Other legal forms (to be specified)	0	9			
2- Tax regime code					
Real normal		1			
Real simplified		2			
Synthetic		3			
Flat rate		4			

NOTE 37: DETERMINATION OF INCOME TAXES

NOTE 37: DETERMINATION OF INCOME TAXES		
Name	entity SONATEL SA	Year ended
Identification	0018061-2G3	Duration (in months)
ACCOUNTING INCOME		31/12/2020
		12
		180 254 394 939
PROV YIELD		14 062 489
PROV SOCIAL CHARGES CFCE yield		421 875
PROV LEAVE		3 954 514 996
PROV FLOTING SM		6 935 432 053
PROV SOCIAL CHARGES CFCE leave		118 670 606
PROV RETIREMENT		15 614 907 913
PROV RETIREMENT (OPEN REGULATION WITHOUT CONSIDERATION P&L)		-540 260 534
PROV RETIREMENT (regular-opening amortization)		180 086 845
PROV RETIREMENT SBS		-8 289 993
PROV RETIREMENT (regular-opening amortization)		8 289 994
TAX PENALTIES		0
PROV TAX LITIGATION		0
DONATIONS		1 748 862 403
PROV IRVM on donations		194 318 045
NON-DEDUCTIBLE EXPENSES ON 2018 TAX ASSESSMENT		0
SPECIAL TAXES		60 547 040
PROV LOYALTY BONUS		8 097 542 573
PROV IT on loyalty bonus		
PROV SOCIAL CHARGES CFCE loyalty bonus		0
RENT DCIR		0
PROV DPC		726 951 613
PROV PE EXO 2020		1 821 000 000
IT / PROV PE		1 116 096 774
CFCE / PROV PE		88 112 903
PROV PLAN COMMISSION + IT + CFCE SBS		41 532 258
UNREALIZED GAIN		266 416
PROV LATENT LOSS		89 902 890
STAFF SUBSIDIES		0
LOSS ON CUSTOMER RECEIVABLES		0
IRVM / STAFF SUB		0
GROSS DIV RECEIVED DESNT MOBILES		30 582 618 042
GROSS DIV RECEIVED FROM S2MDed		3 454 270 661
BONI FUSION		75 260 792 320
Reminder of Previous Taxes		89 913 065
TOTAL REINTEGRATIONS		149 650 563 247

DEDUCTIONS	
REP PROV YIELD	158 092 230
REP CFCE PROV YIELD	4 742 767
REP PROV LEAVE	3 294 845 870
REP CFCE PROV LEAVE	98 845 376
REP CFCE PROV LEAVE SBS	67 776 190
REP CFCE PROV LEAVE SSS	2 033 286
Retirement provision reversal	17 236 118 544
REVERSAL PROV RETIREMENT SBS	415 637 996
reversal spread impact beginning 2018	
reversal special SBS bonus	319 096 281
Reversal floating provision end Dec SM	6 830 621 834
GROSS DIV RECEIVED FROM ORANGE GUINEA Ded 95%	27 765 019 271
GROSS DIV RECEIVED DESNT MOBILES Ded 95%%	29 053 487 140
GROSS DIV RECEIVED FROM S2MDed95%	3 281 557 128
GROSS DIV RECEIVED FROM OFMSDed 95%	6 226 546 419
GROSS DIV RECEIVED FROM CANALHORIZONS DED 95%	110 556 250
GROSS DIV RECEIVED FROM ORANGE MALI Ded 95%	57 555 099 410
GROSS DIV RECEIVED FROM ORANGE BISSAU Ded 95%	853 613 704
reversal PROV LOYALTY BONUS	1 329 094 291
BONI MERGER	71 497 752 704
reversal of IR provision on FSA outflows	0
REVERSAL PROV SOCIAL EXPENSES LOYALTY BONUS	
REVERSAL PROV LOYALTY BONUS	
REVERSAL PROV PE	2 177 440 000
REVERSAL IT PROV PE	1 334 560 000
REVERSAL CFCE PROV PE	105 360 000
REVERSAL IT PROV PE SBS	106 000 000
REVERSAL CFCE PROV PE SBS	3 180 000
Reversal of provision for various premiums and K14	694 023 810
REVERSAL PROV PLAN COMMISSION + IT + CFCE SBS 2019	25 750 000
REVERSAL PROV TAX AUDIT 2018	0
REVERSAL PROV RODP	0
LATENT GAIN	0
REVERSAL PROV LATENT LOSS	
TOTAL DEDUCTIONS	230 546 850 499
TAXABLE INCOME	99 358 107 687
TAX 30%	29 807 432 306
INCOME AFTER TAX	150 446 962 633



SUMMARY

MANAGEMENT REPORT

DECEMBER 2020

INTRODUCTION

2020 has been a special year, marked by the Covid-19 pandemic. Despite the series of measures taken by the public authorities to contain it, this pandemic has had unprecedented health, economic and financial repercussions worldwide.

Economic activity in sub-Saharan Africa has deteriorated since the first quarter of 2020. Growth rates in the region in recent years have declined sharply from expectations.

In the countries of the Sonatel Group, the latest growth forecasts stand at +0.7% in Senegal against an initial forecast of 6.9%; -2% in Mali in 2020 against 4.7%; 1.4% in Guinea against 6% initially, -2.9% in Bissau against 5% and -3.1% in Sierra Leone against 3.5% (source World Bank).

Nevertheless, the Sonatel group was able to maintain a sound operational and financial performance. It remains the benchmark operator in West Africa and leader in all of its countries of presence except Bissau, with respective volume market shares of 55.6% in Senegal, 55.3% in Mali, 58.7% in Guinea, 52.2% in Sierra Leone and 48% in Guinea Bissau.

Sonatel Group’s revenues increased by 2.3% compared to 2019. The operating margin increased by 7.6% over the period, a higher growth than that of turnover despite the difficult context and tougher competition. Moreover, the group has been severely affected by the deterioration of the exchange rate in Guinea and Sierra Leone, with operational revenue growth, restated for currency effects of 4.5% compared to 2019 and a 10.2% increase in EBITDAAL.

The group thus continues to reap the beneficial effects of the strengthening of the contribution of growth drivers in particular mobile data, Orange Money and Fixed Broadband. An improvement linked to the increase in customer base and usages and increase in 4G and Orange money penetration rates.

The increase in revenues was accompanied by a policy of cost control, which made it possible to significantly improve the Ebitdaal margin. Added to this were the restrictive measures linked to Covid19 which prevented certain communication and operating expenses generating considerable savings.

The Sonatel Group implements a Corporate Social Responsibility (CSR) policy in all of its countries of presence. Thus it is firmly supportive of the health authorities in the fight against Covid19, through donations and subsidies, the provision of medical and protective equipment, the setting up of GFUs with medical departments, providing free access to certain financial services as well as the facilitation and encouragement of teleworking and distance learning through free passes and more abundant offers.

The Sonatel group mobilized during this worrying period to guarantee the quality of the network and its services. The Group’s commitment remains resolutely customer-oriented. Sonatel’s ambition is to provide its customers with an incomparable experience, through a recognized technical and commercial Quality of Service, while providing solutions to changes in society through the development of new digital usages.

GROUP DATA

Financial income at 31 December, 2020

In MXOF	2020.12 YTD		
	ACTUAL	YOY	YOY%
Income	1 206 086	+26 862	+2,3%
Direct cost	-240 419	-5 480	-2,3%
% revenu	-19,9%	-0,0pt	
Direct margin	965 667	+21 382	+2,3%
% income	80,1%	-0,0pt	
Indirect costs	-446 449	+15 159	+3,3%
% revenu	-37,0%	+2,1pt	
EBITDAal	519 218	+36 541	+7,6%
% revenu	43,0%	+2,1pt	
eCapex	204 411	+864	+0,4%
% revenu	16,9%	-0,3pt	
Operating Cash Flow	314 808	+35 6	+12,8%
% revenu	26,1%	+2,4pt	

GROUP TURNOVER

The turnover of the Sonatel group amounts to 1.206 billion XOF, up 2.3% (+28 billion XOF) compared to 2019. This growth is driven by all of the Group's countries except Senegal which was impacted by the drop in market value induced by the fiercely competitive environment combined with the effects of the Covid pandemic and Guinea Bissau where the sluggishness of the economy continues.

Retail income represents 91% of turnover or 1.097 billion. It increased by 4.1%, driven by growth drivers such as mobile data, Orange Money, and fixed broadband. These represent the bulk of revenue growth and are up 20.2%, 23.5% and 18.6% respectively compared to 2019.

Data revenues represent 285 billion in 2020, i.e. a 23.6% contribution to total Group turnover, up 3 points.

Orangemoneyrevenuesamountto151billion,representing a contribution of 12.5% to the Group's income. These performances are linked to the development of usages with the expansion of network coverage. (3G / 4G / 4G+), the launch of several innovative services and the good dynamics of the subscriber bases. The expansion of coverage is made possible by the continued orientation of network investments on broadband expansion and densification projects, in particular 4G and fiber.

Fixed Broadband revenues reached 42.2 billion, registering an increase of +18.6% compared to 2019, thanks to the development of fiber and flybox (increase of the customer base by 81k) which offsets the decline of ADSL. They represent 3.5% of turnover and contribute to revenue growth by 12.7%. Senegal and Mali account for the bulk of the income although that of Guinea is increasing significantly.

Wholesale revenues amount to 108.6 billion or 9% of turnover. The decline continues (-13.1% compared to 2019) but remains lower compared to 2019 and 2018 thanks to the resistance of hubbing and national interconnection.

Turnover from international entrants with 69.4 billion recorded a greater decline than last year in connection with the development of OTTs and the Covid19 crisis which had a strong impact on this activity, as well as on roaming. Compared to 2019, this -19.6% drop is mainly driven by the subsidiaries, more particularly in Mali under the effect of the drop in international outbound traffic due to the development of OTT traffic.

The turnover on the national interconnection amounted to 31.1 billion and recorded an increase of +7% driven mainly by Senegal and to a lesser extent, Sierra Leone. This increase in income is linked to the increase in traffic following abundance offers.

EVOLUTION OF THE CUSTOMER BASE

The Fixed-line, Mobile and Internet customer base has grown by + 9.9% compared to 2019 and reached 35.9 million despite the slowdown in recruitments observed

in the second quarter of 2020 with the stopping of commercial activities during the first days of the COVID19 health crisis.

	December		
IMF BASE	Actual 2019	Actual 2020	Actual 2020 / Actual 2019
Senegal	9 575 174	10 594 894	↑
Mali	11 881 918	12 318 240	↑
Guinea	7 670 324	8 503 852	↑
Bissau	709 819	801 536	↑
Sierra Leone	2 473 881	3 234 775	↑
Mobile	32 311 116	35 453 297	↑
Fixed	206 173	227 645	↑
Internet	228 640	309 749	↑
TOTAL BASE	32 745 929	35 990 691	↑

The mobile customer base totals 35.4 million customers, with an increase of 9.7% driven by good sales momentum in all countries in sales promotion, price redesigns, the launch of new offers (Bundles) and the increase in the number of sites improving network coverage.

The number of active mobile data customers of the Group amounted to 12.7 million, i.e. an increase of +12.5% in one year. The active 4G base reached 4.8 million customers, i.e. an increase of +55% compared to 2019 while the penetration rate of Data services is stable at around 35.8%.

The active Orange Money customer base is 8.8 million customers, up +29.1% over one year (+2 million active customers and +4.3 million customers registered vs 2019) in particular in Senegal, Mali and Bissau

thanks to the decision of the BCEAO to authorize the opening of accounts by all customers. Almost 62% of active customers are Full and have therefore seen their monthly transaction threshold uncapped. Orange Money's penetration on the mobile subscriber base has increased with one in five mobile customers using all Orange Money mobile financial services every month.

The fixed broadband customer base has 309.749 customers (including 192.400 fiber and Flybox customers), increasing by 81.6% thanks to the acceleration of the rollout of Fiber in Senegal, Mali and strong onboarding. Further, at the end of December, nearly 52% of our broadband customers had either a Fiber or Flybox offer and more than 25.1% of the potential that could be connected to fiber have been connected.

MANAGEMENT BALANCES

The Group’s consolidated **EBITDaal** amounts to 519.2 billion XOF at the end of December 2020. It recorded a growth of +7.6% or +37 billion XOF, thanks to the improvement of the direct margin associated with excellent control of indirect costs. The reduction in indirect costs comes mainly from all headings, in connection with the context of the pandemic in all countries.

The operating margin amounts to 339 billion XOF up +5.9%, a growth reduced by the increase in depreciation in Guinea, Senegal and

OSL, following the investment efforts in particular in the last few years.

The Group’s consolidated financial income remains negative at -27 billion XOF mainly in Senegal and Mali. It deteriorated slightly due to the cost of the debt and the increase in exchange losses.

The group’s consolidated net income stands at 201.3 billion XOF. It recorded an increase of 3% or +5.9 billion XOF driven by the operational performance.

INVESTMENTS

Sonatel Group investments amounted to 204 billion XOF at the end of 2020, slightly up by 0.4% increase (0.9 billion XOF). The CAPEX / turnover rate is down slightly by 0.3pt, at 16.9%. The achievements mainly focused on the mobile access network (extension, densification, 3G, 4G, 4G+), fiber rollout, swap projects, and transport upgrade.

In MCFA	2020.12 YTD		
	ACTUAL	YOY	YOY%
Revenu	496 064	-14 911	-2,9%
Direct cost	-115 463	+1 292	+1,1%
% revenu	-23,3%	-0,4pt	
Direct margin	380 601	-13 619	-3,5%
% revenue	76,7%	-0,4pt	
Indirect costs	-183 850	+23 093	+11,2%
% revenue	-37,1%	+3,4pt	
EBITDAal	183 000	+9 473	+5,1%
% revenue	39,7%	+3,0pt	
eCapex	88 336	-1 035	-1,2%
% revenue	17,8%	-0,3pt	
Operating Cash Flow	108 414	+10 508	+10,7%
% revenue	21,9%	+2,7pt	

SENEGAL

2020 will have been strongly impacted by the global pandemic to compounded by the effects of the highly competitive environment (both in terms of activities and mobile money). Despite this particular context, the mobile base reached 10.6 million customers, representing a significant annual growth of 1.02 million.

Orange strengthened its leadership with a volume market share which stood at 55.2%, up +1.6 pts vs 2019. The value market share represents 74.3%, down slightly by -0.8 pt compared to 2019 due to the overhaul of mobile offers at the start of the year in reaction to competing offers that led to a decrease in market value.

The Mobile Data Base recorded a strong performance thanks to a good sales momentum, more abundant and more attractive bundles (Illimix and Mixel) and data pass. It reached 4.36 million active customers, of which 2.6 million active 4G customers (+1.1million compared to 2019).

The Orange Money base has 2.9 million active customers, good growth of +433 thousand customers thanks to the effect of the BCEAO measures and the strengthening of Customer Base Management (CBM) campaigns.

Fixed Broadband Base reached 250.000 customers at the end of 2020, an increase of +29% compared to 2019 thanks on the one hand to the rise of fiber (base of 61.9 thousand, up by +32 thousand), then of the Flybox with 72.4 thousand customers (increase of +31 thousand vs 2019).

The traffic was marked by the increase of the national inbound (+78.7%) and national outbound (+237.3%), in particular due to abundant offers on the market. Hubbing is doing well with a growth of +19%, nevertheless the decline in international inbound continues (-12.5%) as well as that of fixed voice traffic (-15%).

Global data traffic is up 70% vs 2019, increased by the abundance of offers following the repositioning carried out at the end of 2019 as a response to competition and in 2020 due to the Covid context. 4G data traffic accounted for 55% of annual traffic in 2020, i.e. an increase of +17pts.

Note the good performance of network service quality indicators with overall network and service availability improving compared to 2019.

Senegal’s turnover stood at 496 billion XOF francs in 2020, a decrease of 2.9% mainly driven by the poor performance of Retail in the context of Covid19 and the overall decline in the market linked to the strong competition.

The 2020 financial year was marked by strong growth in Orange Money revenues, the contribution of which to Senegal’s income increased by 22.4% and reached 56 billion XOF, globally driven by all services including national transfer, IRT (international transfer) and merchant and bill payment services.

Despite an annual decrease in Wholesale turnover of more than 5%, its performance should be highlighted in the context of the sharp drop in international inbound revenues and roaming offset by the rise in hubbing revenues and national inbound calls.

Direct costs are down by 1.1% compared to 2019 and contribute to the improvement of the profit margin. 3.5%. This decrease reflects different trends in particular an increase in interconnection costs following the increase in inbound national traffic and hubbing, Orange Money commissions in connection with the increase in turnover as well as bonuses thanks to lower consumption of equipment and impairment of trade receivables.

The indirect costs display a decrease of 23.1 billion XOF thanks to control efforts charges in particular on communication and overheads. Note a strong saving on operational tax charges in connection with the fall in the cost of frequencies and the reduction in taxes indexed to turnover.

Senegal's EBITDAal amounts to 195.0 billionXOF, an increase of 5.1% compared to 2019, i.e. +9.5 billion XOFthanks to the positive effect of the cost control plan and the limited withdrawal of the direct margin linked to good Orange Money sales performance, Fiber, despite the health crisis and fierce competition. The Ebitdaal rate is 39.7% against 37.8% in 2019, an improvement of almost 2 points.

The operating income represents 122 billionXOF, up 5% compared to 2019, driven mainly by the increase in EBITDAal. Annual depreciation stands at 75.7 billionXOF, an increase of 9% compared to 2019 linked to the investment effort on the network.

The Financial Income is 70.9 billion XOFagainst 74.4 billion XOFin 2019 due to the sharp depreciation of the GNF on the dividends received.

The net result amounted to 157.8 billionXOF, down 1.3% compared to 2019. The net margin rate is 33%, stable compared to 2019.

Senegal's investments amount to 88.3 billionXOF, including 71.3 billion XOFon the network with a mixed investment deployment rate compared to 2019 (decline of -1.2%) due to the current context of Covid19. The 2020 investments are focused on the rollout of 3G / 4G, fiber, energy (security and obsolescence), the extension of transport networks, the submarine cable for better international and internet traffic flow.

INTERNATIONAL

**Données sociales Mali, Guinée, Bissau, Sierra Leone*

In MXOF	2020.12 YTD			
	ACTUAL	Proforma	YOY	YOY%
Revenu	745 585	705 146	+42 265	+6,0%
Direct cost	-155 128	-148 452	-6 678	-4,5%
% revenu	-20,8%	-21,1%	+0,3pt	
Direct margin	592 283	556 695	+35 588	+6,4%
% revenue	79,2%	78,9%	-0,3pt	
Indirect costs	-269 815	-262 015	-7 801	-3,0%
% revenue	-36,1%	-37,2%	+1,1pt	
EBITDAal	322 468	294 680	+27 788	+9,4%
% revenue	43,1%	41,8%	+1,4pt	
eCapex	116 074	112 777	+3 298	+2,9%
% revenue	15,5%	16,0%	-0,5pt	
Operating Cash Flow	206 393	181 903	+24 490	+13,5%
% revenue	27,6%	25,8%	+1,8pt	

International achieved exceptional financial and operational performance, despite the year 2020 being marked by political tensions in Mali, Guinea, Bissau, with unfavourable effects on the economy, combined with the context of a health crisis.

TURNOVER

The turnover of our subsidiaries grew by 6% in 2020. This increase is linked to the remarkable commercial performances in Guinea, Sierra Leone and Mali thanks to the contributions of mobile data, Orange money and the increase of fixed broadband.

The continued rollout of Very High Speed mobile and fixed and the improvement in the quality of our mobile networks have strongly contributed to the development of usage. Mobile data, one of the Group's main growth drivers, continues to represent great potential thanks to the expansion of 3G / 4G coverage (nearly 96% in Mali, 63% in Guinea, 70% in Bissau and 65 % in Sierra Leone). Income thus increased by 29% and was accompanied by a significant growth in the active base.

EVOLUTION OF THE CUSTOMER BASE

Number of fixed internet customers (in thousands)	2020	2019	Variation	
Number of customers (in thousands)	24 918	22 771	↑	9,4%
Internet lines (Fiber / FDD / TDD)	60	35	↑	70,5%
Mobile Customers	24 858	22 736	↑	9,3%
Mobile Data Customers	8 352	7 294	↑	14,5%
4G Active customers	2,101	1 184	↑	77,5%
Active customers Orange Money	5 855	4 304	↑	36,0%

The mobile customer base has 24.9 million customers, up 9.3% driven by a good recruitment momentum despite the slowdown effects of COVID19 (restrictions on field actions).

Mobile internet has a customer base of 8.4 million, up 14.5% over the year 2020. The active 4G base reached 2.1 million customers, i.e. an increase of +77.5% compared to 2019.

Access to fixed connectivity is accelerating thanks to the increase in the number of connectable homes mainly in Mali (+44 thousand homes), and the continued rollout of the flybox in all countries (+ 56%).

On Orange money, the development of the base, the commercial momentum, the strengthening of the distribution network amplified by BCEAO measures which boosted registrations, helped generate a 20% increase in revenue driven by cash out, merchant and bill payments.

The Orange Money base reached 5.9 million customers, an increase of 36%.

Fixed services totalled 60.000 accesses as of 31 December, 2020, a sharp increase of 70.5% over one year, mainly driven by the growth in very high access rates of Fixed broadband fiber and FDD / TDD.

EBITDAal

International EBITDAal reached 322 billion XOF, up 9.4% compared to 2019. The margin rate of over 43.1% demonstrates our ability to generate operating margin with a transformation rate of revenue growth by 66% Ebitdaal.

Note also the controlled increase in costs which contributes to the good growth of EBITDAAL.

INVESTMENTS

International EBITDAal reached 322 billion XOF, up 9.4% compared to 2019. The margin rate of over 43.1% demonstrates our ability to generate operating margin with a transformation rate of turnover growth by 66% Ebitdaal.

Note also the controlled increase in costs which contributes to the good growth of EBITDAAL.



IFRS CONSOLIDATED ACCOUNTS

YEAR ENDING
31 DECEMBER, 2020

Highlights 2020

Covid-19 health crisis

The impact of the health crisis on the activity and performance of the Group, the judgments and assumptions used as well as the main effects of the crisis on the Group's consolidated financial statements are presented in note 12 "Impacts of the health crisis linked to the Covid-19 epidemic".

IFRS16 Duration of Lease contracts

In December 2019, the IFRS IC published its final decision on the determination of the enforceable term of a lease contract. The effects of this decision for the Group are presented in note 2.3 "New standards and interpretations applied at 1st January 2020".



CONSOLIDATED INCOME STATEMENT

(in millions XOF)	Note	31 December 2020	31 December 2 019	31 December 2018
TURNOVER	4.1	1 206 086	1 179 224	1 098 698
External purchases	4.2	(439 972)	(432 896)	(419 327)
Other operating income	4.8	21 892	19 401	20 825
Other operating expenses	4.4	(40 948)	(40 693)	(54 724)
Staff costs	4.5	(121 111)	(116 438)	(107 380)
Operating taxes and duties	4.3	(100 392)	(116 852)	(81 302)
Depreciation and amortization	4.6	(185 993)	(173 284)	(153 008)
Income from the sale of securities and activities			2 318	3 883
Costs of restructuring and integration		155		
Effects of takeovers			109	
Income of equity-accounted entities		(636)	(269)	(53)
Operating income		339 082	320 624	307 611
Cost of gross financial debt		(29 985)	(27 634)	(16 965)
Interest charges on lease debts		(2 079)	(2 739)	
Income and expenses on assets constituting net debt		3 369	2 145	2 737
Exchange gains (losses)	4.7	(3 596)	(219)	(164)
Other financial income and expenses		2 831	2 470	1 064
Financial income	4.7	(29 460)	(25 976)	(13 329)
Corporate tax	4.9	(108 350)	(99 302)	(107 191)
NET INCOME OF THE CONSOLIDATED GROUP		201 272	195 343	187 091
Net income attributable to owners of the parent company		168 588	153 340	159 833
Net income attributable to non-controlling interests		32 684	42 003	27 257
NET INCOME PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	4.10			
- basic		1 686	1 533	1 598
- diluted		1 686	1 533	1 598

CONSOLIDATED COMBINED INCOME STATEMENT

(in millions XOF)	2 020	2 019
NET INCOME OF THE CONSOLIDATED GROUP	201 272	195 343
Items not recyclable as income	-	
Post-employment benefit, actuarial difference	4 255	(1 071)
Items recyclable as income	-	
Assets available for sale	(1 185)	-
Translation difference	(28 741)	(12 030)
Other items of the income before tax	(25 671)	(13 100)
Tax on other elements of the income (non recyclable)	272	(671)
Other items of the income	272	(13 771)
INCOME OF THE CONSOLIDATED GROUP	175 873	181 572
income attributable to Group shareholders	147 528	142 635
income attributable to non-controlling interests	28 345	38 937

The consolidated income is strongly impacted by the translation differences on Guinea and Sierra Leone realized in fiscal year 2020.

CONSOLIDATED FINANCIAL POSITION STATEMENT

(in millionsXOF)	Note	31 December, 2020	31 December, 2019	31 December, 2018
ASSETS				
Goodwill	5.1	38 662	43 912	49 640
Other intangible fixed assets	5.2	244 710	273 016	233 202
Tangible fixed assets	5.2	778 797	749 539	697 947
Equity-accounted securities	5.2	3 052	3 671	3 996
Rights of use of leased fixed assets	8	27 169	26 718	-
Non-current financial assets	5.7	159 275	145 720	139 110
Other non-current assets	5.5	8 345	8 340	8 447
Deferred tax assets	5.6	17 504	18 647	17 260
Total non-current assets		1 277 513	1 269 562	1 149 602
Stocks	5.3	12 302	14 247	13 043
Trade receivables	5.4	130 467	116 959	107 810
Current financial assets	5.7	5 833	6 683	12 395
Other current assets	5.5	199 461	143 409	121 265
Operating taxes and duties		62 133	57 711	47 440
Corporate tax		4 651	7 366	3 468
Prepaid expenses		4 822	2 972	2 567
Cash and cash equivalents	5.8	199 692	204 103	218 591
Total current assets		619 360	553 450	526 578
TOTAL ASSETS		1 896 874	1 823 012	1 676 180

CONSOLIDATED FINANCIAL POSITION STATEMENT

(in millions XOF)	Note	31 December 2020	31 December 2019	31 December 2018
LIABILITIES				
Share capital		50 000	50 000	50 000
Reserves and issue premiums		620 475	572 717	578 128
Translation difference	6.7	(58 828)	(34 586)	(25 518)
Own shares		(1 390)	(2 809)	(3 042)
Equity attributable to the owners of the parent company		610 258	585 323	599 567
Equity attributable to non-controlling interests		138 919	136 202	126 070
TOTAL SHAREHOLDERS EQUITY		749 177	721 525	725 637
Non-current financial liabilities	6.1	296 368	175 280	142 932
Non-current lease debts	8	22 508	19 402	
Non-current employee benefits	6.2	22 267	24 664	23 297
Other non-current liabilities	6.3	9 760	7 311	6 157
TOTAL NON-CURRENT LIABILITIES		350 903	226 656	172 387
Current financial liabilities	6.1	160 744	242 602	261 181
Trade payables for current fixed assets	6.5	99 896	95 311	79 275
Trade payables on other goods and services	6.5	192 333	187 221	176 775
Customer contract liabilities		4 970	4 925	8 978
Current lease debts		5 916	8 419	
Current staff benefits		14 324	13 933	12 104
Other current liabilities	6.3	189 916	183 012	108 601
Operating taxes and duties		54 246	64 240	56 999
Corporate tax		57 348	59 163	57 855
Prepaid income	6.6	17 100	16 006	16 389
TOTAL CURRENT LIABILITIES		796 793	874 831	778 156
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		1 896 874	1 823 012	1 676 180

TABLE OF VARIATION IN CONSOLIDATED SHAREHOLDERS EQUITY
AT 31 DECEMBER, 2020

	Attributable to the owners of the parent company				Attributable to the non-controlling interests			Total sharehol- ders equity
	Share capital	Reserves	Translation difference	Own shares	Total	Reserves	Total	
BALANCE AT 31 DECEMBER, 2018	50 000	578 128	(25 518)	(3 042)	599 567	126 070	126 070	725 637
Consolidated income		153 340			153 340	42 003	42 003	195 343
Distribution of dividends		(157 149)			(157 149)	(39 229)	(39 229)	(196 398)
Other transactions		(1 602)	(9 068)	234	(10 436)	7 358	7 358	(3 078)
BALANCE AT 31 DECEMBER, 2019	50 000	572 717	(34 586)	(2 809)	585 323	136 202	136 202	721 525
Consolidated income		168 589			168 589	32 684	32 684	201 272
Distribution of dividends		(136 392)			(136 392)	(29 814)	(29 814)	(166 206)
Other transactions		15 562	(24 242)	1 419	(7 261)	(153)	(153)	(7 414)
BALANCE AT 31 DECEMBER, 2020	50 000	620 475	(58 828)	(1390)	610 258	138 919	138 919	749 177

CONSOLIDATED CASH FLOW TABLE

(in millions XOF)		2 020	2 019
CASH FLOW FROM OPERATIONS			
Net income		201 272	195 343
Non-monetary items and presentation reclassification			
Operating taxes and duties	4.3	100 392	116 852
Depreciation and amortization	4.6	185 759	173 284
Revaluation at fair value of previously held shares			(109)
Impairment of fixed assets			(66)
Income from disposal of assets and other gains & losses		234	(2 318)
Allocations (reversals) from other provisions		2 579	1 610
Corporate tax	4.9	108 350	99 302
Share in the income of equity-accounted entities		636	269
Financial income	4.7	29 460	25 977
Net exchange difference		2 027	(2 225)
Stock-based compensation		7 351	1 794
Variation in working capital requirement			
Decrease (increase) in stocks		1 849	(1 954)
Decrease (increase) in trade receivables		(18 856)	(11 485)
Increase (decrease) in trade payables		15 483	14 409
Var. of liabilities on customer contracts		45	(3 925)
Decrease (increase) in other receivables		(64 457)	(29 977)
Increase (decrease) in other debts		55 813	36 377
Other net disbursements			
Operating taxes and duties paid		(113 246)	(114 854)
Dividends collected		370	(1 106)
Interest income received		8 168	6 652
Interest disbursed and net derivative interest rate effect		(32 519)	(24 167)
Corporate tax disbursed		(105 218)	(103 947)
CASH GENERATED BY OPERATING ACTIVITIES (A)		385 491	375 735
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of tangible and intangible assets	1.3	(211 621)	(269 304)
Increase (decrease) in capital suppliers		5 446	21 263
Proceeds from the sale of real estate and other tangible and intangible assets		190	6 461
Acquisition of equity securities net of cash acquired		(3 870)	(1 319)
Income from disposal of Equity securities net of cash sold			164
Decrease (increase) in investments and other financial assets		(5 688)	(2 488)
CASH GENERATED BY INVESTING ACTIVITIES (B)		(215 543)	(245 223)

CONSOLIDATED CASH FLOW TABLE

(in millions XOF)	2 020	2 019
CASH FLOW FROM FINANCING OPERATIONS		
Long-term loan issuance	177 052	44563
Repayments of LT loans	(34 602)	
lease debt repayments	(5 633)	(6 804)
Increase (decrease) in bank overdrafts and other short-term borrowings	(102 136)	(28 523)
Share buyback	2 015	234
Contribution of minority shareholders	1 382	3 745
Dividends paid	(204 740)	(157 186)
Cash generated by financing activities (c)	(166 662)	143 972
Monetary change in cash and cash equivalents (a) + (b) + (c)	3 286	(13 460)
Impact of change in exchange rates on cash	(7 698)	(1 028)
Other impacts on cash flow		
Net change in cash	(4 412)	(14 487)
NET CHANGE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at opening	204 103	218 591
Net change in cash and cash equivalents	(4 412)	(14 487)
Cash and cash equivalents at closure	199 692	204 103

NOTES ANNEXES

Note 1- Segment disclosure

1.1. From segment turnover to segment adjusted EBITDAAL

The breakdown of turnover by zone at Ebitdaal is as follows (in billionXOF)

(in millions XOF)	Senegal	Mali	Guinea Bissau	Guinea Conakry	Sierra Leone	Sonatel conso- lidated accounts
31 December, 2020						
Turnover	480	404	25	249	48	1 206
External purchases	(179)	(132)	(10)	(94)	(24)	(440)
Staff costs	(81)	(27)	(2)	(8)	(4)	(121)
Operating taxes and duties (excl IT)	(37)	(41)	(1)	(18)	(3)	(100)
Other operating expenses	(14)	(13)	(1)	(11)	(3)	(41)
Other operating income	16	2	0	2	1	22
Depreciation and amortization of the rights of use of the lease assets	(2)	(1)	(0)	(1)	(1)	(6)
Interest charges on lease debts	(0)	(0)	(0)	(0)	(1)	(2)
Adjusted EBITDAal	183	193	11	118	12	518
31 December, 2019						
Turnover	492	392	26	229	40	1 179
External purchases	(185)	(129)	(10)	(86)	(23)	(433)
Staff costs	(77)	(24)	(2)	(10)	(4)	(116)
Impôts et taxes d’exploitation (hors IS)	(56)	(39)	(2)	(16)	(3)	(117)
Other operating expenses	(6)	(22)	(1)	(11)	(1)	(41)
Other operating income	8	9	0	2	1	19
Depreciation and amortization of the rights of use of the lease assets	(2)	(1)	-	(1)	(2)	(6)
Interest charges on lease debts	(0)	(0)	-	(1)	(1)	(3)
Adjusted EBITDAal	173	185	11	105	8	483

1.2. Segment assets and segment liabilities

(in millions XOF)	Senegal	Mali	Guinea Bissau	Guinea Conakry	Sierra Leone	MEQ	Consolidated accounts
31 December, 2020							
Goodwill	-	-	-	-	38 662		38 662
Other intangible fixed assets	112 515	84 060	1 018	42 319	4 798		244 710
Tangible fixed assets	357 387	264 419	19 957	98 158	38 876		778 797
Equity-accounted securities						3 052	0
Rights of use of leased fixed assets	9 005	4 921	6	4 048	9 189		27 169
Non-current financial assets	308 152	3 903	(9 044)	(17 607)	(119 909)	(6 221)	159 275
Other non-current assets	3 967	2 444	339	1 593	3		8 345
Deferred tax assets	8 425	3 982	2	4 761	333		17 504
TOTAL NON-CURRENT ASSETS	799 451	363 729	12 279	133 272	(28 048)	(3 169)	1 277 513
Stocks	7 798	2 076	483	1 137	808		12 302
Trade receivables	77 324	27 608	2 726	9 442	13 367		130 467
Current financial assets	5 788	(15)	0	53	8		5 833
Other current assets	70 752	62 912	4 105	50 293	11 400		199 461
Receivables operating taxes and duties	36 466	18 037	93	5 125	2 411		62 133
Corporate tax claims	0	1 081	1 039	2 323	207		4 651
Prepaid expenses	3 387	0	109	524	802		4 822
Cash and cash equivalents	87 707	39 085	5 600	63 934	3 366		199 692
TOTAL CURRENT ASSETS	289 223	150 782	14 155	132 831	32 369		619 360
TOTAL ASSETS	1 088 673	514 511	26 434	266 104	4 321	(3 169)	1 896 874

(in millions XOF)	Senegal	Mali	Guinea Bissau	Guinea Conakry	Sierra Leone	MEQ	Consolidated accounts
31 December, 2019							
Goodwill					43 912		43 912
Other intangible fixed assets	116 799	92 019	1 142	56 980	6 076		273 016
Tangible fixed assets	333 399	245 137	20 356	111 218	39 429		749 539
Equity-accounted securities						3 671	3 671
Rights of use of leased fixed assets	5 575	5 984	-	3 923	11 237		26 718
Non-current financial assets	100 039	35 201	2 316	8 163	0		145 720
Other non-current assets	3 897	2 402	167	1 871	2		8 340
Deferred tax assets	8 375	3 675	-	5 583	1 014		18 647
TOTAL NON-CURRENT ASSETS	568 083	384 418	23 981	187 739	101 670	3 671	1 269 562
Stocks	8 969	3 434	585	641	618		14 247
Trade receivables	66 836	27 491	1 832	11 597	9 201		116 959
Current financial assets	6 672	0	-	3	8		6 683
Other current assets	50 691	49 293	1 353	36 724	5 349		143 409
Receivables operating taxes and duties	32 476	18 831	173	3 887	2 343		57 711
Corporate tax claims	1	4 518	830	1 870	148		7 366
Prepaid expenses	1 599	-	110	473	790		2 972
Cash and cash equivalents	83 686	54 558	2 998	58 307	4 554		204 103
TOTAL CURRENT ASSETS	250 930	158 124	7 880	113 503	23 013		553 450
TOTAL ASSETS	819 013	542 542	31 862	301 242	124 683	3 671	1 823 012

(in millions XOF)	Senegal	Mali	Guinea Bissau	Guinea Conakry	Sierra Leone	Equity accounted securities	Consolidated accounts
31 December, 2020							
Share capital	50 000						50 000
Reserves	443 389	122 810	8 403	70 806	(22 657)	(2 276)	620 476
Translation difference				(21 388)	(37 524)	84	(58 828)
Own shares	(1 390)						(1 390)
Shareholders equity attributable to the owners of the parent company	491 999	122 810	8 403	49 417	(60 180)	(2 192)	610 258
Shareholders equity attributable to non-controlling interests		63 161	6 864	50 321	19 552	(978)	138 919
SHAREHOLDERS EQUITY	491 999	185 971	15 267	99 739	(40 629)	(3 169)	749 177
Non-current financial liabilities	175 395	112 092	-	8 521	360		296 368
Non-current lease debts	8 868	3 340	160	2 410	7 731		22 508
Non-current employee benefits	17 942	2 697	-	208	1 421		22 267
Other non-current liabilities	2 540	6 687	20	302	211		9 760
TOTAL NON-CURRENT LIABILITIES	204 745	124 816	180	11 441	9 722		350 903
Trade payables for current fixed assets	54 511	18 835	1 998	17 917	6 635		99 896
Trade payables on other goods and services	81 136	51 092	5 154	41 265	13 686		192 333
Current financial liabilities	119 386	37 754	-	3 964	(360)		160 744
Current lease debts	559	1 922	(145)	1 952	1 628		5 916
Current staff benefits	7 975	4 162	248	1 323	615		14 324
Other current liabilities	64 850	60 925	1 882	53 245	9 013		189 916
Operating taxes and duties (excl IT)	24 394	12 705	593	14 304	2 250		54 246
Corporate tax	32 182	11 360	988	12 392	427		57 348
Customer contract liabilities	-	4 970	-	-	-		4 970
Prepaid income	6 935	-	269	8 562	1 334		
TOTAL CURRENT LIABILITIES	391 929	203 725	10 987	154 924	35 228		796 793
TOTAL LIABILITIES	1 088 673	514 511	26 434	266 104	4 321	(3 169)	1 896 874

(in millions XOF)	Senegal	Mali	Guinea Bissau	Guinea Conakry	Sierra Leone	Equity accounted securities	Consolidated accounts
31 December, 2019							
Share capital	50 000						50 000
Reserves	408 142	124 132	7 256	58 249	(23 367)	(1 694)	572 717
Translation difference				(4 707)	(29 911)	26	(34 586)
Own shares	(2 809)						(2 809)
Shareholders equity attributable to the owners of parent company	446 054	124 132	7 256	62 826	(53 278)	(1 668)	585 323
Shareholders equity attributable to non-controlling interests		61 719	6 734	50 836	18 091	(1 177)	136 202
SHAREHOLDERS EQUITY	446 054	185 850	13 990	113 662	(35 187)	(2 845)	721 525
Non-current financial liabilities	89 697	72 060	-	13 114	409		175 280
Non-current lease debts	3 756	4 280	-	1 768	9 598		19 402
Non-current employee benefits	20 736	2 351	-	175	1 402		24 664
Other non-current liabilities	2 691	4 164	3	214	239		7 311
TOTAL NON-CURRENT LIABILITIES	116 880	82 855	3	15 270	11 649		226 656
Trade payables for current fixed assets	25 945	35 805	274	16 293	16 994		95 311
Trade payables on other goods and services	80 225	53 638	5 161	45 394	2 803		187 221
Current financial liabilities	181 031	62 018	-	(10)	(438)		242 602
Current lease debts	2 075	1 927	-	2 521	1 896		8 419
Current staff benefits	9 534	2 763	203	1 001	433		13 933
Other current liabilities	81 970	53 900	1 083	41 869	4 189		183 012
Operating taxes and duties (excl IT)	35 714	11 698	450	14 929	1 448		64 240
Corporate tax	33 107	11 840	1 109	12 863	245		59 163
Customer contract liabilities	-	4 925	-	-	-		4 925
Prepaid income	7 247	-	469	7 104	1 187		16 006
TOTAL CURRENT LIABILITIES	456 849	238 514	8 748	141 963	28 758		874 831
TOTAL LIABILITIES	1 019783	507 219	22 741	270 895	5 220	(2 845)	1 823 012

1.3. Sector investments

The breakdown by country of fixed assets at 31 December, 2020 is as follows:

In millions XOF	Senegal	Mali	Guinea Conakry	Guinea Bissau	Sierra Leone	Gross Dec. 2020
Goodwill on acquisitions (1)		0			38 662	38 662
Other intangible fixed assets	112 515	84 060	42 319	1 018	4 798	244 710
Tangible fixed assets	357 387	264 419	98 158	19 957	38 876	778 797
Right to use lease fixed assets (2)	9 005	4 921	4 048	6	9 189	27 169
TOTALS	478 906	353 399	144 525	20 981	91 525	1 089 337

(1) Goodwill on acquisitions on Orange Sierra Leone acquired in 2016, 50% controlled
(2) Impact by Country of IFRS 16

The net investments of the Sonatel Group in 2020 amounted to 215 billion. They remained stable in proportion to turnover (18%) compared to 2019.

These Group investments mainly involved the mobile access network (extension, densification, 3G, 4G, 4G +), the rollout of fiber, swap projects and transport upgrades.

Note 2- General principles used for the preparation of the Group's financial statements under IFRS

Note 2.1- Description of the activity

The Sonatel Group offers its Individual customers, companies and other telecommunications operators of 24 February, 2021 and will be subject to the approval of the General Meeting of 28 April, 2021. The consolidated accounts for the 2020 financial year are prepared in accordance with international a wide range of services covering fixed and mobile communications, data transmission and other value-added services, mainly in the following countries of presence : Mali, Guinea Bissau, Guinea Co-nakry and Sierra Leone. The Group is also developing its activities in mobile financial services (Orange Money).

Telecommunications operator activities are subject to sectoral licenses and regulations; similarly mobile financial services activities have their own regulations.

Note 2.2- Basis of preparation of 2020 financial information

The consolidated financial statements were prepared under the responsibility of the Board of Directors during its meeting.

IFRS accounting standards as adopted by the IASB, in application of the Uniform Act relating to accounting law and the financial information adopted on 26 January, 2017 and presented, for comparison, with the 2019 financial year prepared according to the same benchmarks. For the periods presented, the standards and interpretations are those adopted by the IASB, with the exception of the texts in the process of being adopted, which has no effect on the Group's accounts.

The principles adopted for the preparation of the 2020 financial statements result from the application of:

- all the standards and interpretations adopted by the IASB that are mandatory as of 31 December, 2020;
- the options available as regards the date and modalities of first application;
- accounting and valuation options covered by IFRS standards.

In the absence of a standard or interpretation applicable to a specific transaction or event, the management of the Sonatel Group uses judgment to define and apply accounting methods to obtain relevant and reliable information, so that the financial statements:

- present a true and fair view of the financial position, financial performance and cash flow of the group ;
- reflect the economic reality of transactions;
- are neutral;
- are prudent;
- are complete in all their material aspects.

The functional currency and the presentation currency of the accounts used by Sonatel is the XOF. The currencies converted into the presentation currency are the SLL and the GNF respectively the currencies of Sierra Leone and Guinea Conakry. Unless otherwise indicated, the amounts are expressed in thousands of XOF. Sonatel SA having chosen not to round up figures, minimal deviations may appear as a result.

As permitted by IAS 1 “Presentation of financial statements”, the Group presents the main components of the financial statements and the options used for the presentation of some of them: the income statement, the income statement, the financial position statement, the statement of changes in equity, the cash flow statement and the attached notes.

The accompanying notes are an integral part of the financial statements. They contain information complementary to that presented in the rest of the financial statements. They provide narrative descriptions or breakdowns of items presented in these statements as well as information relating to elements which do not meet the recognition criteria in these statements.

The order of presentation of the information in the Notes is as follows:

- a presentation of segment information
- a declaration of conformity to international financial reporting standards (IFRS);
- additional information on the elements of the income statement, the consolidated combined income statement, statement of financial position, changes in equitys-tatement, the cash flow table, in the order in which each of the financial statements and each item appear with, for each note, a summary of the main accounting methods applied;
- other information including contingent liabilities and unrecognized contractual commitments, non-financial information.

Fair value

The values of financial assets and liabilities measured at fair value in the statement of financial position are classified according to a hierarchy in three levels:

- level 1: market prices (unadjusted) on asset markets, for identical assets or liabilities, to which the entity may have access at the measurement date;
- level 2: input data concerning assets or liabilities which are observable directly or indirectly;
- level 3: unobservable input data concerning assets or liabilities.

For financial assets at amortized cost (“AC”), the Sonatel Group considers that the book value of cash, trade receivables, as well as various security deposits, is a reasonable approximation of fair value, due to the high degree of liquidity of these items.

Standard		Option chosen
IAS 1	Accretion expenses for operational liabilities (employee benefits, environmental liabilities and licenses)	Presentation in financial expenses
IAS 2	Stocks	Inventory valuation according to the weighted average unit cost
IAS 7	Interest paid and dividends received	Classification as net cash flow generated by activity
IAS 16	Tangible fixed assets	Valuation at amortized historical cost
IAS 38	Intangible fixed assets	Valuation at amortized historical cost
IFRS 3R	Non-controlling interests	At the acquisition date, valuation at fair value or at the share of the identifiable net assets of the acquired entity

The fair value of equity securities corresponds to the market value at the end of the period for listed securities and, for unlisted securities, to a valuation technique determined according to the financial criteria more appropriate to the particular situation of each security (comparable transactions, multiples of comparable companies, shareholders' agreement, present value future cash flows).

For trade payables and deposits received, the Sonatel Group considers that the book value is a reasonable approximation of the fair value, due to the high degree of liquidity of these items.

Definition of operating segments and performance indicators

An operating segment is a component of the Group:

- which engages in activities generating revenues and expenses,
- whose resources received from the Group are subject to decisions by the Group's main operational decision-maker,
- for which separate financial information is available.

The sectors to be presented separately are identified from the internal reporting used by the Director General to decide on the allocation of resources and evaluate performance, and which exceed quantitative thresholds set at 10% of total products, income or assets.

The decisions on the allocation of resources and the assessment of the performance of the components of the Sonatel Group are mainly made by geographic locations. Thus, the operating segments are: Senegal, Mali, Guinea, Bissau and Sierra Leone.

Operational performance indicators in 2020

EBITDA_{al} corresponds to operating income before depreciation and amortization of fixed assets, effects linked to takeovers, reversals of reserves conversion of liquidated entities, impairment of goodwill and fixed assets.

The eCapex correspond to the acquisition of intangible and tangible assets excluding telecommunications licenses and excluding investments in financed assets, less sale price of fixed assets. They are an indicator used internally for the allocation of resources. eCapexes do not constitute a financial aggregate defined by IFRS standards and may not be comparable to the indicators so-called by other companies.

The Group considers that the presentation of these indicators is relevant since it provides the readers of the accounts with the management indicators used internally.

Note 2.3-New standards and interpretations applied at 1st January 2020

2.3.1- Interprétation et amendement d'IFRS 16 "Contrats de location"

The Group has applied IFRS 16 "Leases" since 1st January 2019. The accounting principles applied since 2019, the information required on lease debts and rights of use are described in note 8.

IFRS IC decision relating to the terms of IFRS 16 contracts.

IFRS IC's decision on the enforceable duration of contracts has been implemented as of 31 December, 2020 on all lease contracts covered by the scope of the final decision of the interpretation committee. This first

application with retroactive effect at 1st January 2019 is a change of accounting method. The effect of this implementation is mainly limited to contracts of indefinite duration with short notice and to contracts for which the initial lease period was exceeded and in a situation of tacit renewal during the application of this conclusion of the IFRS IC.

The decision of the IFRS IC committee published in December 2019 specifies that it is not possible to use only the legal approach to determine the execution period of a contract, the duration of which cannot be firmly determined at the origin of the contract. The committee considers that a lease contract remains enforceable as long as the tenant, or the lessor, would suffer a loss or a more than insignificant penalty in the event of termination of the contract. To determine the enforceable duration of the lease contract, all the economic aspects of the contract must be taken into account and not just the compensation for contractual terminations.

On the date of preparation of the 2019 annual consolidated accounts, the Group had adopted, depending on the accounting positions and methods of implementation concerning the assessment of the duration of contracts, a legal approach in a certain number of indefinite term contracts with a notice period of less than 12 months for which the Group applied the short-term exemption, particularly for the leases of certain mobile sites.

In order to determine reasonably certain durations to be applied to lease contracts, the subject of the IFRS IC decision, the Group has adopted a differentiated approach taking into account the nature of the sub-asset leased and / or the renewal conditions for certain contracts.

For the majority of permanent contracts taking advantage of notice clauses of less than 12 months, the Group has adopted a period consistent with the time horizon

during which the Group's strategic decisions are taken in terms of investment choices on the implementation of this decision of IFRS IC. Where appropriate the duration of these contracts may be reassessed to take into account strategic choices of the Group or technological developments related to the underlying assets covered by these leases.

2.3.2- Amendment to IFRS 3 "Definition of an activity"

The definition of an activity has been clarified by this amendment and is intended to assist account preparers in determining whether an acquisition should be accounted for as a business combination or as an acquisition of assets. This amendment applies to all acquisitions made from 1st January 2020. These changes relate to the definition of a company:

- the business must include inputs and a substantial process which have the capacity to contribute significantly to outputs;
- the scope is limited to goods and services provided to customers and income from ordinary activities and not to dividends, cost reductions or any other direct economic benefits for investors and any other third parties.

This amendment had no effect on the consolidated Group accounts as of 31 December, 2020 and the Group will take these new provisions into account in its next acquisitions.

2.3.2- Amendments to IAS 1 and IAS 8 "Materiality"

The amendments to IAS 1 and IAS 8, applicable since 1st January 2020, improve the definition of materiality in order to determine whether information should be provided in the financial statements, or whether the way in which it is communicated has the same effect as if it had not been communicated. The Group considers that the judgment applied in the choice of information

provided in its appendices to the consolidated financial statements meets the provisions of the amendments published by the IASB.

Note 2.4- Main texts of mandatory application after 31 December, 2020 and not applied in advance

2.4.1- Amendment to IAS 1: Classification of liabilities as current or non-current liabilities

Amendments to the standard clarify the current requirements of IAS 1 on the classification of liabilities on the balance sheet of entities. These amendments should not have a material effect on the Group’s statement of financial position. However, the implementation of these amendments could lead to the reclassification of certain liabilities from current to non-current, and vice versa. The date of entry into force of these amendments is 1st January 2023.

2.4.2- Amendment to IAS 16: Revenue generated before the intended use of a fixed asset

The amendment clarifies that an entity is not permitted to recognize revenue from the sale of manufactured items against the cost of the asset while the asset is being prepared for its intended use. These sales proceeds are to be recognized in the income statement. The amendment is applicable to fiscal years beginning on or after 1st January 2022.

2.4.3 Amendment to IAS 37: Loss-making contract - Contract execution costs

The clarifications provided by the amendment concern the marginal costs of performing an onerous contract to be taken into account in the provision, namely the direct labour and material costs as well as the posting of other

costs directly linked to the contract, for example the depreciation charge relating to a fixed asset used for the execution of the contract. The amendment is applicable from 1st January 2022.

2.4.4- Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: IBOR phase 2 reform

The amendments to the standards for this phase 2 introduce practical expedients in terms of the modification of financial instruments or lease contracts linked to the IBOR reform. For debt instruments affected by the IBOR reform, it will not be necessary to apply the provisions of IFRS 9 to determine whether the modification of the instrument is material. The amendments propose that changes in financial instruments related to the reform are treated prospectively as an update of the interest rate with no impact on the income statement. Regarding hedge accounting, the amendments introduce an exemption allowing hedge accounting to be maintained despite changes in future cash flows impacted by the rate change induced by the reform.

Amendments add new information to be provided on the effects of the rate change on contractual cash flows impacting financial assets and liabilities, lease assets and liabilities and the hedge accounting.

Analysis of lease contracts that may be affected by the reform is underway. The amendments are applicable to fiscal years beginning on or after 1st January 2021.

Note 2.5- Use of judgment and estimates

In addition to the accounting options or positions, the Sonatel Group Management exercises its judgment to define the accounting treatment of certain transactions:

Use of Judgment	
Theme	Nature of accounting judgment
Note 4.1 Sale	Breakdown of the transaction price between the mobile and the obligation Identification department as separate services or not
Notes 4.2; 4.3 Purchases and other expenses, taxes, disputes and duties	assessment of the technical merits of interpretations of legislation and description of the facts and circumstances Onerous supplier contracts: chargeable event, nature of unavoidable costs
Note 8 Leases	Determination of the non-cancellable duration of contracts and assessment of whether or not the options for termination, extension and waiver of options are exercised.
Use of estimates	
Note 5.2 Fixed assets	Determination of the useful life of assets based on an assessment of changes in technological, regulatory or economic environments.
Notes 6.2 Staff benefits	Discount rate sensitivity

Note 2.5- Use of judgment and estimates

The consolidated financial statements include accounts of the parent company SONATEL SA and of all its directly or indirectly controlled subsidiaries.

These subsidiaries are consolidated using the full consolidation method. As of 31 December, 2020, the SONATEL Group consolidation scope was made up of 10 companies. The consolidation scope is as follows:

Countries	Companies	Type of ownership	Percentage ownership	Nature of control	Method of consolidation
Sénégal	Sonatel SA Orange Finances Mobiles Sénégal	Direct	Parent company 100%	Consolidating Full control	Full consolidation
Mali	Orange Mali Orange Finances Mobiles Mali	Direct Indirect	70% 70%	Full control Full control	Full consolidation Full consolidation
Guinea Conakry	Orange Guinée Orange Finances Mobiles Guinée	Direct Indirect	89% 89%	Full control Full control	Full consolidation Full consolidation
Guinea Bissau	Orange Bissau	Direct	90%	Full control	Full consolidation
Sierra Leone	Orange Sierra Leone (1) Orange Money SL (1)	Direct Indirect	50% 50%	Full control Full control	Full consolidation Full consolidation
Côte d'Ivoire	Groupement Orange Services (2)	Indirect	47%	Significant influence	Equity method

- (1) Orange Sierra Leone, which is 50% owned, is fully consolidated in accordance with the terms of the shareholder agreement which gives control to the Sonatel Group. The Orange Group owns the remaining 50%.
- (2) The Group owns 47% shares in GOS. The subsidiary's turnover and income for the 2020 and 2019 financial years are as follows:

In thousands XOF	2020	2019
Turnover	5 232 258	5 645 318
Income	(1 352 141)	(562 001)

The consolidation methods are as follows:

- the subsidiaries over which the Group has direct or indirect full control are consolidated using the full consolidation method
- the investments in which the Group operates joint control and meeting the definition of joint venture within the meaning of IFRS 11 with a limited number of other shareholders are consolidated using the proportionate consolidation method
- the investments not controlled by the Group but over which the Group exercises significant influence are consolidated using the equity method. This is essentially the case of Groupement Orange Services

Note 2.7- Change in the scope of consolidation

Change in scope for fiscal year 2020

The scope of consolidation has changed over the course of fiscal year 2020 with the merger of the Senegalese subsidiaries: Sonatel Mobiles, Sonatel Multimédia and Sonatel Business Solutions.

Sonatel SA absorbed its 3 entities on 30 November 2020 with retroactive effect from 1st January 2020.

Change in scope for fiscal year 2019

The scope of consolidation has not changed during the 2019 fiscal year.

Note 3- Declaration of compliance with IFRS

In application of the uniform act relating to accounting law and financial information adopted on 26 January, 2017, Companies whose securities are listed on a stock exchange have been required to prepare and present their consolidated financial statements in accordance with IFRS, with effect from 01 January, 2019. These are

therefore the second IFRS accounts published by the SONATEL Group. The consolidated accounts for the 2020 financial year are drawn up in accordance with the IFRS international accounting standards as adopted by the IASB, in comparison with the 2019 financial year prepared according to the same framework.

Note 4- Notes on the headings of the income statement

Note 4.1 Turnover

Breakdown of a turnover by type of offer

In millions XOF	2020	2019
Individual customers	1 092 842	1 049 186
Voice	507 547	536 804
SMS	18 458	24 115
Data	285 218	240 941
Orange Money	151 111	125 294
Customer roaming	3 507	5 375
Content	17 959	17 234
Fixed Services	56 918	68 739
Equipment	11 804	11 489
Others	40 321	19 195
CUSTOMERS LARGE ACCOUNTS	108 650	124 851
National traffic	31 062	30 135
Direct International Traffic	57 687	77 477
Hubbing	11 785	10 006
Roaming	3 753	4 518
Others	4 364	2 715
OTHER	4 593	5 187
TOTAL TURNOVER	1 206 086	1 179 224

Accounting principles:

The bulk of the turnover is within the scope of IFRS 15 “Income from ordinary activities derived from contracts with customers”. Orange products and services are offered to customers in service contracts only and in contracts that bundle the equipment used to access the services and / or with other service offerings. Turnover is recognized net of VAT and other taxes collected on behalf of the Governments.

Provision of services:

For General Public and Business customers, income from telephone subscriptions and Internet access is recognized on a straight-line basis over the duration of the subscription and income from inbound and outbound telephone calls and international roaming, or data exchanges billed to customers are recorded when the service is provided. The Group offers tailor-made solutions to its business customers: telecommunications network management, access, voice and data, migration. These contracts include contractual clauses relating to conditional commercial discounts which are recorded as a reduction in turnover according to the specific terms of each contract. The migration costs incurred by the Sonatel Group under these contracts are recognized as profit or loss on the date they are incurred, except when the contracts provide for compensation in the event of early termination.

Orange Money is a combination of financial services by mobile phone that allows the customer to access nearly a dozen services:

- making a free-of-charge deposit of money on your mobile via the distribution network - Cash in
- withdrawing money - Cash Out
- buying Orange Internet credit and Passes - Merchant Payment

- buying goods and services (shops, supermarkets, restaurants, etc.) - Merchant payment
- paying bills - Bill Payment
- sending and receiving money in Senegal and the sub-region - Intra-Regional Transfer
- paying for online purchases - Merchant payment
- receiving transactions of national and international origin directly on your mobile account - Intra-Regional Transfer
- transferring money to your bank account- Bank To Wallet

Note 4.2 External purchases

The details of external purchases is presented as follows:

In millions XOF	2020	2019
Capitalized production - Goods and services	(943)	3 020
International backbone	(9 346)	(6 044)
Purchase satellite capacity	(62 938)	(64 610)
Purchases from content publishers - Expense	(6 252)	(7 506)
Network management charges	(119 026)	(107 608)
Rents for network sites, shops	(14 184)	(13 860)
Sales commissions	(143 261)	(130 140)
Fees	(7 183)	(9 145)
Communication costs (advertising)	(19 083)	(29 348)
Stocks: Cost of equipment sold / leased	(36 817)	(35 997)
Training and Internship	(11 423)	(17 967)
Other external expenses	(9 517)	(13 691)
31 December	(439 972)	(432 896)

Note 4.3 Operating taxes and duties

Taxes and duties amount to 100 billion XOF, i.e. -14% compared to 2019. The decrease is linked to:

- 3 billion on frequency fees
- 14 billion on other payroll taxes.

They are distributed as follows by country:

In millions XOF	Senegal	Guinea Bissau	Guinée Bissau	Mali	Sierra Leone	Total 2020	Total 2019
Professional tax				567		567	589
Telecommunication service taxes				17 351		17 351	17 054
Frequency fees (1)	12 563	7 592	1 194	5 739	3 452	30 540	33 979
Other taxes, excluding payroll taxes	24 528	10 165	255	16 988	(2)	51 934	65 230
OPERATING TAXES AND DUTIES (EXCL. IT)	37 091	17 757	1 448	40 645	3 450	100 392	116 852

(1) Includes frequency fees paid to government bodies following the award of a microwave license.

Note 4.4 Other operating expenses

The other operating expenses are presented below:

In millions XOFXOF	31-Dec 2020	31-Dec 2019
Charges and losses on receivables	7 322	8 822
Corporate fees (1)	23 886	21 604
Universal Service, charge	4 951	4 708
Other operating expenses	4 789	5 625
TOTAL	40 948	40 759

(1) the corporate fees relate exclusively to the Orange brand

Note 4.5- Personnel costs

The components of staff costs are itemized below:

In millions XOF	31-Dec 2020	31-Dec 2019
Salaries and wages	70 451	69 958
Variable portion	13 964	13 621
Social costs, excluding retirement	6 198	5 830
Payroll taxes	3 689	4 270
Other short term allowances & benefits	13 126	12 537
Paid leave provision	4 531	4 361
Post-employment benefits	9 151	5 861
TOTAL STAFF EXPENSES	121.111	116.438

Staff costs are itemized in the table below by country as of 31 December, 2020:

In millions XOF	Senegal	Guinea Conakry	Guinea Bissau	Mali	Sierra Leone	Total 2020	Total 2019
Salaries and wages	45 006	6 234	1 330	15 948	1 933	70 451	69 958
Variable portion	11 428	0	0	2 150	386	13 964	13 621
Social costs, excluding retirement	1 545	141	181	4 188	143	6 198	5 830
Payroll taxes	1 858	430		1 399	2	3 689	4 270
Other allowances & short term benefits	8 759	1 227	206	2 295	639	13 126	12 537
Paid leave provision	4 240	129	21	0	141	4 531	4 361
Post-employment benefits	7 925	141	193	582	311	9 151	5 861
STAFF COSTS	80 763	8 301	1 931	26 562	3 555	121 111	116 438

Remuneration of senior managers

The following table itemizes the remuneration recognized, by Sonatel and the companies it controls, of persons who are or have been during the year, members of the Board of Directors of Sonatel SA or the General Management of an entity of the Group.

In millions XOF	Dec. 2020	Dec. 2019	Dec. 2018
Short-term benefits excluding employer charges (1)	1 976	2 103	2 635
Short-term benefits employer charges	73	69	87
Post-employment benefits	22	19	16
TOTAL	2 071	2 191	2 739

(1) gross salaries including the variable portion, bonuses, attendance fees and benefits in kind.

Note 4.6 Depreciation and amortization

Depreciation charges for fiscal year 2020 are itemized in the table below by category of fixed assets:

In millions XOF	31-Dec 2020	31-Dec 2019
Depreciation and amortization of rights to use leased assets	5 845	6 267
Depreciation of (in) tangible fixed assets	179 914	167 017
DEPRECIATION AND AMORTIZATION	185 759	173 284

The breakdown by country of the allocations is presented below as of 31 December, 2020:

In millions XOF	Senegal	Mali	Guinea Conakry	Guinea Bissau	Sierra Leone	31 Dec. 2020
Depreciation and amortization of the rights of use of the leased assets	2 073	1 063	1 247	226	1 237	5 845
Depreciation and amortization of fixed assets	75 697	49 005	40 829	4 648	9 734	179 914
DEPRECIATION AND AMORTIZATION	77 770	50 068	42 076	4 874	10 971	185 759

Accounting principles:

Depreciation is calculated according to the consumption rates of the economic benefits expected by asset element on the basis of the acquisition cost, generally without deduction of a residual value. As such, the linear method is generally used. The period of depreciation are reviewed

annually and are modified if they differ from previous estimates. These changes in estimate are accounted for prospectively.

For the depreciation period used for the main types of fixed assets, see note 5.2.

Note 4.7 Financial income

Cost of gross debt

The cost of gross debt amounts to 29.985 billion XOF francs, up 2.35 billion compared to 2019 linked to interest charges on bank loans.

In millions XOF	31 Dec. 2020	31 Dec. 2019
Interest and similar charges on bank loans (1)	28 214	25 654
Interest on other financial debts	1 771	1 979
TOTAL	29 985	27 634

(1) Interest on bond loan amounts to 2.9 G XOF

The consolidated financial income of the Group amounts to -29.46 billion XOF following the increase in the cost of financial debt (+2.3 billion XOF).

The cost of financial debt by country is itemized below:

In millions XOF	Senegal	Mali	Guinea	31 Dec. 2020
Interest and similar charges on bank loans	16 887	11 271	56	28 214
Interest on other financial debts	370		1 401	1 771
TOTAL	17 257	11 271	1 457	29 985

The exchange gains and losses at 31 December, 2020 are as follows:

	Senegal	Guinea	TOTAL
Gains and losses realized on financial assets	(2 767)	1 806	(960)
Realized gains and losses on financial liabilities		(2 636)	(2 636)
TOTAL	(2 767)	(829)	(3 596)

Note 4.8- Other operating income

The other operating income of the Group is presented as follows:

(In million XOF)	31 Dec. 2020	31 Dec. 2019
Distribution commissions	12	18
Other operating revenues	60	117
Other operating income	21 819	19 267
TOTAL	21 892	19 401

As of 31 December, 2020, other operating income by country:

	Senegal	Mali	Guinea	Bissau	Sierra Leone	2020
Distribution commissions	12					12
Other operating revenues	58			3		60
Other operating income (1)	16 264	2 265	1 740	76	1 475	21 819
AT 31 DECEMBER	16 334	2 265	1 740	79	1 475	21 892

(1) Other income mainly includes income from trade payables.

Note 4.9- Consolidated tax charges and proof of tax

Corporate taxes are up 9% from 2019. They are itemized below:

In millions XOF	2020	2019
Expenses for the year	107 492	100 754
Difference from previous years	331	723
Change in deferred taxes	527	(2 174)
TOTAL	108 350	99 302

The tax proof is summarized as follows as of 31 December, 2020:

(in billions XOF)	2020	2019	2018
Pre-tax Income (1)	310	295	294
Sonatel Group tax rate (2)	30%	30%	30%
Corporate tax (3)	(108)	(99)	(107)
Theoretical taxes (4) = (1)*(2)	(93)	(88)	(88)
Difference (5)	(15)	(11)	(19)
Reconciliation items			
Effect of dividends in parent-subsiary regime (6)	(8)	(11)	(8)
Tax effect without base impacting the chargeable tax	(7)		(11)
EFFECTIVE TAX RATE	35%	34%	36%

(1) pre-tax income: operating income and financial income

(2) the average rate of the Sonatel Group

(3) Consolidated tax charge = current tax + deferred tax

(4) tax rate applied to operating income

(5) difference between the tax charge and the theoretical tax

(6) effect of parent-subsiary dividends regime

The corporation tax charge by country is detailed below as of 31 December, 2020:

In millions XOF	Senegal	Mali	Guinea	Bissau	Sierra Leone	31.12.2020
Expenses for the year	35 234	40 379	30 648	988	243	107 492
Difference from previous years	90	236	6			331
Var gross deferred tax	(50)	(35)	(1)	(2)	615	527
TOTAL	35 274	40 579	30 653	986	858	108 350

Accounting principles

The Group assesses current tax and deferred tax at the amount it expects to pay or recover from tax administrations of each country according to its interpretation of the application of the tax law.

Deferred taxes are recognized on all temporary differences between the book values of assets and liabilities and their tax bases, as well as on tax loss carryforwards, according to the variable carry-over

method. Deferred tax assets are only recognized when their recovery is probable.

The IFRIC 23 interpretation “Uncertainty relating to tax treatments” clarifies the identification, assessment and recognition of uncertain tax positions relating to corporate taxes. This interpretation had no effect on the assessment of corporate tax liabilities, nor on their presentation in the statements consolidated financial statements of the Sonatel Group.

Note 4.10- Income per share

The Sonatel Group has not issued any diluted shares, the income per basic and diluted share are identical.

Number of shares

The weighted average number of shares used for the calculation of the basic or diluted net income per share is presented below:

(In number)	2020	2019
Weighted average number of ordinary shares outstanding	100 000 000	100 000 000
Effect of diluted instruments (1)	0	0
Weighted average number of ordinary shares outstanding and diluted	100 000 000	100 000 000

(1) Sonatel has not issued any diluted shares.

Income per share

The Income per share is calculated as follows:

(In XOF)	2020	2019
Net income per basic share	1 686	1 533
Net income per diluted share	1 686	1 533

Accounting principles

IAS 33-Income per share applies to the individual financial statements of an entity and to the consolidated financial statements of a group with a parent company (individual and consolidated):

- whose ordinary shares or potential ordinary shares are traded on an organized market (stock market, etc.);

- which files or is about to file financial statements with a securities regulatory authority or other regulatory body, for the purpose of issuing ordinary shares on an organized market.

The Sonatel Group presents an income per basic share and an income per diluted share. The Sonatel Group has not issued any diluted shares, the income per basic and diluted share are identical.

Note 5- Notes on the headings of the financial position - assets

Note 5.1 Goodwill on acquisition and impairment

a) Goodwill

Sonatel acquired, in July 2016, 50% of Airtel Sierra Leone, i.e. an amount of 74 billion XOF, resulting in the recognition of goodwill fully recognized in Goodwill, the figures for which are presented as follows:

(In million XOF)	31 December, 2020	31 December, 2019
Goodwill on acquisition (1)	38 662	43 912

(1) The variations are exclusively due to currency effects

b) Loss of value

Impairment tests for CGUs (Cash Generating Units)i corresponding to the countries may cause impairment losses on goodwill.

Concerning the Goodwill recorded on the Orange Sierra Leone subsidiary, this test did not lead to any loss in value.

The need to recognize an impairment is assessed by comparing the carrying amount of the assets and liabilities of the CGUs or grouping of CGUs and their recoverable value, for which the Sonatel Group most often adopts the value in use.

c) Key parameters used for the determination of the recoverable value (utility)

The parameters used to determine the recoverable value of the main consolidated activities are as follows:

	31 December, 2020	31 December, 2019
Basis used for recoverable value	Value in use	Value in use
Source selected	Internal plan	Internal plan
Methodology	Discounted cash flows	Discounted cash flows
Infinite growth rate	3.8%	3.8%
After-tax discount rate	13%	13%
Pre-tax discount rate	15.9%	15.9%

The sensitivity analysis carried out did not reveal any risk of impairment. The analysis was conducted on the following criteria, taken individually: the discount rate (+1%), the growth rate (-1%) and cash flow (-10%).

Accounting principle

In accordance with IFRS 3 - Business combinations, goodwill on acquisition is not amortized. It is subject to an impairment test as soon as there are signs of impairment and at least once a year. Thus, the evolution of the general economic and financial context, the different resistance capacities of the telecommunications market players faced with the deterioration of local economic environments, changes in the market capitalizations of telecommunications operators, and levels of economic performance in relation to market expectations constitute external depreciation indicators which, together with internal performance, are analyzed by the Group to determine whether impairment tests should be carried out on an infra-annual basis.

These tests are carried out at the level of each Cash Generating Unit (CGU) (or grouping of CGUs), which most often corresponds to the operating segment.

The value in use is estimated as being the present value of the expected future cash flows. Cash flow projections are based on economic, regulatory, license renewal assumptions and commercial activity and investment forecasts determined by the Sonatel Group as follows:

- cash flows are those of business plans established over periods ranging from 3 to 5 years; they include the tax-related cash flow calculated by applying the legal

tax rate to the operating income (without taking into account the effects of deferred taxes and tax losses carried forward not recognized on the valuation date). In the case of recent acquisitions, longer business plans can be used;

- beyond this horizon, after-tax cash flows can be extrapolated by applying a decreasing or stable growth rate for a period of one year, then a perpetual growth rate reflecting the expected long term market growth rate;
- after-tax cash flows are discounted using an after-tax discount rate and taking into account a premium reflecting the risk associated with the implementation of certain business plans and the country risk. The value in use resulting from these calculations is identical to that which would result from the calculations based on pre-tax cash flows with a pre-tax discount.

Note 5.2- Tangible and intangible fixed assets

The Group's tangible and intangible assets are as follows:

In millions XOF	2020	2019	2018
Goodwill on acquisition	38 662	43 912	49 640
Other intangible fixed assets	244 710	273 016	233 202
Tangible fixed assets	778 797	749 539	697 947
Equity-accounted securities	3 052	3 671	3 996
Rights of use of leased fixed assets	27 169	26 718	
TOTAL	1 092 390	1 096 856	984 784

The breakdown of tangible fixed assets is as follows at 31 December, 2020:

In millions XOF 2020	Gross value	Accumulated amortization	Net value
Land and buildings	134 705	(75 608)	59 097
Networks and terminals	1 831 551	(1 160 706)	
Networks	1 830 612	(1 160 706)	669 906
Terminals	939	-	939
Computer equipment	88 797	(54 564)	34 232
Other tangible fixed assets	55 006	(40 383)	14 623
TOTAL	2 110 059	(1 331 262)	778 797

2019	Gross value	Accumulated amortization	Net value
Land and buildings	131 603	(70 389)	61 214
Networks and terminals	1 692 858	(1 051 965)	
Networks	1 692 339	(1 051 965)	640 374
Terminals	519		519
Computer equipment	81 298	(51 626)	29 672
Other tangible fixed assets	52 758	(34 998)	17 760
TOTAL	1 958 517	(1 208 978)	749 539

The breakdown of tangible fixed assets is as follows at 31 December, 2020:

31 December, 2020	Gross value	Accumulated amortization	Impairment	Net value
Telecommunication licences	336 489	(119 490)		217 000
Software	163 390	(137 961)		25 429
Other intangible fixed assets	97 041	(94 788)	28	2 282
TOTAL	596 921	(352 239)	28	244 710
31 December, 2019				
Telecommunication licences	339 007	(101 000)		238 007
Software	160 546	(127 477)		33 069
Other intangible fixed assets	4 024	(2 117)	32	1 939
TOTAL	503 577	(23 0594)	32	273 015

Investment by country

In millions XOF	Senegal	Mali	Guinea Conakry	Guinée Bissau	Sierra Leone	Total
Acquisitions of tangible and intangible assets	68 004	77 315	34 636	2850	23 180	205 985
Acquisitions of net equity securities	6 583 (1)	1 331	806	837		9558
31 December, 2020	74 587	78 646	35 442	3687	23 180	215 543
31 DECEMBER, 2019	89 203	58 767	35 549	6 176	13 850	203 545

(1) 3.044 G XOF acquisitions of shares at Orange Abidjan Participations
3.133 G XOF capital increases of the Orange Sierra Leone subsidiary

Licences by country

The details of the licences are as follows:

	Gross	Accumulated amortization	Net 2020	Net 2019
Senegal	138 565	(38 270)	100 295	100 931
Mali	134 887	(57 681)	77 205	83 825
Guinea	53 229	(16 447)	36 781	48 563
Bissau	5 599	(5 599)	1	1 101
Sierra Leone	4 210	(1 492)	2 718	3 588
TOTAL	336 489	(119 490)	217 000	238 008

Accounting principles

Tangible fixed assets

Tangible fixed assets mainly include technical installations and equipment linked to networks and administrative buildings and equipment.

On entry, tangible fixed assets are valued at their cost including:

- the purchase price, including customs duties and non-refundable taxes, after deduction of trade discounts and rebates;
- any cost directly attributable to the transfer of the asset to its place of operation and to its preparation to allow its operation in the manner provided by Management;
- the initial estimate of the costs relating to the dismantling and removal of the asset and the restoration of the site on which it is located. The Group has the obligation to dismantle the technical equipment installed and to restore the technical sites it occupies. The valuation of the provision is based on a dismantling cost (unitary for poles, terminals and payphones, per site for mobile antennas) borne by the Group to meet its environmental

obligations, annual forecasts for the removal of assets and departures from sites. The provision is estimated on the basis of the known costs for the current year, extrapolated for the years to come on the basis of the best estimate which will make it possible to settle the obligation.

This estimate is revised each year and if necessary the provision is adjusted against the recognized dismantling asset. The provision is discounted at a rate determined by geographic area corresponding to the average risk-free investment rate of a 15-year government bond.

The cost of acquiring an asset is distributed among its different constituent elements, which are accounted for separately when the different components have different useful lives or when they provide benefits to the company at a different pace requiring the use of significantly different amortization rates and methods

Depreciation is calculated according to the rates of consumption of the expected economic benefits per asset item on the basis of the acquisition cost. The depreciation method is straight-line depreciation over the useful lives used by the Group presented below:

Main assets	Amortization period
Construction	20 years
Land reclamation works	40 years
Office furniture and housing	10 years
Office equipment and supplies	05 years
Layouts, fixtures, installations	10 years
Transportation equipment	05 years
Switching equipment	10 years
Data Transmission equipment	10 years
Lines and network equipment	10 years
Energy Equipment	10 years
Measuring devices	03 years
Other operating equipment	10 years

Intangible fixed assets

Intangible assets are initially valued at cost. When an intangible asset is acquired as part of a business combination, the cost of this intangible asset is at its fair value on the acquisition date, in accordance with IFRS 3.

For internally generated intangible assets:

- no intangible asset resulting from research (or the research phase of an internal project) is recognized. These costs are recognized as expenses when incurred.
- an intangible asset resulting from the development (or the development phase of an internal project) is recognized if, and only if, the technical feasibility of the completion (a), the intention to complete the asset and put it into service or sell it (b), the ability to put it into service or sell it (c), the possibility of generating future economic benefits (d), the availability of technical, financial and other resources (e), and the ability to reliably assess attributable expenses (f) can be demonstrated.

The “unbundled software” software which is billed separately from the computer hardware is also capitalized

and depreciated over an estimated life of three (3) years. The acquisition cost of goodwill is measured at the fair value of the consideration transferred, including any price adjustment clause, on the date of takeover. Any change in fair value resulting from a price adjustment is recognized in the income statement or other items of the combined income. The difference between the consideration transferred and the fair value of the identifiable assets acquired and liabilities assumed on the date of takeover represents the goodwill recognized in the assets side of the statement of financial position. Considering the Group’s activity, fair value assessments of identifiable assets are more linked to licenses, customer bases than brands.

After initial recognition, the intangible asset is recognized at cost less accumulated depreciation and accumulated impairment losses.

Goodwill and other intangible assets with an indefinite useful life are not amortized but are subject to an impairment test in application of IAS 36 at least once a year, and whenever there is an index of loss of value.

- Intangible assets with a finite useful life are amortized over their estimated useful life. In particular, licenses are amortized over the contractual term.

Note 5.3 Inventories

The Group’s inventories are as follows at 31 December, 2020:

(In million XOF)	2020	2019	2018
Stocks and work in progress, equipment sold - Gross	4 799	7 322	6 037
Stocks and work in progress, other products / services sold - Gross	2 015	793	1 730
Inventories and billable stocks, other supplies - Gross	7 024	7 868	6 426
Gross value	13 837	15 983	14 193
Depreciation	(1 535)	(1 736)	(1 149)
NET VALUE	12 301	14 247	13 043

Note 5.4 Trade receivables

Trade receivables are as follows at 31 December, 2020

(In million XOF)	2020	2019	2018
Gross customer receivables	165 017	151 790	140 185
Impairment of trade receivables	(34 550)	(34 831)	(32 775)
NET CUSTOMER RECEIVABLES	130 467	116 959	107 410

The aged trade receivables balance is as follows at 31 December, 2020:

In millions XOF		Aged balance of receivables			
Age	Not expired	>180 days	(180 and 360) days	>360 days	Total 12.2020
Trade receivables	78 437	19 603	8 785	23 642	130 467

Accounting principles

IFRS 9 has three main components: the classification and valuation of financial assets and liabilities, the impairment of financial assets and hedge accounting. The standard requires that expected credit losses be taken into account upon first recognition of the financial instruments. It provides practical facilities for trade receivables, contract assets and lease receivables. It allows the use of simplified methods for determining

the amount of depreciation (eg the use of a provisioning matrix for trade receivables).

At the level of the Sonatel Group, the elements concerned by the standard mainly consist of trade receivables.

Trade receivables, mainly short-term and without a declared interest rate, are entered in the statement of the financial position for the nominal value of the original claim. Receivables resulting from the equipment

finance leasing to companies, are recognized as current operating receivables because they are part of the normal operating framework. Impairment losses recognized for a group of receivables constitute the intermediate step preceding the identifi-

cation of impairment losses on individual receivables. As soon as this information is available (customer in receivership or compulsory liquidation), these receivables are then depreciated separately.

(In million XOF)	Gross	Provision	2020	2019	2018
Guarantee Deposits & guarantees paid	5 902		5 902	5 938	6 079
Other non-current assets	2 444		2 444	2 402	2 368
Staff, receivables	1 115		1 115	800	598
Trade payables, excluding fixed assets	239		239	239	252
Other operating receivables	18 218	(1 203)	17 015	18 264	27 273
Receivables from disposal of fixed assets				379	3 711
Advances and deposits paid on fixed assets	2 180		2 180	406	1 964
Segregation of units of value in circulation with customers (1)	178 783		178 783	123 310	87 465
Other current assets	129		129	11	-
TOTAL	209 009	(1 203)	207 806	151 749	129 712
Dont autres actifs non courants	8 345		8 345	8 340	8 447
DONT AUTRES ACTIFS COURANTS	200 664	(1 203)	199 461	143 409	121 265

(1) These receivables are offset by debts of the same amount in other liabilities (see note 6.3).

The 37% growth recognized in non-current assets is essentially linked to the development and dynamics of Orange Money’s activity in the countries in which the Group operates.

Orange Money - Segregation of electronic money is as follows by country:

	Senegal	Mali	Guinea	Bissau	Sierra Leone	Total
2020	61 139	57 730	50 051	1 896	7 967	178 783
2019	38 537	43 715	36 481	926	3 650	123 309

Accounting principles

Orange Money is a money transfer solution, payments and access to financial services through an electronic money (“EM”) account associated with an Orange mobile number.

Since 2016, the Sonatel Group has become an Electronic Money Issuer (“EMI”) in some of the countries of presence through dedicated and approved internal subsidiaries. EMIs, the ultimate guarantors of the reimbursement of EM holders, are required by law to limit the funds collected in exchange of the EM issue (obligation to

protect holders). The EM distribution model is based on the Group’s subsidiaries and third-party distributors. EMI’s issue EM (or units of value “UV” or “E-unit”) at the request of these distributors in exchange for funds collected from them. The distributors in turn transfer the EM held to final bearers.

At the boundaries of the Sonatel Group, segregation is understood as the protection of third-party carriers (distributors and customers).

These transactions have no effect on the Group’s net financial debt and are recorded in the following headings:

- restricted to the asset for an amount necessarily equal to the EM in circulation outside the Sonatel Group (or E-Unit in circulation);
- E-unit in circulation on the liabilities side, representative of the obligation to reimburse third party bearers (third party customers and distributors).

Note 5.6- Deferred tax assets

Deferred tax assets (DTA) are as follows at 31 December, 2020:

In millions XOF	2020	2019	2018
Deferred tax assets	17 504	18 647	17 260

They are presented as follows by country as of 31 December, 2020 by type:

In millions XOF	Senegal	Mali	Guinea Conakry	Guinea Bissau	Sierra Leone	Total 2020
Employee benefits	3 651	1 186	12			4 850
Other provisions	4 055	0	0			4 055
Lease liabilities	2 820	1 578	1 527	8	2 807	8 741
Other differences	(2 102)	1 218	3 222	(6)	(2 474)	(142)
TOTAL	8 425	3 982	4 761	2	333	17 504

Accounting principles

Deferred taxes

The Group measures current tax and deferred tax at the amount it expects to pay or recover from tax administrations of each country according to its interpretation of the application of the tax law. Deferred

taxes are recognized on all the temporal differences between the book values of assets and liabilities and their tax bases, as well as tax losses carried forward, using the variable carry-over method. Deferred tax assets are only recognized when their recovery is probable. A deferred tax liability is recognized for any taxable temporal difference. Deferred tax assets and liabilities are not discounted.

Note 5.7- Non-current and current financial assets

The breakdown of non-current and current financial assets is as follows at 31 December, 2020:

(In millions XOF)	2020	2019	2018
Securities & investments	13 272	6 847	5 652
Long term loans (1)	151 836	145 720	145 853
Financial assets	165 108	152 567	151 505
Non-current financial assets	159 275	145 884	139 110
Current financial assets	5 833	6 683	12 395

(1) Includes long-term loans to third parties other than shareholders, securities & investments, mainly concern employees.

Note 5.8- Cash and cash equivalents

The cash details are presented below:

In millions XOF	2 020	2 019	2018
Term deposits - Gross	16 213	662	3 506
Cash equivalents	7 803	1 720	1 743
Cash (1)	175 676	201 721	213 342
CASH AND CASH EQUIVALENTS	199 691	204 103	218 591

(1) Debit balances of bank accounts at the end of the period - cash accounts.
The change in cash is as follows at 31 December, 2020 (in billion XOF)

	Senegal	Mali	Guinea	Bissau	Sierra Leone	Total 12.2020
Operational activities	110	147	98	7	24	385
Investment activities	(75)	(79)	(35)	(4)	(23)	(216)
Financing activities	(62)	(72)	(32)	(1)	1	(167)
Internal operations	30	(10)	(19)	1	(2)	
Currency exchange and other consequences		(2)	(6)		(0)	(8)
CHANGE AT 31 DECEMBER, 2020	4	(15)	6	3	(1)	(4)

Note 6. Notes on the headings of the financial position - liabilities**Note 6.1- Current and non-current financial liabilities**

Non-current financial liabilities are as follows at 31 December, 2020:

In millions XOF	2020	2019	2018
Borrowings	296 368	175 280	142 932

The details of the borrowings by country are presented below:

En millions CFA	Sénégal	Mali	Guinée Conakry	Sierra Leone	Total
					31/12/2020
Emprunts obligataires (1)	100 000				100 000
Emprunts bancaires	75 395	112 092	8 521	360	196 368
Passifs financiers non courants	175 395	112 092	8 521	360	296 368

In millions XOF	Senegal	Mali	Guinea Conakry	Sierra Leone	Total
					31/12/2019
Other bank loans	89 697	72 060	13 114	409	175 280
Non-current financial liabilities	89 697	72 060	13 114	409	175 280

(1) 15 June to 15 July, 2020: Sonatel undertook a bond loan of 100 billion XOF to finance the 2020 investment plan linked to its operations in Senegal, the main market for the Sonatel Group in terms of volume and value. The investment programme in Senegal, covered by the bond loan, will ultimately improve customer experience, continue to modernize and extend its network while strengthening the Company's pioneering role in terms of innovation and technology in the TMT (Technologies Media Telecommunications) sector in the WAEMU .zone The use of the funds raised will be dedicated to investments in infrastructures to support the Voice segment, the acceleration of the main growth drivers such as Mobile Data and Orange Money as well as the launch of new businesses (Energy, Banking, multimedia content).

Non-current financial liabilities are as follows at 31 December, 2020:

In millions XOF	2020	2019	2018
Other bank loans	155 309	215 133	209 501
Borrowings	224	217	7 214
Interest / costs payable on loans (1)	5 161	5 664	2 634
Interests / costs payable on Shareholder debts	49	1 509	614
Bank credit balances		20 079	41 217
CURRENT FINANCIAL LIABILITIES	160 744	242 602	261 181

(1) Including 2.967 on bond issues

The current financial liabilities are itemized below by country:

In millions XOF	Senegal	Mali	Guinea Conakry	Sierra Leone	12.2020
Other bank loans	114 284	37 170	3 856		155 309
Borrowings		584	-	- 360	224
Interest / costs payable on loans	5 092		69		5 161
Interests / costs payable on shareholder debts	10		39		49
CURRENT FINANCIAL LIABILITIES	119 386	37 754	3 964	-360	160 744

Note 6.2 Current and non-current employee benefits

In accordance with the laws and practices of each country in which it operates, the Sonatel Group has obligations in terms of employee benefits:

- retirement: most of the Group's employees are covered by specific contribution plans stipulated by national laws or agreements;

- death of the employee: salary, leave allowance and compensation of any kind acquired on the date of death revert to the beneficiaries;

- pre-retirement: for pre-retired employees, a bonus equivalent to a percentage of the last average annual salary multiplied by the time remaining to reach retirement in addition to the retirement allowance plus 15%.

The non-current staff benefits are presented below:

In millions XOF	12.2020	12.2019	12.2018
Non-current employee benefits	22 267	24 664	23 297

For the 2020 financial year, they amount to 22 billion XOF and are mainly related to post-employment benefits pursuant to IAS 19 as presented below:

In millions XOF	Senegal	Mali	Guinea	Sierra Leone	2020
Post-employment benefits	17 942	2 697	208	1 421	22 267

The details of the benefits to current staff are as follows by zone as of 31 December, 2020:

In millions XOF	Senegal	Mali	Guinea	Bissau	Sierra Leone	Total
						2020
Staff, debts	3 658	1 793	1 168	135	500	7 253
Staff accrued liabilities	4 032		118	91	46	4 287
Social organizations, debts	262	2 370	26	21	66	2 745
Gov.-debts	8		11	1	3	23
Other benefits, debts	15					15
CURRENT STAFF BENEFITS	7 975	4 162	1 323	248	615	14 324

Main assumptions used to determine the amount of (IAS19) commitments

The assessment of post-employment benefits and other long-term benefits is based in particular on the retirement age determined in accordance with the applicable provisions and the conditions necessary for entitlement to a full pension, which are often subject to legislative review.

The details of the IAS 19 assumptions are summarized as follows:

ACTUARIAL ASSUMPTIONS			
	2020	2019	2018
Rate of salary increase	3,4	3,4	3,4
Discount rate	8	8	8
Inflation rate	1,5	1,5	1,5
Probability of being present in the entity on the date of retirement (past experience)	99,92	99,92	99,92

In order to assess the present value of future benefits, several assumptions must be made. IAS 19 specifies that actuarial assumptions must be objective and mutually compatible. It is also indicated that the actuarial assumptions are the best estimates made by the Sonatel Group of the changes that will determine the final cost of its obligations. The choice of valuation hypotheses is therefore the responsibility of the Sonatel Group. The assumptions include:

- the legal retirement age
- demographic assumptions regarding future characteristics of staff members: mortality, staff turnover and pre-retirement rate
- financial assumptions, which relate to elements such as the following: the discount rate, the salary increase rate.

Accounting principles

Post-employment benefits governed by IAS 19 are offered through:

- specific contribution plans: contributions, paid to external organizations who provide their administrative

and financial management, are recognized as an expense for the year in which the services are rendered; - specific benefit plans: the amount of future commitments representative of these plans is valued on the basis of actuarial assumptions using the projected unit credit method: - their calculation incorporates demographic assumptions (staff turnover, mortality, gender equality, etc.) and financial (future increase of salary, inflation rate, etc.) defined at the confines of each of the entities concerned, - the discount rate, defined by country or geographic area, is determined by reference to the yield on long-term senior private bonds (or government bonds if there is no active market). It is established on the basis of external indices commonly used as a benchmark for the euro zone, - actuarial differences relating to post-employment benefits are fully recognized in other combined income items. The capital payment is made in one go at the time of retirement.

Also, the Group does not have any hedging assets dedicated to commitments for post-employment benefit payments.

Note 6.3 Other liabilities

The other liabilities of the Group are presented as follows:

(In million XOF)	2020	2019	2018
Other disputes	6 687	4 164	-
Other risks / expenses	4 131	5 028	6 094
Guarantee Deposits & bonds received	1 307	1 343	1 351
Other operating debts	8 942	16 402	18 882
Other operating items	(166)	139	14
Dividends payable	1 379	39 937	1 004
E-unit in circulation with customers (see note 3.5)	177 396	123 310	87 412
Total	199 676	190 322	114 758
Including other non-current liabilities	9 760	7 311	6 157
Including other current liabilities	189 916	183 012	108 601

Accounting principles

Provisions are recognized when, at the end of the financial year, there is an obligation of the company towards a third party resulting from a past event, the settlement of which is likely to result in the company incurring an outflow of resources representing economic benefits. They more specifically provisions for disputes, provisions for dismantling and restoration of sites, provisions for retirement, etc.

The estimate of the amount appearing in the provision for risks and charges corresponds to the outflow of resources that the company will probably have to bear in order to settle its obligation.

The provisions for dismantling are not significant and do not impact the consolidated financial statements.

Note 6.4 Evolution of tax litigation and audits

This note presents all the significant disputes in which the Sonatel Group is involved with the exception of possible disputes related to disagreements between the Sonatel Group and the tax or social security authorities in terms of taxes, corporate tax or social contributions.

As of 31 December, 2020, the provisions for risks recognized by the Group for all of its disputes amounted to 6.687 million XOF and cover the risks relating to all pending disputes.

Tax audits

The Sonatel Group was subject to tax audits for the years 2017 to 2020, the results of which as recognized do not have any significant future accounting impact on the Group's accounts.

Other Group disputes

Apart from disputes over tax audits and litigation already recognized, there are no other administrative, judicial or arbitral procedures of which the Sonatel Group is aware (whether this is an ongoing, pending procedure or a procedure which the Group is threatened with), having had in the last 12 months or likely to have any significant

effects on the financial position or profitability of the Group.

Four local authorities are asking the Sonatel Group to pay the fees for occupying public lands. As of 31 December, 2020, the Group earmarked a provision pending a final court decision.

Note 6.5 Trade payables on other goods and services

Post-employment benefits governed by IAS 19 are offered through:

(In million XOF)	2020	2019	2018
Debts / receivables on fixed assets	75	635	463
Other capital suppliers	99 821	94 676	78 812
Trade payables, excluding fixed assets	192 489	191 074	178 635
Other supplier debts	(155)	(3 853)	(1 860)
TRADE PAYABLES	292 230	282 532	256 050

Accounting principles

Trade payables on other goods and services arising from commercial transactions and settled in the normal operating cycle are classified as current items. They include those that the supplier may have sold with or without notification to financial institutions in the context of factoring direct or reverse, including those for which the supplier has offered an extended payment term and for which the company has confirmed its agreement to payment at the agreed term.

particular because of the persistence of the commercial relations, payments terms that are in line with a telecom operator’s operational cycle especially for the purchase of the main infrastructures, the autonomy of the supplier in the discount relationship and a financial cost borne by the Sonatel Group which corresponds to the remuneration of the supplier for the payment period extension granted.

Trade payables without a specified interest rate are valued at the face value of the debt if the interest component is negligible. Interest-bearing trade payables are recorded at amortized cost.

The SONATEL Group considers that these financial liabilities retain the characteristics of a trade payable, in

Note 6.6 Prepaid income

Residual prepaid income or deferred revenue is outside the scope of IFRS 15. It is presented as follows:

(in millions XOF)	2020	2019	2018
Other operating prepaid income	17 100	16 006	16 389

These are invoiced products which will be recognized in Turnover in the future period (s).

The breakdown of other deferred income by country is detailed below as of December 31, 2020:

in millions XOF	Senegal	Guinea Bissau	Guinea Conakry	Sierra Leone	Total
					2020
Other deferred operating income	6 935	269	8 562	1 334	17 100
in millions XOF	Senegal	Guinea Bissau	Guinea Conakry	Sierra Leone	Total
					2019
OTHER DEFERRED INCOME	7 247	469	7 104	1 187	16 006

Note 6.7 Translation difference

The translation differences are presented below:

In millions XOF	31 December, 2020	31 December, 2019	31 December, 2018
Sierra Léone	(37 523)	(29 911)	(21 799)
Guinea Conakry	(21 388)	(4 675)	(3 719)
TOTAL	(58 912)	(34 586)	(25 518)

Accounting principles

The functional currency used by SONATEL is the XOF Franc. The financial statements of foreign entities whose functional currency is different from the XOF and is not the currency of a hyperinflationary economy are converted into XOF (presentation currency of the Group’s financial statements) as follows:

- assets and liabilities are converted at the closing rate;
- the income statement is converted at the exchange rate in force on the transaction dates (historical rate) or at the average rate for the period;
- the translation differences resulting from the application of these different rates are shown in other combined income items.

The translation differences resulting from the use of different prices for the opening balance sheet position,

transactions during the period and the closing balance sheet position are recorded in other combined income (OCI). These translation differences are recorded in the income statement (ie “recycling” of the OCI) when the business in question is sold.

Goodwill and fair value adjustments recognized when acquiring companies whose functional currency is not the XOF Franc must be considered as assets and liabilities of these companies; they are therefore expressed in the proper functional currency of these companies and converted at the closing rate for each period.

In the context of the first application of IFRS, the Group has, in accordance with the provisions of IAS 21, recognized the translation differences in other combined income and has accumulated them in an equity component.

Note 7. Description of the free share allocation plans

Details and description of free share allocation plans are presented as follows:

- Distributions from 2009: non-transferable shares including welcome actions

These are shares granted to staff as part of their staff loyalty policy and to attract high quality resources. These shares are only transferable on the date of retirement or early retirement.

- Free share allocations (FSA) relating to the 2013-2016 business plan

These are actions linked to the achievement of a certain number of objectives of the 2013-2016 Strategic Plan according to the stages below: 100 actions for years 2013, 2014 and 2015, 200 shares for 2016.

These shares are non-transferable until retirement, with the specificity that resigning and laid off employees keep their shares, receive dividends, but cannot transfer them until retirement age.

The amount of the free shares at corresponding dates are presented as follows:

(in millions XOF)	2020	2019	2018
Amount of free shares	35 092	28 589	29 506

The accounting effects on the costs of the free share allocation (FSA) amounted to 7,360 million for the financial year.

Note 8. Leases (IFRS 16))

The main accounting positions relating to the decision of the IFRS IC committee published in December 2019 on the terms of IFRS 16 contracts are detailed in note 2.3.1.

The Sonatel Group describes a contract as a lease as soon as it grants the lessee the right to control the use of a specific item of property for a given period, including when a service contract contains a lease component.

The Group has defined the main groups of lease contracts:

- Land and buildings: these contracts mainly concern commercial (points of sale) or tertiary (office) leases or the rental of technical buildings not owned by the Group. The real estate lease contracts concluded within the Sonatel Group relate mainly to average terms (commercial leases of 5 years with option of early termination at 3).
- Networks and terminals: the Sonatel Group has to lease a certain number of assets within the framework of its mobile activities. This is particularly the case for land intended to accommodate the installation of antennas, mobile sites rented to a third-party operator as well as certain contracts with “TowerCos” (companies operating telecommunication towers).

The recognition of all lease contracts is reflected in the balance sheet by the recognition of an asset under the right to use the leased assets in exchange for a liability for the associated lease obligations. In the income statement, a depreciation charge for user rights is presented separately from the interest expense on lease debts.

In the cash flow statement, the cash outflows relating to interest expense affect the flows generated by the activity, while the reimbursement of the principal of lease debts affects the flows related to financing operations.

Finally, the Sonatel Group applies the two exemptions proposed by IFRS 16, that is, contracts whose duration is less than or equal to 12 months and those whose replacement value of the underlying asset is less than approximately 3.5 million XOF francs. These lease contracts for which one of these two exemptions is recognized in “external purchases” in the income statement. For the

period prior to 2019, the Group decided not to carry out a retrospective restatement partly due to the unavailability of the necessary information and partly because of the low level of the effect on equity.

From 1st January 2019, the Group recognizes all of its leases (as lessee) according to a single model in which an asset for the right to use the leased assets will be recognized on the balance sheet in return for a liability for the leased assets. associated rental obligations.

Non-current lease debts

Lease debts, which represent the impact of the application of IFRS 16 for 2020/2019, are presented as follows by sector:

in millions XOF	Senegal	Mali	Guinea Bissau	Guinea Conakry	Sierra Leone	31.12.2020
Other lease debts (excl. interest)	8 868	3 340	160	2 410	7 731	22 508
in millions XOF	Senegal	Mali	Guinea Bissau	Guinea Conakry	Sierra Leone	31.12.2019
Other lease debts (excl. interest)	3 756	4 280	-	1 768	9 598	19 402

Right of use

The Group recognizes all of its leases (as lessee) according to a single model in which an asset for the right to use the leased assets will be recognized on the balance sheet in exchange for a liability for the associated leasing obligations.

The net impact on the balance sheet for the year, which amounts to 29 billion XOF, results from the recognition of the rental obligation and the right of use associated with the rental contracts. Further, the Sonatel Group has taken the option to recognize deferred taxes at initial recognition of the right of use and the rental obligation from the transition.

in millions XOF	Senegal	Mali	Guinea Bissau	Guinea Conakry	Sierra Leone	2 020
Rights of use tangible, intangible solutions	-	2 684	-	-	-	2 684
Other rights to use of leased assets	13 259	7 163	232	6 315	11 573	38 543
Depreciation	(4 254)	(2 243)	(226)	(2 267)	(2 384)	(11 374)
TOTAL	13 259	9 847	232	6 315	11 573	29 852

Note 9. Off-balance sheet commitments

Investment commitments

Beyond the commitments expressed in monetary terms, the Sonatel Group has made commitments to national regulatory authorities in terms of the coverage of the population by its fixed or mobile networks, undertaken in particular within the framework of the granting of licenses, or quality of service. These commitments impose capital expenditures in future years to deploy and improve networks, but they are not included below

when they are were not expressed in monetary terms, which is generally the case.

When the 4G license is awarded and the 2G and 3G mobile license is renewed, the commitments below are made by the Group

- an obligation to cover 90% of the population within 3 years;
- an obligation to cover the entire territory inhabited border areas, whose population is greater than or equal to 200 within 5 years;
- an obligation to cover national roads and motorways within 2 years

In 2020, the group received and made the off-balance sheet commitments detailed below:

– Commitments received

in millions XOF	2020	2019	2018
Supplier guarantees	4 647	5 758	5 082
Staff share pledge	2	702	743
31 December	4 649	6 461	5 826

– Commitments given

in millions XOF	2020	2019	2018	01 janv.2018
Customs credit deposit	2 700	2 700	1 400	1 000
Market bid bond	7 884	10 184	4 647	7 202
Guarantees and other commitments given	1 489	1 361	0	
31 December	12 073	14 245	6 047	8 202

Note 10. Transactions with companies and related parties

The Sonatel Group does not buy goods or services with Governments except for the use of spectral resources. These resources are allocated at the end of a competitive process.

in millions XOF	Senegal	Mali	Guinea Bissau	Guinea Conakry	Sierra Leone	31 December, 2 020
Balance Receivables	5 671	4 176		1 889	466	12 203
Debt balances	9 245	6 514	338	10 325	629	27 051
Income	10 746	23 604	1 175	3 583	1 911	41 019
Expenses	(9 073)	(11 098)	(402)	(6 545)	(471)	(27 588)

Commercial services and various re-invoicing with Orange France, the majority shareholder, amounted to 41 billion XOF for the year, the expenses amounted to 27.58 billion XOF.

- claims held against the Government within the framework of annual invoices for a value of 07 billion XOF at 31 December, 2020. These receivables are settled by clearance

The various agreements and amendment with Orange France and the Government can be summarized as follows:

- cooperation agreement signed on 18 December, 2013 between SONATEL SA and Orange SA for a period of three (3) years and extended for a period of three (3) months from 1st January 2017 by amendment n°1 signed on 27 July, 2017.

The main transactions with affiliated companies (The Government and Orange France) are summarized below and fall within the framework of current operations. They mainly concern the two principal shareholders:

- amendment n°2 signed on 27 July 2017 which has, on the one hand extended the duration of the cooperation agreement signed between the Group and Orange SA on 18 December 2013, for three (3) years from 1st April 2017, and on the other hand extended the scope of the SONATEL Group to Orange Finances Mobiles Senegal and Orange Sierra Leone.
- amendment n°3 signed on 20 December, 2017 to confirm the transfer of the Orange SA agreement to its subsidiary Orange-MEA SA from 1st January 2018. The Group accepted the sale, effective 1st January 2018 by Orange SA to its subsidiary Orange-MEA SA of all of its rights and obligations arising from the agreement of 18 December 2013 extended until 31 March 2020.
- memorandum of understanding for the renewal of the 4G spectrum concession and allocation agreement signed on 18 June, 2016.

Note 11. Financial risk management

Interest rate risk

The Group is not exposed to the risk of interest rate fluctuations which is linked to long-term financial debt of the Sonatel Group, all debt being at fixed rate.

Exchange rate risk

Most of the Sonatel Group's turnover is generated in XOF. Sonatel is made in XOF.

Foreign subsidiaries outside the XOF zone make most of their turnover at the national level. Debt is mainly carried in XOF and the indebtedness of subsidiaries excluding XOF is carried in the currency of their respective countries.

The possible impact on the Sonatel Group of exchange rate variations experienced by these subsidiaries is very low. The Group does not use hedging instruments.

Credit risk

The Sonatel Group only maintains commercial relations with third parties whose financial health is proven. A non-negligible part of its turnover is generated with local authorities and public sector organizations.

Note 12. Covid-19

Global responses to the 2019 coronavirus disease (COVID-19) outbreak continue rapidly. COVID-19 has already had a significant impact on global financial markets, and it could have accounting implications for many entities.

Here are some of the main impacts:

- Production interruptions
- Supply chain disruptions
- Unavailability of staff
- Reduced sales, profits or productivity
- Inability to find funding.

As COVID-19 continues to spread globally, it would be appropriate for the Group to take into account the impact

In millions XOF	Senegal	Mali	Guinea Conakry	Guinea Bissau	Sierra Leone	31 December, 2020
Turnover	(14 234)	(2 500)	(1 042)	(1 230)	225	(18 782)
Expenses	6 870	2 657	527	178	230	10 462
Net impact	(7 364)	157	(515)	(1 052)	455	(8 319)

CGU (Cash Generating Unit) represents a sector, a country

For the rest of the turnover, the Sonatel Group's policy is to check the financial health of all customers who wish to obtain payment terms on credit. In addition, customer balances are constantly monitored and consequently, the Group's exposure to bad debt is not material.

As for cash and cash equivalents, they are mainly composed of term accounts.

of the epidemic on the accounting conclusions and the information to be provided.

COVID 19 impacted the Group's financial performance during the 2020 financial year:

- loss of turnover due to free services on Orange services.
- curfew and lockdown decisions- and effects on prepaid top-ups,
- the slowdown in B2B and international activity (including roaming).
- border closures and local restrictions in our different countries of presence

As of 31 December, 2020, the covid-19 impact in the financial statements can be summarized as follows:



IFRS INDIVIDUAL ACCOUNTS

YEAR ENDING
31 DECEMBER, 2020

Highlights 2020

Covid-19 health crisis

The impact of the health crisis on the activity and performance of the Group, the judgments and assumptions used as well as the main effects of the crisis on the Group's consolidated financial statements are presented in note 12 "Impacts of the health crisis linked to the Covid-19 epidemic".

Bond loans

15 June to 15 July, 2020: Sonatel took out a bond loan of 100 billion XOF to finance the 2020 investment plan to extend its network while strengthening the Company's pioneering role in terms of innovation and technology in the MTT (Media Telecommunications Technologies) sector in the WAEMU zone. The use of the funds raised will be dedicated to investments in infrastructures to support the Voice segment, the acceleration of the main growth drivers such as Mobile Data and Orange Money as well as the launch of new businesses (Energy, Banking, multimedia content). at 1st January 2020.

INCOME STATEMENT

(In thousands XOF)	Note	2020	2019
Turnover	3.1	445 463 294	256 544 797
External purchases	3.4.	(164 705 103)	(102 315 773)
Other operating income	3.5	28 854 298	47 188 391
Other operating expenses	3.6	(13 784 285)	1 041 663
Staff costs	3.7	(77 958 595)	(73 057 387)
Operating taxes and duties	3.8	(36 888 673)	(35 851 940)
Depreciation and amortization of the rights of use of the lease assets	3.9	(2 072 799)	(784 690)
Depreciation and amortization	3.9	(75 245 231)	(34 066 874)
Income from the sale of securities and activities		65 064	4 590 989
Costs of restructuring and integration		155 379	-
OPERATING INCOME		103 883 349	63 289 176
Cost of gross financial debt		(17 257 110)	(17 677 277)
Interest charges on lease debts		(432 003)	(100 411)
Income and expenses on assets constituting net debt		675 500	(606 881)
Exchange gain (loss)		(2 766 637)	
Other financial income and expenses		94 951 930	128 953 684
FINANCIAL INCOME	3.10	75 171 680	110 569 115
Corporate tax		(29 847 437)	(15 999 661)
NET INCOME	3.12	149 207 592	157 858 630

Combined income statement

(In thousands XOF)	2020	2019
NET INCOME	149 207 592	157 858 630
Items not recyclable as income		
Post-employment benefit, actuarial difference	3 870 467	(1 971 811)
Items recyclable as income		
Other items of the pre-tax income	3 870 467	(1 971 811)
Tax on other elements of the combined income (non recyclable)	1 161 140	(591 543)
Other items of the combined income	1 161 140	(591 543)
COMBINED INCOME	148 046 452	158 450 173

FINANCIAL POSITION STATEMENT

(In thousands XOF)	Note	31-Dec 2020	31-Dec 2019	01 janv. 2019
Assets				
Other intangible fixed assets	4.1	112 120 992	103 618 418	108 265 817
Tangible fixed assets	4.1	356 483 570	147 179 029	129 469 749
Rights of use of leased fixed assets	7.	9 004 544	1 283 856	
Non-current financial assets	4.2	286 866 253	290 871 225	286 764 477
Other non-current assets	4.5	3 425 038	1 384 485	1 290 982
Deferred tax assets	4.6	11 118 451	8 698 106	6 587 185
TOTAL NON-CURRENT ASSETS		779 018 848	553 035 118	532 378 210
Stocks	4.3	7 797 845	4 450 533	3 913 390
Trade receivables	4.4	90 185 404	118 461 960	46 992 187
Current financial assets	4.2	3 987 170	36 196 397	28 326 565
Other current assets	4.5	27 904 488	34 997 107	73 367 038
Operating taxes and duties	4.7	35 575 390	16 454 608	21 100 403
Corporate tax	4.8	3 052 315	2 715 317	2 011 632
Prepaid expenses		3 331 481	1 198 490	759 702
Cash and cash equivalents	4.9	56 844 630	46 088 153	51 323 692
TOTAL CURRENT ASSETS		228 678 723	260 562 565	227 794 609
TOTAL ASSETS		1 007 697 571	813 597 683	760 172 819

FINANCIAL POSITION STATEMENT

(In thousands XOF)	Note	31-Dec 2020	31-Dec 2019	01 Jan. 2019
Liabilities				
Share capital		50 000 000	50 000 000	50 000 000
Reserves		420 498 424	288 023 113	299 385 950
TOTAL SHAREHOLDERS EQUITY		470 498 424	338 023 113	349 385 950
Non-current financial liabilities	5.1	219 678 467	120 388 524	97 319 296
Non-current lease debts		9 050 010	989 962	
Non-current employee benefits	5.2	17 491 805	19 779 163	18 727 761
Other non-current liabilities	5.4	2 540 287	1 824 760	9 498 643
Differed tax liabiities		2 693 419	385 157	
TOTAL NON-CURRENT LIABILITIES		251 453 988	143 367 566	125 545 700
Current financial liabilities	5.1	75 238 412	158 086 035	173 579 312
Trade payables for current fixed assets	5.3	54 492 907	7 218 221	12 302 209
Trade payables on other goods and services		84 110 911	56 009 786	50 637 952
Current lease debts	7.	377 299	343 051	
Current staff benefits	5.2	7 718 976	9 082 141	8 488 426
Other current liabilities	5.4	3 861 574	66 136 532	14 566 746
Operating taxes and duties	5.5	23 201 892	18 931 622	15 009 804
Corporate tax	5.5	29 807 756	16 399 617	10 656 720
Prepaid income	-	6 935 432		
Total current liabilities		285 745 159	332 207 005	285 241 169
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		1 007 697 571	813 597 683	760 172 819

ABLE ON CHANGE IN EQUITY

	Share capital	Reserves	Total shareholders equity
Balance at 1st January 2019	50 000 000	299 385 951	349 385 951
Consolidated combined income		157 858 630	157 858 630
Distribution of dividends		(166 666 666)	(166 666 666)
Other transactions		(2 554 800)	(2 554 800)
Balance at 31 December 2019	50 000 000	288 023 115	338 023 115
Consolidated combined income		149 207 592	149 207 592
Distribution of dividends		(136 111 111)	(136 111 111)
Other transactions		119 378 830	119 378 830
BALANCE AT 31 DECEMBER, 2020	50 000 000	420 498 426	470 498 426

CASH FLOW TABLE

(in thousands of XOF)	2020	2019
ACTIVITY-RELATED CASH FLOWS		
Net income	149 207 592	157 858 630
<i>Non-monetary items with no impact on cash flow and reclassifications</i>		
Operating taxes and duties	36 888 673	35 851 940
Depreciation and amortization of the rights of use of the lease assets		784 690
Depreciation and amortization	77 318 030	34 066 874
Income from disposal of assets and other gains & losses	(65 064)	(4 590 989)
Allocations (reversals) from other provisions	(684 912)	(7 794 289)
Corporate tax	29 847 437	15 999 661
Financial income	(75 171 680)	(110 669 526)
Net exchange difference (EXP)	520 670	392 379
Stock-based compensation	6 830 146	(1 174 532)
<i>Change in working capital needs</i>	-	-
Decrease (increase) in stocks	1 329 146	(540 576)
Decrease (increase) in trade receivables	4 522 223	(72 474 744)
Increase (decrease) in trade payables	1 347 993	4 979 535
Decrease (increase) in other receivables	(9 459 379)	34 069 845
Increase (decrease) in other debts	(9 108 674)	14 107 614
<i>Other monetary items generated by the operations</i>		
Operating taxes and duties paid	(52 165 093)	(27 284 327)
Dividends collected	97 972 012	116 947 535
Interest income received	(800 942)	837 089
Interest disbursed and net derivative interest rate effect	(18 209 253)	(13 138 819)
Corporate tax disbursed	(32 809 127)	(12 094 670)
CASH GENERATED BY OPERATING ACTIVITIES (A)	207 309 798	166 133 320
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Other investment flows</i>		
Acquisitions of tangible and intangible assets	(95 087 718)	(47 334 838)
Increase (decrease) in capital suppliers	27 472 985	(3 915 732)
Proceeds from the sale of real estate and other tangible and intangible assets	95 037	3 282 798
Acquisition of equity securities net of cash acquired	3 212 194	(4 594 021)
Income from disposal of Equity securities net of cash sold	-	1 672 284
DECREASE (INCREASE) IN INVESTMENTS AND OTHER FINANCIAL ASSETS	16.617.611	5.396.365
Cash generated by investing activities (b)	(47 689 891)	(45 493 144)



CASH FLOW TABLE

(en milliers de XOF)	2 020	2 019
Cash flow from financing operations		
<i>Cash flow from capital financing</i>		
<i>Bond issues</i>	100 000 000	
Long-term loan issuance	30 777 806	23 069 228
Long-term loan repayments	(34 601 769)	
Lease debt repayments	(1 934 167)	(835 944)
Increase (decrease) in bank overdrafts and other short-term borrowings	(69 544 435)	(20 031 735)
Share buyback	1 418 562	233 913
Dividends paid to shareholders	(174 940 326)	(128 613 730)
Cash generated by financing activities (c)	(148 824 329)	(126 178 268)
Monetary change in cash and cash equivalents (a) + (b) + (c)	10 795 578	(5 538 092)
Impact of change in exchange rates on cash	(39 101)	302 553
Other impacts on cash flow		
Net change in cash	10 756 477	(5 235 539)
Net change in cash and cash equivalents		
Cash and cash equivalents at opening	46 088 153	51 323 692
Net change in cash and cash equivalents	10 756 477	(5 235 539)
Cash and cash equivalents at closure	56 844 630	46 088 153

NOTES ANNEXES

Note 1- General principles adopted for the preparation of Sonatel SA IFRS financial statements

Note 1.1 Description of the activity

Sonatel SA offers its private customers, businesses and other telecommunications operators, a broad range of services covering fixed communications and mobile, data transmission and other value-added services.

Telecommunications operator activities are subject to licenses and sectoral regulations, similarly mobile financial services activities have their own regulations.

Note 1.2 Basis of preparation of the 2020 financial information

The individual financial statements were drawn up under the responsibility of the Board of Directors at its meeting of 24 February, 2021 and will be subject to the approval of the General Meeting of 28 April, 2021.

The individual statements for fiscal year 2020 are drawn up in accordance with IFRS international accounting standards as adopted by the IASB, in application of the Uniform Act relating to accounting law. and the financial information adopted on 26 January, 2017 and presented with, for comparison, the 2019 financial year prepared according to the same benchmarks. For the periods presented, the standards and interpretations are those adopted by the IASB, with the exception of the texts in the process of being adopted, which has no effect on the accounts of Sonatel SA.

The principles adopted for the preparation of then 2019 financial statements result from the application of:

- all the standards and interpretations adopted by the IASB that are mandatory as of 31 December, 2020;
- the options available as regards the date and modalities of first application;
- accounting and valuation options covered by IFRS standards.

In the absence of a standard or interpretation applicable to a specific transaction or event, the management of Sonatel SA uses judgment to define and apply accounting methods to obtain relevant and reliable information, so that the financial statements:

- present a true and fair view of the financial position, financial performance and cash flow of the entity;
- reflect the economic reality of transactions;
- are neutral;
- are prudent;
- are complete in all their material aspects.

The functional currency and the presentation currency of the accounts used by Sonatel is the XOF Franc.

Unless otherwise indicated, the amounts are expressed in thousands of XOF. Sonatel SA having chosen not to round up figures, minimal deviations may appear as a result.

As permitted by IAS 1 “Presentation of financial statements”, Sonatel SA presents the main components of the financial statements and the options selected for the presentation of some of them: the income statement, the statement of combined income, the statement of financial position, the statement of changes in equity, the cash flow statement and the accompanying notes.

The accompanying notes are an integral part of the financial statements. They contain additional information to that presented in the rest of the financial statements. They provide narrative descriptions or breakdowns of items presented in these statements as well as information relating to items that do not meet the recognition criteria in these statements.

The order of presentation of the information in the Notes is as follows:

- a declaration of conformity to the international financial reporting standards (IFRS);
- additional information on the elements of the income statement, the consolidated combined income statement, statement of financial position, changes in equity statement, the cash flow table, in the order in which each of the financial statements and each item appear with, for each note, a summary of the main accounting methods applied;
- other information including contingent liabilities and unrecognized contractual commitments, non-financial information.

Fair valuer

The fair values of financial assets and liabilities measured at fair value in the statement of financial position are classified according to a hierarchy in three levels:

- level 1: market prices (unadjusted) on asset markets, for identical assets or liabilities, to which the entity may have access at the measurement date;
- level 2: input data concerning assets or liabilities which are observable directly or indirectly;
- level 3: unobservable input data concerning assets or liabilities.

For financial assets at amortized cost (“CA”), Sonatel SA considers that the book value of cash, trade receivables, as well as various security deposits, is a reasonable approximation of fair value, due to the high degree of liquidity of these items.

The fair value of equity securities corresponds to the market value at the end of the period for listed securities and, for unlisted securities, to a valuation technique determined according to the financial criteria more appropriate to the particular situation of each security (comparable transactions, multiples of comparable companies, shareholders’ agreement, present value of future cash flows).

For trade payables and deposits received, the Sonatel Group considers that the book value is a reasonable approximation of the fair value, due to the high degree of liquidity of these elements.

Definition of operating segments and performance indicators

An operating segment is a component of the company:

- which engages in activities generating revenues and expenses,
- whose resources received from the company are subject to decisions by the entity’s main operational decision-maker,
- for which separate financial information is available.

The Cash Generating Unit (CGU) chosen by Sonatel SA being the geographical area (country), this principle does not apply to individual accounts.

Operational performance indicators in 2020

The EBITDAal corresponds to operating income before depreciation and amortization of fixed assets, effects linked to takeovers, reversals of conversion reserves of liquidated entities, impairment of goodwill and fixed assets.

eCapexes correspond to the acquisition of intangible and tangible assets excluding telecommunications licenses. and excluding investments in financed assets, less sale price of fixed assets. They are an indicator used internally for the allocation of resources. eCapexes do not constitute a financial aggregate defined by IFRS standards and may not comparable to indicators so named by other companies.

The leaders of Sonatel SA considers that the presentation of these indicators is relevant since it provides the readers of the accounts with the management indicators used internally.

Note 1.3-New standards and interpretations applied at 1st January 2020

Note 1.3.1 Interpretation and amendment of IFRS 16 “Lease contracts”

Sonatel applies IFRS 16 “Lease contracts” since 1 January 2019 The accounting principles applied since 2019, the information required on lease debts and rights of use is described in note 8.

IFRS IC decision relating to the terms of IFRS 16 contracts

IFRS IC’s decision on the enforceable duration of contracts has been implemented as of December 31, 2020 on all lease contracts entering into the scope of the final decision of the interpretation committee. This first application with retroactive effect at 1st January 2019 is a change of accounting method. The effect of this implementation is mainly limited to contracts of indefinite duration with short notice and to contracts for which the initial lease period was exceeded and in a situation of tacit renewal during the application of this conclusion of the IFRS IC.

The decision of the IFRS IC committee published in December 2019 specifies that it is not possible to use only the legal approach to determine the execution period of a contract, the duration of which cannot be determined from firm way at the origin of the contract. The committee considers that a lease contract remains enforceable as long as the tenant, or the lessor, would have to suffer a loss or a more than insignificant penalty in case of termination of the contract. To determine the duration of the lease contract, all the economic aspects of the contract must be taken into account and not just the compensation for contractual terminations.

On the date of preparation of the 2019 annual consolidated accounts, Sonatel had chosen, depending on the accounting positions and the methods of implementation concerning the assessment of the duration of contracts, a legal approach in a certain number of contracts without a fixed term with a notice period of less than 12 months for which Sonatel has applied the short-term exemption, in particular for the leases of certain mobile sites.

In order to determine durations that are reasonably certain to be applied to lease contracts, subject of the IFRS IC decision, Sonatel has adopted a differentiated approach taking into account the nature of the underlying leased asset and / or the renewal conditions for certain contracts.

For the majority of permanent contracts taking advantage of notice clauses of less than 12 months, Sonatel has adopted a period consistent with the time horizon in which Sonatel’s strategic decisions are taken in terms of investment choices at the implementation date of this IFRS IC decision. Where appropriate the duration of these contracts is likely to be reassessed to take into account strategic choices of Sonatel or technological developments related to the underlying assets covered by these lease contracts.

Note 1.3.2 Amendment to IFRS 3 “Definition of an activity”

The definition of an activity has been clarified by this amendment and is intended to assist account preparers in determining whether an acquisition should be accounted for as a business combination or as an acquisition of assets. This amendment applies to all acquisitions made from 1st January 2020. These changes relate to the definition of a company:

- the business must include inputs and a substantial process which have the capacity to contribute significantly to outputs;
- the scope is limited to goods and services provided to customers and income from ordinary activities and not to dividends, cost reductions or any other direct economic benefits for investors and any other third parties.

This amendment had no effect on Sonatel’s consolidated accounts as of 31 December, 2020 and Sonatel will take these new provisions into account in its next acquisitions.

Note 1.3.3 Amendments to IAS 1 and IAS 8 “Materiality”

The amendments to IAS 1 and IAS 8, applicable since 1st January 2020, improve the definition of materiality in order to determine whether information should be disclosed in the financial statements, or whether the way in which it is communicated has the same effect as if it had not been disclosed. Sonatel considers that the judgment applied in the choice of information provided in its appendices to the consolidated accounts meets the provisions of the amendments published by the IASB.

Note 1.4 Main texts of mandatory application after 31 December, 2020 and not applicable in advance

Note 1.4.1 Amendment to IAS 1: Ranking of Classification of liabilities as current or non-current

Amendments to the standard clarify the current requirements of IAS 1 on the classification of liabilities on the balance sheet of entities. These amendments should not have a material effect on Sonatel’s statement of financial position. However, the implementation of these amendments could lead to the reclassification of certain liabilities from current to non-current, and vice versa. The date of entry into force of these amendments is 1st January 2023.

Note 1.4.2 Amendment to IAS 16: Generated products before the intended use of a fixed asset

The amendment clarifies that an entity is not permitted to recognize revenue from the sale of manufactured items against the cost of the asset while the asset is being prepared for its intended use. These sales proceeds are to be recognized in the income statement. The amendment is applicable to fiscal years beginning on or after 1st January 2022.

Note 1.4.3 Amendment to IAS 37: Loss-making contract - Contract execution costs

The clarifications provided by the amendment concern the marginal costs of performing an onerous contract to be taken into account in the provision, namely the direct labour and material costs as well as the posting of other costs directly linked to the contract, for example, the depreciation charge relating to a fixed asset used for the execution of the contract. The amendment is applicable from 1st January 2022.

Note 1.4.4 Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: IBOR phase 2 reform

The amendments to the standards for this phase 2 i in particular practical expedients in terms of modification of financial instruments or lease contracts linked to the IBOR reform. For debt instruments affected by the IBOR reform, it will not be necessary to apply the provisions of IFRS 9 to determine if the modification of the instrument is material. The amendments propose that the modifications to the financial instruments linked to the reform are

treated prospectively as an update of the interest rate with no impact on the income statement. With regard to hedge accounting, the amendments introduce an exemption making it possible to maintain the hedge accounting despite changes in future cash flows impacted by the rate change induced by the reform.

Amendments add new information to be provided on the effects of the rate change on contractual cash flows impacting financial assets and liabilities, lease assets and liabilities and the hedge accounting.

Analysis of lease contracts that may be affected by the reform is underway. The amendments are applicable to fiscal years beginning on or after 1st January 2021.

Note 1.5 Use of judgment and estimates

In addition to the options or accounting positions, the Management of Sonatel SA exercises its judgment to define the accounting treatment of certain transactions:

Use of Judgment	
Theme	Nature du jugement comptable
Note 3.1 Sales	Distribution of the transaction price between the mobile and obligations Identification departments, whether separate or not
Notes 3.4; 3.6; 3.8 Purchases and other charges, taxes and litigation	Appreciation of the technical merits of interpretations of legislation and description of facts and circumstances Onerous supplier contracts: chargeable event, nature of unavoidable costs
Note 7. Lease contracts	Determination of the non-cancellable duration of contracts and whether or not there are termination, extension and waiver of options
Use of estimates	
Note 4.1 Fixed assets	Determination of the useful life of assets based on an assessment of changes in technological, regulatory or economic environments
Notes 5.2 Staff benefits	Discount rate sensitivity

Note 2. Declaration of conformity

In application of the uniform act relating to accounting law and financial information adopted on 26 January, 2017, Companies whose securities are listed on a stock exchange have been required to prepare and present their consolidated financial statements in accordance with IFRS, with effect from 01 January, 2019. These are therefore the first individual IFRS accounts published by SONATEL SA.

The individual accounts for fiscal year 2020 are drawn up in accordance with IFRS international accounting standards as adopted by the IASB, in comparison with fiscal year 2019 as well as a statement of financial situation at the date of transition on January 01 2019, established according to the same benchmark.

Note 3. Notes on the income statement headings

Note 3.1 Turnover

Breakdown of turnover by type of offer

In thousands XOF	2020	2019
Outbound voice revenu	165 751 287	-
SMS and VAS revenu	16 015 692	-
Data revenu	117 754 650	-
Orange Money	-	5
Roaming customers	214 217	-
Contents	18 897	5 695
Fixed service revenu including broadband	55 018 378	42 073 409
Fixed and mobile equipment sales revenue	8 078 453	364 532
Other retail revenu	15 647 045	101 382 531
International inbound revenu	13 087 148	31 681 084
International inbound revenu	20 398 178	27 955 413
Revenu hubbing arrival	16 674 137	14 478 120
Roaming visitor	2 382 312	-
Other wholesale revenu	6 998 645	10 951 752
Others	7 424 255	27 652 257
TOTAL TURNOVER	445 463 294	256 544 797

Accounting principles

The bulk of the turnover is within the scope of IFRS 15 “Income from ordinary activities derived from contracts with customers”. Orange products and services are offered to customers in service contracts only and in contracts that bundle the equipment used to access the services and / or with other service offerings. Turnover is recognized net of VAT and other taxes collected on behalf of the Governments.

Provision of services

For General Public and Business customers, income from telephone subscriptions and Internet access is recognized on a straight-line basis over the duration of the subscription and income from inbound and outbound telephone communications, international roaming, or data exchanges billed to customers are recorded when the service is rendered. The Company offers its Business customers tailor-made solutions: management of the telecommunications network, access, voice and data, migration. These contracts include contractual clauses relating to conditional commercial discounts which are recognized as a reduction of turnover according to the terms specific to each contract. Migration costs incurred by the Company under these contracts are recognized in profit or loss on the date they are incurred, except when the contracts provide for compensation in the event of early termination.

For operator customers, wholesale subscription sales are recognized on a pro rata basis as this represents the best estimate of consumption. of the service, and whole-sale sales of voice or data traffic (termination on the Orange network, international traffic) are recorded when the service is rendered. Between major transit operators (international carriers), minute volumes exchanged are billed and recorded gross (and most often settled on a net basis) and data volumes are not billed (Free peering).

For over-the-top content (OTT) players (Google, Apple, Microsoft, etc.) the data volumes they issue are not billed (Free peering and net neutrality) and not recognized in turnover.

Income relating to the sale of transmission capacities on submarine and land cables as well as the offers for access to the local loop are recorded linearly over the contractual period.

The recognition of contracts for the sale of content in gross or net of repayments to the supplier depends on the analysis of the facts and circumstances related to each transaction. Thus, revenues are recognized net when the suppliers are responsible for the supply. of the content vis-à-vis the end customer and set the retail price. This principle is applied in particular for the revenues of the revenue and cost-shared numbers. (specially priced numbers, etc.) as well as revenues from the sale or provision of content (audio, video, games, etc.) through the different means of communication of the Company (mobile, PC, TV, landline phone, etc.).

The Company includes in all its commercial contracts, service level commitments (delivery times, recovery times). These service levels cover the commitments given by Sonatel SA for the ordering, delivery and after-sales service processes. Failure to comply with one of these commitments causes Sonatel SA to pay compensation to the end customer which generally takes the form of a price reduction recorded as a reduction in turnover. These penalties are recognize as soon as it is probable that they will be paid.

Turnover is presented net of discounts granted. In the context of commercial offers relating to certain contracts including long-term commitments from customers, the Company grants a free or temporary price reduction by contract. When these gratuities are conditional on a long-term commitment, the total income from the contract can be spread over the entire duration of the

contractual commitment. The points of loyalty awarded to customers are considered a separable element remaining to be delivered in the transaction which generated the acquisition of these points. A part of the income from invoiced services is allocated to these points on the basis of their fair value, taking into account an estimated rate of use, and deferred until the date of actual transformation of the points into benefits. The

fair value is defined as the excess value of the premium granted to the loyal customer over the premium that would be granted to any new customer. This principle is applied for the two types of existing programs within the Company, those subject to the subscription of a new contractual commitment and those without commitment condition.

Note 3.2. From turnover to restated EBITDA

The items of the turnover at the . restated EBITDA are summarized as follows:

(In thousands XOF)	Sonatel SA IFRS accounts
2020	
Turnover	445 463 294
External purchases	(164 705 103)
Staff costs	(77 958 595)
Operating taxes and duties (excl IT)	(36 888 673)
Other operating expenses	(13 784 285)
Other operating income	28 854 298
Depreciation and amortization of the rights of use of the lease assets	(2 072 799)
Interest charges on lease debts	(432 003)
EBITDAal	178 476 134
Income from disposals and other gains	65 064
(losses) Costs of restructuring and integration	155 379
Restated EBITDA	178 696 577

(In thousands XOF)	Sonatel SA IFRS accounts
2019	
Turnover	256 544 797
External purchases	(102 315 773)
Staff costs	(73 057 387)
Operating taxes and duties (excl IT)	(35 851 940)
Other operating expenses	1 041 663
Other operating income	47 188 391
Depreciation and amortization of the rights of use of the lease assets	(784 690)
Interest charges on lease debts	(100 411)
EBITDAal	92 664 650
Income from disposals and other gains (losses)	4 590 989
Restated EBITDA	97 255 639

Note 3.3. From restated EBITDA to net income

(In thousands XOF)	Sonatel SA IFRS accounts
2020	
Restated EBITDA	178 696 577
Depreciation and amortization	(75 245 231)
Interest charges on lease debts	432 003
EBIT	103 883 349
Cost of gross debt	(17 257 110)
Income and expenses on assets constituting net debt	675 500
Other financial income and expenses	94 951 930
Interest charges on lease debts	(432 003)
Exchange gain (loss)	(2 766 637)
Financial income	75 171 680
Corporate tax	(29 847 437)
NET INCOME	149 207 592

(In thousands XOF)		Comptes IFRS Sonatel SA
2019		
Restated EBITDA		97 255 639
Depreciation and amortization		(34 066 874)
Interest charges on lease debts		100 411
EBIT		63 289 176
Cost of gross debt		(17 677 277)
Income and expenses on assets constituting net debt		(606 881)
Other financial income and expenses		128 953 684
Interest charges on lease debts		(100 411)
Financial income		110 569 115
Corporate tax		(15 999 661)
NET INCOME		157 858 630

Note 3.4. External purchases

The detail of the external expenses is summarized below:

In thousands XOF	2020	2019
Capitalized production - Goods and services	2 888 908	2 931 306
International backbone	(3 962 132)	(2 790 871)
Purchase satellite capacity	(134 376)	(2 738 306)
Roaming operations	(47 134 663)	(39 649 033)
Purchases from content publishers - Expense	(2 404 015)	(802 441)
Network management charges	(32 659 447)	(18 882 330)
Rents for network sites, shops	(5 483 299)	(4 570 213)
Sales commissions	(26 354 680)	(1 049 205)
Fees	(2 516 346)	(4 239 087)
Communication costs (advertising)	(7 865 244)	(6 018 556)
Stocks: Cost of equipment sold / leased	(20 705 210)	(8 160 547)
Training and Internship	(5 202 747)	(5 959 923)
Other external charges	(13 171 852)	(10 386 567)
TOTAL	(164 705 103)	(102 315 773)

Note 3.5. Other operating income

Other income of Sonatel SA are summarized below:

(In thousands XOF)	2020	2019
Charges and losses on receivables	12 314	9 372 753
Corporate fees (1)	12 422 149	29 543 213
Other operating expenses	16 419 835	8 272 425
TOTAL	28 854 298	47 188 391

(1) the corporate fees relate exclusively to the Orange brand

Note 3.6. Other operating expenses

The other operating expenses are presented below:

(In thousands XOF)	2020	2019
Charges and losses on receivables	(3 093 131)	2 711 989
Corporate fees (1)	(7 794 571)	(1 539 809)
Other operating expenses	(2 896 583)	(130 517)
TOTAL	(13 784 285)	1 041 663

(1) the corporate fees relate exclusively to the Orange brand

Note 3.7 Staff costs

The components of staff costs are detailed below:

(In thousands XOF)	2020	2019
Salaries and wages	(43 351 795)	(44 716 514)
Variable portion	(10 947 684)	(10 843 965)
Social costs, excluding retirement	(1 482 340)	(1 446 200)
Payroll taxes	(1 783 089)	(1 895 249)
Other allowances & benefits	(8 396 649)	(8 829 289)
Var provision paid leave	(4 114 917)	(3 797 514)
Social contributions on FSA plans	(5 591)	
FSA - Equity plans	(6 830 146)	1 174 532
Post-employment benefits	(1 174 610)	(2 736 039)
Other staff benefits	128 226	32 851
TOTAL	(77 958 595)	(73 057 387)

Remuneration of senior managers

The table below shows the compensation recorded by Sonatel SA for persons who are, or who were, during the year, members of the Board of Directors or of the General Management.

in millions XOF	12.2020	12.2019	12.2018
Short-term benefits excluding employer charges (1)	2 728	2 503	3 182
Short-term benefits employer charges	99	91	116
Post-employment benefits	36	31	32
TOTAL	2 863	2 626	3 330

(1) gross salaries including the variable portion, bonuses, attendance fees and benefits in kind

Note 3.8 Operating taxes and duties

Taxes and duties amount to 36.9 billion XOF, i.e. +3% compared to 2019 and are detailed as follows:

In thousands XOF	2020	2019
Frequency fees	(12 563 002)	(11 282 168)
Other taxes, excluding payroll taxes	(24 325 671)	(24 569 772)
TOTAL	(36 888 673)	(35 851 940)

(1) gross salaries including the variable portion, bonuses, attendance fees and benefits in kind

Note 3.9 Depreciation and amortization

Depreciation charges for fiscal year 2020 are itemized in the table below by category of fixed assets:

In thousands XOF	2020	2019
Depreciation and amortization of the rights of use of the lease assets	(2 072 799)	(784 690)
Depreciation and amortization of fixed assets	(75 245 231)	(34 066 874)
DEPRECIATION AND AMORTIZATION	(77 318 030)	(34 851 564)

(1) gross salaries including the variable portion, bonuses, attendance fees and benefits in kind

Accounting principles

Depreciation is calculated according to the consumption rates of the economic benefits expected by asset element on the basis of the acquisition cost, generally without deduction of a residual value. As such, the linear method is generally used. The periods of depreciation

are reviewed annually and are modified if they differ from previous estimates. These changes in estimate are accounted for prospectively.

For the depreciation period used for the main types of fixed assets, see note 2.1.

Note 3.10 Financial Income

The financial result experienced a downward variation of -32%, which is mainly explained by the change in the cost of gross debt and other financial income and expenses.

Cost of gross debt

The cost of gross debt amounts to 17.26 billion XOF, down 420.167 XOF compared to 2019, linked to interest charges on short and medium term loans.

In thousands XOF	2020	2019
Interest and similar charges on other obligations	(2 967 391)	-
Interest and similar charges on bank loans	(13 920 103)	(16 168 167)
Interest on other financial debts	(369 616)	(1 509 110)
TOTAL	(17 257 110)	(17 677 277)

Other financial income and expenses

In thousands XOF	2020	2019
Interests & similar charges on other loans & deposits	607 861	1 028 522
Dividends received on securities and holdings	97 379 826	129 260 533
Discounting long-term benefits	(1 454 694)	(1 335 371)
Other financial debts	(1 581 063)	
TOTAL	94 951 930	128 953 684

Note 3.11 Corporate tax and proof of tax

Corporate tax is up 87% compared to 2019. It is detailed below:

In thousands XOF	2020	2019
Expenses for the year	(29 807 432)	(16 399 617)
Difference from previous years	(89 913)	(734 265)
Change in deferred taxes	49 908	1 134 221
TOTAL	(29 847 437)	(15 999 661)

The proof of taxes is summarized as follows:

(in billions XOF)	2020	2019
Pre-tax Income (1)	179 055 029	173 907 448
Tax rate for Sonatel (2)	30%	30%
Corporate tax (3)	29 847 437	15 999 661
Theoretical taxes (4) = (1)*(2)	53 716 509	52 172 234
Difference (5)	(23 869 072)	(36 172 573)
Reconciliation items		
Effect of permanent differences and other reconciliation items	24 289 011	36 300 549
Tax effect without base impacting the chargeable tax	796 867	(142 722)
Tax effect without base impacting the chargeable tax	(1 216 807)	(14 747)
ACTUAL TAX RATE	16%	9%

(1) pre-tax income: operating income and financial income
(2) the average rate for Sonatel SA
(3) Tax charge = current tax + deferred tax

(4) tax rate applied to operating income
(5) difference between the tax charge and the theoretical tax

Accounting principles

Sonatel SA assesses current tax and deferred tax at the amount it expects to pay or recover from tax administrations of each country depending on its interpretation of the application of tax law.

Deferred taxes are recognized on all temporary differences between the book values of assets and liabilities and their tax bases, as well as on tax loss carryforwards, according to the variable carry-over

method. Deferred tax assets are only recognized when their recovery is probable.

The IFRIC 23 interpretation “Uncertainty relating to tax treatments” clarifies the identification, assessment and recognition of uncertain tax positions relating to corporate taxes. This interpretation had no effect on the measurement of tax liabilities of companies, nor on their presentation in the statements of the individual financial statements of the entity.

Note 3.12. Income per share

Net income

Sonatel SA’s share of net income used to calculate basic and diluted earnings per share is determined using the following method:

(In thousands XOF)	2020	2019
Net income - basic	149 207 592	157 858 630
Net income-diluted	149 207 592	157 858 630

Sonatel SA has not issued any diluted shares, the basic and diluted income per share are identical.

Number of shares

The weighted average number of shares used for the calculation of the basic or diluted net income per share is presented below:

(In number)	2020	2019
Weighted average number of ordinary shares outstanding	100 000 000	100 000 000
Effect of diluted instruments (i)	0	0
Weighted average number of ordinary shares outstanding and diluted	100 000 000	100 000 000

(i) Sonatel SA has not issued any diluted shares.

Income per share

The Income per share is calculated as follows:

(In XOF)	2020	2019
Net income per basic share	1492	1 579
Net income per diluted share	1492	1 579

Accounting principles

IAS 33 - Income per share applies to the individual financial statements of an entity and the consolidated financial statements of a group with a parent company (individual and consolidated):

- whose ordinary shares or potential ordinary shares are traded on an organized market (stock market, etc.);

- which files or is about to file financial statements with a securities regulatory authority or other regulatory body, for the purpose of issuing ordinary shares on an organized market.

Sonatel SA presents income per basic share and income per diluted share. Sonatel SA has not issued any diluted shares, the basic and diluted income per share are identical.

Note 4. Notes on the financial position headings - assets

Note 4.1 Tangible and intangible assets

Sonatel SA's tangible and intangible assets are as follows:

In thousands XOF	2020	2019	01 janv. 2019
Other intangible fixed assets	112 120 992	103 618 418	108 265 817
Tangible fixed assets	356 483 570	147 179 029	129 469 749
Rights of use of leased fixed assets	9 004 544	1 283 856	
TOTAL	477 609 106	252 081 303	237 735 566

The table of change in tangible and intangible fixed assets is presented as follows (in thousands XOF):

In thousands XOF	31/12/2019	Increase	Decrease	Reclassification	Merger	31/12/2020
Intangible and tangible fixed assets						-
Licences - Gross	120 208 173	7 000 000	-	498 056	10 858 705	138 564 934
R&D Costs - Intangible assets - Gross	13 385	-	-	(608)	-	12 777
Intangible assets - Gross	41 829 144	6 513 284	-	(3 544 683)	57 518 243	102 315 988
Licences - Depreciation	(19 288 504)	(8 134 957)	-	812	(10 847 398)	(38 270 047)
R&D Costs-intang fix. assets - Depreciation	(12 776)	(26 032)	-	26 032	-	(12 776)
Intangible assets - Depreciation	(39 131 004)	(6 517 606)	-	(28 772)	(44 812 502)	(90 489 884)
Tangible fixed assets - Gross	614 994 153	81 574 434	(2 824 666)	4 002 451	474 317 028	1 172 063 400
Tangible fixed assets - Depreciation	(467 289 202)	(60 634 295)	2 794 693	(953 288)	(289 039 475)	(815 121 567)
Investment subsidies	(525 922)	-	67 659	-	-	(458 263)
TOTAL	250 797 447	19 774 828	37 686	-	197 994 601	468 604 562

The Intangible fixed assets are mainly composed of licences and computer application software.

Accounting principles Tangible fixed assets

Tangible fixed assets mainly include technical installations and equipment linked to networks and administrative buildings and equipment.

The cost adopted for the valuation of property, plant and equipment, at the date of transition to IFRS (01/01/2018) is that previously noted in the books.

On entry, tangible fixed assets are valued at their cost including:

- the purchase price, including customs duties and non-refundable taxes, after deduction of trade discounts and rebates;
- any cost directly attributable to the transfer of the asset to its place of operation and to its preparation to allow its operation in the manner provided by Management;
- the initial estimate of the costs relating to the dismantling and removal of the asset and the restoration of the site on which it is located. The Company has the obligation to dismantle the technical equipment installed and to restore the technical sites it occupies. The valuation of the provision is based on a dismantling cost (unit for poles, terminals and payphones, per site for mobile antennas) borne by the Company to meet its environmental obligations, annual forecasts for the removal of assets and departures from the sites. The provision is estimated on the basis of the known costs for the current year, extrapolated for the years to come on the basis of the best estimate which will

make it possible to settle the obligation. This estimate is revised each year and if necessary the provision is adjusted against the recognized dismantling asset. The provision is discounted at a rate determined by geographic area corresponding to the average risk-free investment rate of a 15-year government bond.

The cost of acquiring an asset is distributed among its different constituent elements, which are accounted for separately when the different components have different useful lives or when they provide benefits to the company at a different pace requiring the use of significantly different amortization rates and methods

Depreciation is calculated according to the rates of consumption of the expected economic benefits per asset item on the basis of the acquisition cost. The depreciation method used is straight-line depreciation over the useful lives chosen by the Company are presented below:

Assets	Useful lives
Construction	20 years
Land reclamation works	40 years
Office furniture and housing	10 years
Office equipment and supplies	05 years
Layouts, fixtures, installations	10 years
Transportation equipment	05 years
Switching equipment	10 years
Data Transmission equipment	10 years
Lines and network equipment	10 years
Energy Equipment	10 years
Measuring devices	03 years
Other operating equipment	10 years

Intangible fixed assets

Intangible assets are initially valued at cost. When an intangible asset is acquired as part of a business combination, the cost of this intangible asset is its fair value on the acquisition date, in accordance with IFRS 3.

The cost retained for the valuation of intangible assets at the date of transition to IFRS (01/01/2018) is that previously adopted in the books.

For internally generated intangible assets:

- no intangible asset resulting from research (or from the research phase of an internal project) is recognized. These costs are recognized as expenses when incurred.
- an intangible asset resulting from the development (or the development phase of an internal project) is recognized if, and only if, the technical feasibility of the completion (a), the intention to complete the asset and put it into service or sell it (b), the ability to put it into service or sell it (c), the possibility of generating future economic benefits (d), the availability of technical, financial and other resources (e), and the ability to reliably assess attributable expenses (f) can be demonstrated.

The “unbundled software” which is billed separately from the computer hardware is also capitalized and depreciated over an estimated life of three (3) years.

After initial recognition, the intangible asset is recognized at cost less accumulated depreciation and accumulated impairment losses. Other intangible assets with an indefinite useful life are not amortized but are subject to an impairment test in application of IAS 36 at least once a year, and each time there is an indication of impairment.

Intangible assets with a finite useful life are amortized over their estimated useful life. In particular, licenses are amortized over the contractual period.



Note 4.2 Financial assets

The detail of the financial assets is presented below:

In thousands XOF	2020	2019	01 janv. 2019
Securities & stakes (1)	179 763 161	187 450 673	177 881 798
Loans, Shareholders & Indiv.	6 124 272	6 211 013	11 130 691
Loans. others	102 826 412	98 275 258	98 669 020
Securities & Equity participation	(1 376 336)	(582 859)	(582 859)
Loans	(471 256)	(482 860)	(334 173)
Own shares - Gross	1 389 957	2 808 519	3 042 432
Current accounts	2 506 380	33 881 244	25 059 498
Interest receivable on Loans. Shareholders & Indiv.	90 833	90 833	224 635
Own shares	-	(584 199)	-
TOTAL	290 853 423	327 067 622	315 091 042
Including other non-current assets	286 866 253	290 871 225	286 764 477
Including current assets	3 987 170	36 196 397	28 326 565

(1) Equity securities mainly consist of securities of Orange Sierra Leone, Orange Guinea and Orange Mali for respective amounts of 112.309.164XOF, 28.694.336 XOF and 19.920.733XOF.

Most of the companies in which Sonatel SA has holdings are as follows:

Countries	Companies	Percentage ownership	Values of securities in thousands of XOF	Dividends received in thousands of XOF
Senegal	Orange Finances Mobiles Sénégal	100%	7 000 000	6 554 259
Mali	Orange Mali	70%	19 920 734	60 584 315
Guinea Conakry	Orange Guinée	89%	28 694 337	29 226 336
Guinea Bissau	Orange Bissau	90%	3 639 090	898 541
Sierra Leone	Orange Sierra Leone	50%	112 309 164	
Côte d'Ivoire	Groupement Orange Services	47%	2 817 410	

However, Sonatel SA has not experienced any exposure to the risks related to its securities and thus has not recorded any provisions for loss.

Note 4.3 Inventories

The inventories of Sonatel SA are presented below:

(In thousands XOF)	2020	2019
Inventories and stocks billable, equipment sold - Gross	1 609 381	543 459
Inventories and stocks billable, other products / services sold - Gross	1 190 920	22
Inventories and billable stocks, other supplies - Gross	6 096 412	3 927 079
Gross value	8 896 713	4 470 560
Depreciation	(1 098 868)	(20 027)
NET VALUE	7 797 845	4 450 533

Accounting principles

Inventories consist of network maintenance equipment and equipment intended for customers. They are valued at the lower of their entry cost or the probable

net realizable value. The entry cost corresponds to the acquisition cost determined using the weighted average cost method. Inventories that have not recorded movements for more than a year are 100% depreciated.

Note 4.4 Customer receivables

Trade receivables are presented below:

(In thousands XOF)	2020	2019	01 janv. 2019
Gross customer receivables	117 758 736	133 199 126	60 724 462
Depreciation based on seniority	(27 573 332)	(14 737 166)	(13 732 275)
Net customer receivables	90 185 404	118 461 960	46 992 187

The aged balance of trade receivables is as follows:

In thousands XOF	Aged balance of receivables				2020
Age	Not expired	- 180 days	(180 and 360) days	+ 360 days	
TRADE RECEIVABLES	37 768 912	19 309 580	9 599 103	23 507 809	90 185 404

Accounting principles

IFRS 9 has three main components: the classification and valuation of financial assets and liabilities, the impairment of financial assets and hedge accounting.

The standard requires that expected credit losses be taken into account from the first recognition of financial instruments. It provides practical facilities for trade receivables, contract assets and lease receivables. It allows the use of simplified methods for determining the amount of depreciation (e.g : the use of a provisioning matrix for trade receivables).

At the level of Sonatel SA, the elements concerned by the standard mainly consist of trade receivables.

Trade receivables, mainly short-term and without a declared interest rate, are entered in the statement of the financial position at the face value of the original claim. Trade receivables relating to 12- or 24-month deferred payment offers available to customers for the purchase of mobile phones are recorded in the statement of financial position at their present value, in current items. The debts resulting from the finance lease of equipment

to companies, are recognized as current operating receivables because they are part of the normal operating framework.

Impairment losses recognized for a group of receivables constitute the previous intermediate step to the identification of impairment losses on individual receivables As soon as this information is available (customer in receivership or compulsory liquidation), these receivables are depreciated separately.

Note 4.5 Other assets

Other assets are presented below:

(In thousands XOF)	Gross	Provision	2020	2019	01 Jan. 2019
Guarantee Deposits & bonds paid, gross	3 425 038		3 425 038	1 384 485	1 290 982
Staff, receivables	650 788		650 788	547 657	367 302
Other operating receivables	26 867 533	(1 200 583)	25 666 950	33 778 610	69 436 103
Receivables on disposal of capital assets	218 434		218 434		
Dividends receivable	-		-	592 186	2 316 723
Advances and down payments	1 368 316		1 368 316	78 654	1 246 910
TOTAL	32 530 109	(1 200 583)	31 329 526	36 381 592	74 658 020
Including other non-current assets	3 425 038		3 425 038	1 384 485	1 290 982
including other current assets	29 105 071	(1 200 583)	27 904 488	34 997 107	73 367 038

Note 4.6 Deferred tax assets

Deferred tax assets (DTA) are as follows:

(In thousands XOF)	2020	2019	01 jan. 2019
Long-term employee benefits provision	3 651 443	3 651 443	3 272 141
Other provisions	4 055 216	4 055 216	3 315 044
Other differences	591 543	591 543	-
Lease liabilities	2 820 249	399 904	
TOTAL	11 118 451	8 698 106	6 587 185

Accounting principles

Deferred taxes

Sonatel SA assesses current tax and deferred tax at the amount it expects to pay or collect from the tax authorities of each country based on its interpretation of the application of tax legislation. Deferred taxes are recognized on all temporary differences between the book values of assets and liabilities and their

tax bases, as well as tax losses carried forward, using the variable carry-forward method. Deferred tax assets are only recognized when their recovery is probable.

A deferred tax liability is recognized for any taxable temporary difference.

Deferred tax assets and liabilities are not discounted.

Note 4.7 Operating taxes and duties

Operating taxes and duties on the liabilities side are as follows at 31 December, 2020:

(In thousands XOF)	2020	2019	January 01, 2019
Government, excluding VAT & IT, debts	28 265 583	13 883 038	12 849 244
VAT, debts	7 309 807	2 571 570	8 251 159
TOTAL	35 575 390	16 454 608	21 100 403

Note 4.8 Corporate tax claims

Corporate tax claims are as follows:

(In thousands XOF)	2020	2019	01-jan-19
Corporate taxes, Receivables	3 052 315	2 715 317	2 011 632
TOTAL	3 052 315	2 715 317	2 011 632

Note 4.9 Cash and cash equivalents

Corporate tax claims are as follows:

In thousands of XOF	2 020	2019	2018
Term deposits - Gross	1 987 688	137 464	6 597
Cash (1)	54 856 942	45 950 689	51 317 095
CASH AND CASH EQUIVALENTS	56 844 630	46 088 153	51 323 692

(1) debit balances of bank accounts at the end of the period - cash accounts

Note 5. Notes on the financial position headings - liabilities

Note 5.1 Financial liabilities

The details of the liabilities are as follows:

(In thousands XOF)	2020	2019	01 jan. 2019
Other obligations	100 000 000		
Other bank loans - long term	119 678 467	120 388 524	97 319 296
Other bank loans - short term	70 000 000	123 000 000	125 000 000
Debts, current accounts	146 194	17 394 346	13 758 515
Interest / costs payable on other bonds	2 967 391		
Interests / costs payable on bank loans	2 124 827	5 663 818	2 634 470
Interest / costs payable on Shareholder & Indiv debts	-	1 509 110	-
Bank credit balances	-	10 518 761	32 186 327
TOTAL	294 916 879	278 474 559	270 898 608
Incl. non-current liabilities	219 678 467	120 388 524	97 319 296
Incl. current liabilities	75 238 412	158 086 035	173 579 312

Accounting principles

A financial liability is a liability that is:

- a contractual obligation;
- to deliver to another entity cash or other financial asset, or

Note 5.2 Current and non-current employee benefits

In accordance with the laws and practices in force in Senegal, Sonatel SA has obligations in terms of employee benefits:

- retirement: most Sonatel SA employees are covered by specific contribution plans provided for by national laws or agreements;

- to exchange financial assets or liabilities with another entity on terms potentially unfavourable to the entity or,
- a contract which will be or may be settled as an equity instrument of the entity itself (non-derivative instrument or derivative instrument).

- death of the employee: the wages of the employee, the leave allowance and allowances of any kind acquired at the date of the death revert to the beneficiaries;
- pre-retirement: for pre-retired employees, a bonus equivalent to a percentage of the last average annual salary multiplied by the time remaining to reach retirement in addition to the retirement allowance, plus 15%.

The non-current staff benefits are presented below:

(In thousands XOF)	2020	2019	01-jan-19
Provision for post-employment benefits	15 614 907	17 776 379	16 692 126
Provision for disputes and social risks	1 876 898	2 002 784	2 035 635
Staff, debts	3 560 420	5 301 309	4 782 828
Staff costs payable, paid leave	3 954 515	3 294 846	3 188 254
Social organizations, debts	193 057	473 983	478 120
Other benefits, debts	5 591	12 003	39 224
Other ST benefits, debts	5 393		
TOTAL	25 210 781	28 861 304	27 216 187
Incl. non-current liabilities	17 491 805	19 779 163	18 727 761
Incl. current liabilities	7 718 976	9 082 141	8 488 426

Main assumptions used to determine the amount of (IAS19) commitments

The assessment of post-employment benefits and other long-term benefits is based in particular on the retirement age determined on the basis of applicable provisions and conditions necessary to qualify for a full pension, which are often subject to legislative revisions.

The details of the IAS 19 assumptions are summarized as follows:

ACTUARIAL ASSUMPTIONS		
	2020	2019
Rate of salary increase	3,4	3,4
Discount rate	8	8
Inflation rate	1,5	1,5
Probability of being present in the entity on the date of retirement (past experience)	99,92	99,92

In order to assess the present value of future benefits, several assumptions must be made. IAS 19 specifies that actuarial assumptions must be objective and mutually compatible.

- the legal retirement age
- demographic assumptions about the future characteristics of staff members: mortality, staff turnover and pre-retirement rate

It is also indicated that the actuarial assumptions are the best estimates made by Sonatel SA of the variables that will determine the final cost of its obligations. Thus, the choice of valuation assumptions is the responsibility of Sonatel SA. The assumptions include:

- financial assumptions, which relate to elements such as the following: the discount rate, the salary evolution rate.

Accounting principles

Post-employment benefits governed by IAS 19 are offered through:

- specific contribution plans: contributions, paid to outside organizations that provide administrative and financial management, are recognized as expenses for the fiscal year during which the services are rendered;
 - specific benefit plans: the amount of future commitments representative of these plans is valued on the basis of actuarial assumptions using the projected unit credit method
 - their calculation incorporates demographic (staff turnover, mortality, gender equality /, etc.) and financial assumptions (future salary increase, inflation rate, etc.) defined at the confines of each of the entities concerned,
- the discount rate, defined by country or geographic area- graph, is determined by reference to the yield on long-term senior private bonds (or government bonds if there is no active market). It is established on the basis of external indices commonly used as a benchmark for the euro zone, - actuarial differences relating to post-employment benefits are fully recognized in other combined income. The capital payment is made in one go at the time of retirement.

Also, Sonatel SA does not have any hedging assets dedicated to commitments to pay post-employment benefits.

Note 5.3 Trade payables

The details of trade payables are as follows:

(In thousands XOF)	2020	2019	01 jan. 2019
Other (in)tangible fixed asset suppliers	54 492 907	7 218 221	12 302 209
Trade payables excl, fixed assets	84 110 911	56 009 786	50 637 952
TOTAL	138 603 818	63 228 007	62 940 161

Accounting principles

Trade payables on other goods and services arising from commercial transactions and settled in the normal operating cycle are classified as current items. They include those that the supplier may have sold with or without notification to.

They include those that the supplier may have sold with or without notification to financial institutions in the context of direct or reverse factoring, including those for which the supplier has offered an extended payment term and for which the company has confirmed its agreement to payment at the agreed term.

SONATEL SA considers that these financial liabilities retain the characteristics of a supplier debt, in particular due to the persistence of the commercial relation, payment deadlines ultimately compliant with the operational cycle of a telecom operator, in particular for the purchase of the main infrastructures, and the autonomy of the supplier in the discount relationship and

a financial cost borne by Sonatel SA which corresponds to the remuneration of the supplier for the additional payment period granted. Trade payables without a

specified interest rate are valued at the face value of the debt if the interest component is negligible. Interest-bearing trade payables are recognized at amortized cost.

Note 5.4 Other liabilities

The details of the other liabilities are as follows:

(In thousands XOF)	2020	2019	01 jan. 2019
Other risks / charges - LT	1 642 795	1 698 660	9 369 593
Guarantee Deposits & bonds received	897 492	126 100	129 050
Universal service, debts	-	146	-
Other operating debts	2 482 833	25 928 430	12 411 727
Dividends payable	1 378 741	40 207 956	2 155 019
TOTAL	6 401 861	67 961 292	24 065 389
Including other non-current liabilities	2 540 287	1 824 760	9 498 643
Including other current liabilities	3 861 574	66 136 532	14 566 746
Incl. non-current liabilities	17 491 805	19 779 163	18 727 761
Incl. current liabilities	7 718 976	9 082 141	8 488 426
Incl. current liabilities	75 238 412	158 086 035	173 579 312

Accounting principles

Provisions are recognized when, at the end of the financial year, there is an obligation of the company towards a third party resulting from a past event, the settlement of which is likely to result in the company effecting an outflow of resources representing economic benefits. They are more specifically provisions for disputes, provisions for dismantling and restoration of sites, provisions for retirement, etc.

The estimate of the amount appearing in the provision for risks and charges corresponds to the outflow of resources that the company will probably have to bear in order to settle its obligation.

Provisions for dismantling are not significant and have no impact on the consolidated financial statements.

Note 5.5 Operating taxes and duties

The detail of the operating taxes and duties are presented below:

(In thousands XOF)	2020	2019	01-jan-19
Government debts	13 114 655	15 889 035	14 481 682
VAT, debts	10 087 237	3 042 587	528 122
TOTAL	23 201 892	18 931 622	15 009 804

Note 5.6 Evolution of tax disputes and audits

This note presents all the significant disputes in which Sonatel SA is involved with the exception of possible disputes related to disagreements between related parties and tax or social administrations about taxes, corporate taxes or social contributions.

As of 31 December, 2020, the provisions for risks recorded by Sonatel SA for all of its disputes amounted to 3.52 billion XOF and cover the risks relating to all pending disputes.

Tax audits

Sonatel SA has been subject to tax audits relating to the financial years 2017 to 2020, of which the accounting records have no significant future accounting implications on the entity’s accounts. Four local authorities are asking Sonatel SA to pay the fees for occupying public lands. As of 31 December, 2020, the entity made a provision pending a final court decision.

Note 6. Description of the free share allocation plans

The details and description of the free share allocation plans are as follows:

- Distributions from 2009: free non-transferable shares, including welcome shares. These are shares granted to staff as part of their staff loyalty policy and to attract high quality resources.

These shares are only transferable on the date of retirement or early retirement.

- Allocation of free shares for the Business Plan (AGA PEE 2013-2016)

These are actions linked to the achievement of a certain number of objectives of the 2013-2016 Strategic Plan according to the stages below: 100 actions for 2013, 2014 and 2015, 200 shares for 2016.

These shares are non-transferable until retirement, with the specificity that resigning and laid off employees keep their shares, receive dividends, but cannot transfer them until retirement age.

The amount of the plan on the closing dates is as follows (in thousands XOF):

In thousands XOF	2020	2019	01 jan. 2019
Free shares	35 055 737	28 261 853	29 091 998

The accounting effects on FSA expenses amount to 6.830 million XOF for the year.

Note 7. Leases (IFRS 16)

Accounting principles

The Sonatel Group describes a contract as a lease as soon as it gives the lessee the right to control the use of a specific item of property for a given period, including when a service contract contains a lease component.

Sonatel SA has defined the main types of lease: contracts:

- Land and buildings: these contracts essentially commercial (points of sale) or tertiary (offices) leases or the rental of technical buildings not owned by the entity. The real estate lease contracts concluded within Sonatel SA relate mainly to average terms (commercial leases of 5 years with option of early termination at 3).
- Networks and terminals: Sonatel SA has to rent a number of assets as part of its mobile business. This is particularly the case for land intended to accommodate the installation of antennas, mobile sites leased to a third-party operator as well as certain contracts with “TowerCos” (companies operating telecommunications pylons).

The recognition of all lease contracts is reflected in the balance sheet by the recognition of an asset under the right to use the leased assets in exchange for a liability for the associated lease obligations. In the income

statement, an provision for a depreciation charge for user rights is presented separately from the interest expense on lease debts. In the cash flow table, the cash outflows relating to interest expense affect the flows generated by the activity, while the reimbursement of the principal of lease debts affects the flows related to financing operations.

Finally, Sonatel SA applies the two exemptions proposed by IFRS 16, ie contracts for which the duration is less than or equal to 12 months and those for which the replacement value of the underlying asset is less than approximately 3.5 million XOF These are lease contracts for which one of these two exemptions is recognized in “external purchases” in the income statement. For the period prior to 2019, Sonatel SA has decided not to carry out a retrospective restatement on the one hand because of the unavailability of the information necessary for the restatement and on the other hand because of the limited impact on the equity.

From 1st January 2019, Sonatel SA records all of its lease contracts (as lessee) according to a single model in which an asset will be recognized in the balance sheet under the right to use the leased assets in return for a liability for the associated rental obligations.

Lease debts

Lease debts, which represent the impact of applying IFRS 16 for the year, are presented as follows by sector:

(In thousands XOF)	2020
Other long-term rental debts	9 050 010
Other short-term rental debts	377 299
TOTAL	9 427 309

Right of use

Sonatel SA accounts for all of its lease contracts (as a lessee) according to a single model in which an asset in respect of the right to use the leased assets will be recognized in the balance sheet in exchange for a liability for associated lease obligations.

The impact on the balance sheet for the year, which amounts to 1.283 million XOF, results from the recognition

of the lease obligation and the right of use associated with lease contracts. Further, Sonatel SA has adopted the option of recognizing deferred taxes when the right of use and the rental obligation are recognized upon transition.

(In thousands XOF)	2020
Rights of use of leased fixed assets	9 004 544
TOTAL	9 004 544

Note 8. Off-balance sheet commitments

Investment commitments

In addition to the commitments expressed in monetary terms, Sonatel SA has made commitments to the national regulatory authorities in terms of the extent of population coverage by its fixed or mobile networks, undertaken in particular within the framework of licensing, or quality of service. These commitments impose investment costs in future years to deploy and improve the networks, but they are not repeated below when they have not been expressed in monetary terms, which is generally the case. When allocating the 4G licence and renewing the 2G and

3G mobile license, the commitments below are made by Sonatel SA

- an obligation to cover 90% of the population within 3 years
- an obligation to cover the entire territory inhabited border areas, whose population is greater than or equal to 200 within 5 years;
- an obligation to cover national roads and motorways within 2 years

In 2020, Sonatel SA received and gave the off-balance sheet commitments detailed below:

Commitments received

in millions XOF	2020	2019	01 jan. 2019
Supplier guarantees	215	55	377
Staff share pledge	2	702	743
TOTAL	217	757	1 120

Commitments given

in millions XOF	2 020	2019	01 janv. 2019
Customs credit deposit	2 700	700	700
Bid bond	7 884	9 199	4 121
Rent guarantees		1 055	
TOTAL	10 584	10 955	4 821

Note 9. Transactions with companies and related parties

Sonatel SA does not buy goods or services with Governments except for the use of spectral resources. These resources are allocated at the end of a competitive process.

The main transactions with related companies (Government and Orange France) are summarized below and are part of current operations. They mainly concern the two principal shareholders:

- claims held on the Government within the framework of annual invoices for a value of 117.8 billion XOF at 31 December, 2020. These receivables are settled by clearance
- the services billed to Orange France, the majority shareholder, amounted to 9.7 billion XOF for the year.

The various agreements and amendments with Orange France and the Government can be summarized as follows:

- cooperation agreement signed on 18 December, 2013 between SONATEL SA and Orange SA for a period

of three (3) years and extended for a period of three (3) months from 1st January 2017 by amendment n°1 signed on 27 July, 2017.

- amendment No 2 signed on 27 July, 2017 which, on the one hand, extended the duration of the cooperation agreement signed between SONATEL and Orange SA on 18 December, 2013, for three (3) years from 1 April, 2017, and on the other hand extended the scope of the SONATEL Group to Orange Finances Mobiles Senegal and Orange Sierra Leone.
- amendment n°3 signed on 20 December, 2017 to confirm the transfer of the Orange SA agreement to its subsidiary Orange-MEA SA from 1st January 2018. SONATEL SA accepted the transfer, as of 1st January 2018 by Orange SA to its subsidiary Orange-MEA SA of all of its rights and obligations arising from the agreement of 18 December, 2013 extended until 31 March, 2020.
- Memorandum of Understanding for the renewal of the 4G frequency concession and allocation agreement signed on 18 June, 2016.

Note 10. Financial risk management

Interest rate risk

Sonatel SA is not exposed to the risk of changes in market interest rates which is related to the entity's long-term financial debt, all debt being at a fixed rate.

Exchange rate risk

Most of Sonatel SA's turnover is made in XOF. Any impact on the entity of the exchange rate variations undergone is very low. It does not use hedging instruments.

Credit risk

Sonatel SA only maintains commercial relations with third parties whose financial health is proven. A non-negligible

part of its turnover is generated with local authorities and public sector organizations.

For the rest of the turnover, Sonatel SA's policy is to check the financial health of all customers who wish to obtain credit payment terms. In addition, customer balances are constantly monitored and consequently, the entity's exposure to bad debt is not material.

As for cash and cash equivalents, they are mainly composed of term accounts.

Note 11.Covid-19

Global responses to the 2019 coronavirus disease (COVID-19) outbreak continue rapidly. COVID-19 has already had a significant impact on global financial markets, and it could have accounting implications for many entities.

Here are some of the main impacts:

- Production interruptions
- Supply chain disruptions
- Unavailability of staff
- Reduced sales, profits or productivity
- Inability to find funding.

As COVID-19 continues to spread globally, it would be appropriate for the Group to consider the impact of the epidemic on accounting conclusions and disclosures.

COVID 19 has impacted the financial performance of Sonatel during fiscal year 2020:

- loss of turnover due to free Orange Money services.
- decisions to establish curfews and lock- downs with effects on prepaid top-ups,
- the slowdown in B2B and international activity (including roaming).
- border closures and local restrictions in our different countries of presence

As of 31 December, 2020, the covid-19 impact on the financial statements can be summarized as follows:

In millions XOF	31 December, 2020
Turnover	(14 234)
Charges	6 870
NET IMPACT	(7 364)

9

ANNEXES

It goes
without saying



AUDITORS GENERAL REPORT
ON THE
IFRS CONSOLIDATED ACCOUNTS

YEAR ENDING
31 DECEMBER, 2020

Ladies and Gentlemen, Shareholders

In execution of the mission entrusted to us by your ordinary general meeting, we present to you our report relating to the financial year ended 31 December, 2020, on the audit of the consolidated IFRS accounts of the SONATEL Group (SONATEL, Orange Mali, Orange Guinea, Orange Bissau, Orange Sierra Leone, Orange Money Sierra Leone Limited, Orange Finances Mobiles Senegal, Orange Finances Mobiles Mali and Orange Finances Mobiles Guinea, Groupement Orange Services), as attached to this report.

Opinion

We carried out the audit of the IFRS consolidated accounts of the SONATEL SA Group including the statement of financial position, the statement of combined income, the statement of cash flows, the statement of changes in equity for the year and the attached annexes.

In our opinion, these financial statements give a true and fair view of the results of the operations for the past financial year as well as of the financial position and assets at the end of this financial year in accordance with IFRS standards.

Basis of opinion

We conducted our audit in accordance with the IAASB’s International Standards on Auditing (ISA) in accordance with Regulation No. 01/2017/CM/OHADA on the harmonization of the practices of accounting and auditing professionals in OHADA Member States. Our responsibilities under these standards are indicated in the “Auditors’ Responsibilities for Auditing Financial Statements” section of this report.

We are independent of the company, in accordance with the Code of Ethics and Professional Conduct of Accountants and auditing stipulated by the above-mentioned Regulation No. 01/2017/CM/OHADA, as well as the rules of independence that govern our statutory audit, and we have fulfilled the other ethical responsibilities incumbent on us according to these rules. We believe that the audit evidence we have gathered is sufficient and appropriate to provide a basis for our audit opinion.

Key points of the audit

The key audit points are the points which, in our professional judgment, were the most important when auditing the consolidated financial statements for

the current period. These points were dealt with in the context of our audit of the consolidated financial statements taken as a whole and when we formed our opinion on them. We do not express a separate opinion on these points.

Key points of our audit	Answers provided during our audit
<p>Recognition of telecommunications revenue. SONATEL’s telecommunications activities are characterized by numerous commercial offers evolving frequently and a large volume of data to process. This makes it necessary to apply different turnover recognition principles depending on the nature of the products or services sold and the use of complex information systems for turnover recognition, including the correct connection to the fiscal year.</p> <p>The breakdown of turnover is presented in Note 4.1 to the consolidated financial statements. Given the complexity of the information systems and the judgments and estimates used in the determination of the turnover, we considered that the recognition of the turnover from telecommunications activities is a key point in our audit.</p>	<p>With respect to telecommunication activities, we gained an understanding of the process of accounting for different revenue streams from contract conclusion and initiation of a transaction to billing, receipt of payments and recognition.</p> <p>As part of our work, we have in particular:</p> <ul style="list-style-type: none">• identified the main controls implemented by the Group and relevant to our audit, including general controls, then we tested their sampling efficiency;• carried out tests on the functionalities of business and commercial application systems, which are part of the process of preparing accounting and financial data as well as tests on the configuration of the accounting systems;• performed analytical procedures, comparing our own estimates of turnover with the recorded turnover,• examined a selection of manual end-of-period entries by comparing these entries with our own calculations and estimates and obtaining their justification;• examined the post-closing period entries on a sample and studied their connection.
<p>Responsibilities of the Board of Directors and those charged with governance relating to the consolidated financial statements</p> <p>The annual consolidated accounts were drawn up and closed by the Board of Directors on 24 February, 2021</p>	<p>on the basis of the information available on that date in the evolving context of the Covid-19 health crisis.</p> <p>The Board of Directors is responsible for the preparation and fair presentation of the annual consolidated accounts, in accordance with the accounting rules and</p>

methods published by the OHADA Uniform Act relating to the law on accounting and financial disclosure, as well as internal control that it considers necessary to enable the preparation of annual consolidated accounts that do not contain material misstatements, whether resulting from fraud or errors.

In preparing the consolidated financial statements, management is responsible for evaluating the Company's ability to continue as a going concern, to present in these accounts, as appropriate, the necessary information relating to the continuity of operations and apply the going concern accounting policy unless it is intended by the Board of Directors to wind up the company or cease operations or if there is no other realistic alternative available to it.

The Audit Committee is responsible for overseeing the process of the preparation of the company's financial disclosure.

Dakar, 13 April, 2021

The Auditors

GARECGO
MEMBER OF JPA INTERNATIONAL NETWORK

Mamour FALL
Partner

Responsibilities of the auditors relating to the audit of the consolidated statements

Our objectives are to obtain reasonable assurance that the annual consolidated accounts taken as a whole

do not contain any material misstatements, whether from fraud or resulting from errors, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with the ISA standards will systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material where it can reasonably be expected that they, taken individually or in combination, may influence the economic decisions that the annual consolidated account users take based on these.

Our responsibilities for the audit of the annual consolidated accounts are described in more detail in annex 1 to this auditor's report.

RACINE
MEMBER ERNST & YOUNG

Makha SY
Partner

Annex 1: Responsibilities of the statutory auditors relating to the audit of the financial statements

This annex is an integral part of our statutory audit report. As part of our due diligence, we successively comply with:

- the requirements of the International Standards on Auditing (ISA), and
- the specific obligations stipulated by the OHADA Uniform Act on the law of commercial companies and EIG.

In more detail:

- We comply with the rules of ethics relating to the audit of annual financial statements enacted by the Code of ethics of accounting and auditing professionals stipulated by Regulation No. 01/2017 / CM / OHADA, as well as the independence rules governing the statutory audit.
- We demonstrate critical thinking that involves being attentive to evidence that contradicts other evidence gathered, to information that call into question the reliability of documents and responses to requests for information to be used as audit evidence, to situations which may reveal possible fraud, to circumstances which suggest the need to perform audit procedures in addition to those required by ISA standards.
- We use professional judgment in the conduct of the audit, in particular for decisions relating to materiality and audit risk, the nature, timing and extent of the audit procedures to be implemented to meet the due diligence required by ISA standards and to collect audit evidence, determining whether sufficient and appropriate evidence has been gathered, and if additional work is necessary to achieve the objectives of the ISA standards and, consequently, the general objectives of

the auditor, the evaluation of management's judgments relating to the monitoring of the applicable accounting framework, the basis of conclusions drawn from audit evidence gathered, for example the assessment of the reasonableness of the assessments made by management during the preparation of the financial statements.

- We prepare documents throughout the audit.- exercise which provides a sufficient and appropriate trace of the work, the basis of our audit report and evidence that the audit has been planned and carried out in accordance with ISA standards and in compliance with applicable legislative and regulatory requirements.
- We identify and assess the risks that the financial statements contain material misstatement, whether the result of fraud or errors, we design and implement audit procedures in response to these risks, and gather sufficient and appropriate evidence to base our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatements resulting from error because fraud can involve collusion, falsification, willful omissions, false declarations or circumvention of internal control.
- We collect, where applicable, sufficient and appropriate audit evidence concerning compliance with the provisions of laws and regulations which are admitted to have a direct impact on determining the material figures recorded and the information provided in the financial statements, implement specific audit procedures to identify cases of non-compliance with other legislative and regulatory texts which may have a material impact on the financial statements, and provide an appropriate response to proven or suspected cases of non-compliance with legislative texts and regulations identified during the audit.
- We also provide the Board of Directors with a statement that we have complied with the relevant rules of ethics

regarding independence, and disclose to them, as the case may be, all relationships and other factors that may reasonably be considered to have an impact on our independence and related safeguarding measures. Among the points communicated to Board of Directors, we determine which ones were most important during the audit of the financial statements of the current period: these are the key points of the audit. We describe these points in our audit report, unless the law or regulation prohibits their publication or if, in extremely rare circumstances, we determine that we should not disclose a point in our audit report because the reasonably expected adverse consequences of the communication of this point exceed the benefits to the public interest.

- We take cognizance of the internal control of the company relevant to the audit in order to define appropriate audit procedures in the circumstances, but not to express an opinion on the effectiveness of the internal control of the company. When significant weaknesses are identified, we communicate them to the management, where applicable, to the Board of Directors.
- We assess the impact on the audit of the misstatements identified and the impact on the financial statements of uncorrected misstatements, if any. We communicate them to the appropriate level of management, unless this is prohibited by law or regulation.
- We assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the information provided by them.
- We appreciate the overall presentation, structure and content of the financial statements, including information provided in the notes, and assess whether the financial statements reflect the underlying operations and events in a proper way to give a true view.

- We identify relationships and transactions with related parties, whether or not the applicable accounting framework establishes rules in this area, to be able to identify risk factors for fraud, if any, arising from relationships and transactions with related parties, which are relevant for the identification and assessment of the risks of material misstatement arising from fraud, and conclude, on the basis of evidence gathered, if the financial statements, insofar as they are affected by these relationships and these transactions are presented truthfully or are not misleading. In addition, when the applicable accounting framework contains rules concerning the parties related, we collect sufficient evidence and appropriate to determine whether relations and transactions with related parties have been properly identified and recognized in the financial statements and whether relevant information about them has been provided therein.

- We collect sufficient and appropriate evidence showing that the events between the date of the financial statements and the date of our report, requiring an adjustment to the financial statements or information to be provided in them, have been the subject of appropriate treatment in the financial statements in accordance with the applicable accounting framework.

- We conclude as to the appropriateness of management's use of the going concern accounting principle and, depending on the evidence gathered, whether or not there is a material uncertainty related to events or situations likely to cast significant doubt on the ability of the company to continue operating. If we conclude that there is a material uncertainty, we are required to draw the attention of readers of our report to the information provided in the financial statements about that uncertainty or, if this information is not adequate, to express a modified opinion. Our conclusions are based on elements collected up to the date of our report.

- We get written statements from the General Management and, where applicable, the Board of Directors, confirming that it considers that it has met its responsibilities for preparing financial reports as well as the completeness of the information that were provided to us. In addition, we reinforce other audit evidence relating to the financial statements

or to specific assertions contained in these by means of such written representations if we consider it necessary or if these are required by other ISA standards.

- We ensure, throughout the audit, that the equality between the shareholders is respected, in particular that all shares of the same category enjoy the same rights.

- We must report to the next General Meeting, the irregularities and inaccuracies noted during the audit. In addition, we must report to the Public Prosecutor's Office any criminal facts of which we became aware during the audit, without our liability being engaged by such disclosure.

- We have the obligation to respect professional secrecy regarding the facts, acts and information of which we have become aware.

AUDITORS' GENERAL REPORT ON THE IFRS INDIVIDUAL ACCOUNTS

YEAR ENDING
31 DECEMBER, 2020

Ladies and Gentlemen, Shareholders

In execution of the mission entrusted to us by your Ordinary General Meeting, we present to you our report relating to the financial year ended 31 December, 2020, on the audit of the individual IFRS accounts of SONATEL SA company, as attached to this report.

Opinion

We carried out the audit of the IFRS individual accounts of SONATEL SA including the statement of financial position, the statement of combined income, the statement of cash flows, the statement of changes in equity for the year and the attached annexes to the individual accounts. In our opinion, these individual annual accounts are true and fair view of the result of the operations for the past financial year as well as the financial position and assets at the end of this year in accordance with IFRS standards.

Basis of opinion

We carried out our audit according to the International Standards of Auditing of the IAASB in compliance with the requirements of Regulation No.

01/2017 / CM / OHADA on the harmonization of the practices of accounting and auditing professionals in OHADA member countries. Our responsibilities under these standards are detailed in the “Auditors’ Responsibilities for Auditing Financial Statements” section of this report.

We are independent of the company, in accordance with the Code of Ethics and Professional Conduct of Accountants and auditing stipulated by Regulation No. 01/2017/CM/OHADA, as well as the rules of independence that govern our statutory audit, and we have fulfilled the other ethical responsibilities incumbent on us according to these rules. We believe that the audit evidence we have gathered is sufficient and appropriate to provide a basis for our audit opinion.

Key points of the audit

The key audit points are the points which, in our professional judgment, were the most important when auditing the consolidated financial statements for the current period. These points were dealt with in the context of our audit of the individual financial statements taken as a whole and when forming our opinion on these. We do not express a separate opinion on these points.

Key points of our audit

Recognition of telecommunications revenue. SONATEL’s telecommunications activities are characterized by numerous commercial offers evolving frequently and a large volume of data to process. This makes it necessary to apply different turnover recognition principles depending on the nature of the products or services sold and the use of complex information systems for turnover recognition, including the correct connection to the fiscal year.
The breakdown of turnover is presented in note 3.1 of the annex to the individual financial statements. Given the complexity of the information systems and the judgments and estimates used in the determination of the turnover, we considered that the recognition of the turnover from telecommunications activities is a key point in our audit.

Responsibilities of the Board of Directors and those charged with governance relating to the individual financial statements

The annual individual accounts were drawn up and closed by the Board of Directors on 24 February, 2021 on the basis of the information available on that date in an evolving context of the Covid-19 health crisis.

The Board of Directors is responsible for the establishment and fair presentation of the annual individual accounts, in accordance with IFRS, as well as the internal control it considers necessary to allow the preparation of individual accounts. annual results not including any

Answers provided during our audit

With respect to telecommunication activities, we gained an understanding of the process of accounting for different revenue streams from contract conclusion and initiation of a transaction to billing, receipt of payments and recognition.

As part of our work, we have in particular:

- identified the main controls implemented by SONATEL SA and relevant to our audit, including general controls, then we tested their effectiveness by sampling;
- carried out tests on the functionalities of business and commercial application systems, which are part of the process of preparing accounting and financial data as well as tests on the configuration of the accounting systems;
- performed analytical procedures, comparing our own estimates of turnover with the recorded turnover,
- examined a selection of manual end-of-period entries by comparing these entries with our own calculations and estimates and obtaining their justification;
- examined the post-closing period entries on a sample and studied their connection.

material misstatements, whether these result from fraud or errors.

In preparing the individual financial statements, management is responsible for evaluating the Company’s ability to continue as a going concern, to present in these accounts, as appropriate, the necessary information relating to the continuity of operations and apply the going concern accounting policy unless it is intended by the Board of Directors to wind up the company or cease operations or if there is no other realistic alternative available to it.

The Audit Committee is responsible for overseeing the process of the preparation of the company's financial reporting.

Responsibilities of the auditors relating to the audit of the individual statements

Our objectives are to obtain reasonable assurance that the individual annual accounts taken as a whole do not contain material misstatements whether from fraud errors, and to issue an audit report containing our opinion.

Reasonable assurance corresponds to a high level of assurance, but it does not guarantee that an audit performed in accordance with the ISA standards will systematically detect any material misstatement. misstatements may arise from fraud or result from errors and are considered material when it is reasonable be expected that, taken individually or in combination, they may influence the economic decisions that users of the annual individual accounts take on the basis of the latter.

Our responsibilities for the audit of the annual consolidated accounts are described in greater detail in annex 1 to this auditor's report.

Dakar, 13 April, 2021

The Auditors

GARECGO
MEMBER OF JPA INTERNATIONAL NETWORK

Mamour FALL
Partner

RACINE
MEMBER ERNST & YOUNG

Makha SY
Partner

Annex 1: Responsibilities of the statutory auditors relating to the audit of the financial statements

This annex is an integral part of our statutory audit report. As part of our due diligence, we successively comply with:

- the requirements of the International Standards on Auditing (ISA), and
- the specific obligations stipulated by the OHADA Uniform Act on the law of commercial companies and IEG.

In more detail:

- We comply with the rules of ethics relating to the audit of annual financial statements enacted by the Code of ethics of accounting and auditing professionals stipulated by Regulation No. 01/2017 / CM / OHADA, as well as the independence rules governing the statutory audit.
- We demonstrate critical thinking that involves being attentive to evidence that contradicts other evidence gathered, to disclosures that call into question the reliability of documents and responses to requests for information to be used as audit evidence, to situations which may reveal possible fraud, to circumstances which suggest the need to perform audit procedures in addition to those required by ISA standards.
- We use professional judgment in the conduct of the audit, in particular for decisions relating to materiality and audit risk, the nature, timing and extent of the audit procedures to be implemented to meet the due diligence required by ISA standards and to collect audit evidence, determining whether sufficient and appropriate evidence has been gathered, and if additional work is necessary to achieve the objectives of the ISA standards and, consequently, the general objectives of the auditor, the evaluation of management's judgments relating to the monitoring

of the applicable accounting framework, the basis of conclusions drawn from audit evidence gathered, for example the assessment of the reasonableness of the assessments made by management during the preparation of the financial statements.

- We prepare documents throughout the audit. exercise which provides a sufficient and appropriate trace of the work, the basis of our audit report and evidence that the audit has been planned and carried out in accordance with ISA standards and in compliance with applicable legislative and regulatory requirements.
- We identify and assess the risks that the financial statements contain material misstatement, whether the result of fraud or errors, we design and implement audit procedures in response to these risks, and gather sufficient and appropriate evidence to base our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error because fraud can involve collusion, falsification, willful omissions, false declarations or circumvention of internal control.
- We collect, where applicable, sufficient and appropriate audit evidence concerning compliance with the provisions of laws and regulations which are admitted to have a direct impact on determining the material figures recorded and the information provided in the financial statements, implement specific audit procedures to identify cases of non-compliance with other legislative and regulatory texts which may have a material impact on the financial statements, and provide an appropriate response to proven or suspected cases of non-compliance with legislative texts and regulations identified during the audit.
- We also provide the Board of Directors with a statement that we have complied with the relevant rules of ethics regarding independence, and disclose to them, as the case may be, all relationships and other factors that

may reasonably be considered to have an impact on our independence and related safeguarding measures. Among the points communicated to the Board of Directors, we determine which ones were most important during the audit of the financial statements of the current period: these are the key points of the audit. We describe these points in our audit report, unless the law or regulation prohibits their publication or if, in extremely rare circumstances, we determine that we should not disclose a point in our audit report because the reasonably expected adverse consequences of the communication of this point exceed the benefits to the public interest.

- We take cognizance of the internal control of the company relevant to the audit in order to define appropriate audit procedures in the circumstances, but not to express an opinion on the effectiveness of the internal control of the company. When significant weaknesses are identified, we communicate them to the management and, where applicable, to the Board of Directors.
- We assess the impact on the audit of the misstatements identified and the impact on the financial statements of uncorrected misstatements, if any. We communicate them to the appropriate level of management, unless this is prohibited by law or regulation.
- We assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the information provided by them.
- We appreciate the overall presentation, structure and content of the financial statements, including information provided in the notes, and assess whether the financial statements reflect the underlying operations and events in a proper way to give a true view.

- We identify relationships and transactions with related parties, whether or not the applicable accounting framework establishes rules in this area, to be able to identify risk factors for fraud, if any, arising from relationships and transactions with related parties, which are relevant for the identification and assessment of the risks of material misstatement arising from fraud, and conclude, on the basis of evidence gathered, if the financial statements, insofar as they are affected by these relationships and these transactions are presented truthfully or are not misleading. In addition, when the applicable accounting framework contains rules concerning the parties related, we collect sufficient evidence and appropriate to determine whether relations and transactions with related parties have been properly identified and recognized in the financial statements and whether relevant information about them has been provided therein.

- We collect sufficient and appropriate evidence showing that the events between the date of the financial statements and the date of our report, requiring an adjustment to the financial statements or information to be provided in them, have been the subject of appropriate treatment in the financial statements in accordance with the applicable accounting framework.

- We conclude as to the appropriateness of management's use of the going concern accounting principle and, depending on the evidence gathered, whether or not there is a material uncertainty related to events or situations likely to cast significant doubt on the ability of the company to continue operating. If we conclude that there is a material uncertainty, we are required to draw the attention of readers of our report to the information provided in the financial statements about that uncertainty or, if this information is not adequate, to express a modified opinion. Our conclusions are based on elements collected up to the date of our report.

- We get written statements from the General Management and, where applicable, the Board of Directors, confirming that it considers that it has met its responsibilities for preparing financial reports as well as the completeness of the information that were provided to us. In addition, we reinforce other audit evidence relating to the financial statements or to specific assertions contained in these by means of such written representations if we consider it necessary or if these are required by other ISA standards.

- We ensure, throughout the audit, that the equality between the shareholders is respected, in particular that all shares of the same category enjoy the same rights.

- We must report to the next General Meeting, the irregularities and inaccuracies noted during the audit. In addition, we must report to the Public Prosecutor's Office any criminal facts of which we became aware during the audit, without our liability being engaged by such disclosure.

- We have the obligation to respect professional secrecy regarding the facts, acts and information of which we have become aware.

AUDITORS' REPORT ON THE SYSCOHADA INDIVIDUAL ACCOUNTS

YEAR ENDING
31 DECEMBER, 2020

Ladies and Gentlemen, Shareholders

In execution of the mission entrusted to us by your Ordinary General Meeting, we present to you our report relating to the financial year ended 31 December, 2020, on the audit of the annual financial statements of SONATEL SA company, as attached to this report.

I - Audit of annual financial statements

Opinion

We have audited the individual SYSCOHADA accounts of SONATEL SA including the balance sheet at 31 December 2020, the income statement, the cash flow table and the notes attached to the financial statements.

In our opinion, these financial statements are true and fair and give a true view of the results of the operations for the past financial year as well as the financial position and assets at the end of this financial year in accordance with the accounting rules and methods of the OHADA Uniform Act relating to accounting law and financial reporting.

Basis of opinion

We conducted our audit in accordance with the IAASB's International Standards on Auditing (ISA) in compliance with Regulation No. 01/2017/CM/OHADA on the harmonization of the practices of accounting and auditing professionals in OHADA Member States. Our responsibilities under these standards are detailed in the "Auditors' Responsibilities for Auditing Financial Statements" section of this report.

We are independent of the company, in accordance with the Code of Ethics and Professional Conduct of Accountants and auditing stipulated by Regulation No. 01/2017/CM/OHADA, as well as the rules of independence that govern our statutory audit, and we have fulfilled the other ethical responsibilities incumbent on us according to these rules. We believe that the audit evidence we have gathered is sufficient and appropriate to provide a basis for our audit opinion.

Key points of the audit

The key points of the audit are the points that, in our professional judgment, were most important during the audit of the financial statements of the current period.

Key points of our audit

Recognition of telecommunications revenue.SONATEL's telecommunications activities are characterized by numerous commercial offers evolving frequently and a large volume of data to process. This makes it necessary to apply different turnover recognition principles depending on the nature of the products or services sold and the use of complex information systems for turnover recognition, including the correct connection to the fiscal year.
The breakdown of turnover is presented in Note 21 of the annex to the financial statements.
Given the complexity of the information systems and the judgments and estimates used in the determination of the turnover, we considered that the recognition of the turnover from telecommunications activities is a key point in our audit

Responsibilities of the Board of Directors and those charged with governance relating to the individual financial statements

The annual financial statements have been drawn up and closed by the Board of Directors on 24 February, 2021

These points were dealt with in the context of our audit of financial statements taken as a whole, approved in the conditions recalled below, and when forming our opinion on them. We do not express a separate opinion on these points.

Answers provided during our audit

With respect to telecommunication activities, we gained an understanding of the process of accounting for different revenue streams from contract conclusion and initiation of a transaction to billing, receipt of payments and recognition.

As part of our work, we have in particular:

- identified the main controls implemented by SONATEL SA and relevant to our audit, including general controls, then we tested their effectiveness by sampling;
- carried out tests on the functionalities of business and commercial application systems, which are part of the process of preparing accounting and financial data as well as tests on the configuration of the accounting systems;
- performed analytical procedures, comparing our own estimates of turnover with the recorded turnover,
- examined a selection of manual end-of-period entries by comparing these entries with our own calculations and estimates and obtaining their justification;
- examined the post-closing period entries on a sample and studied their connection.

on the basis of the information available on that date in the evolving context of the Covid-19 health crisis.

The Board of Directors is responsible for the preparation and fair presentation of the annual consolidated accounts, in accordance with the accounting rules and

methods published by the OHADA Uniform Act relating to the law on accounting and financial disclosure, as well as internal control that it considers necessary to enable the preparation of annual financial accounts that do not contain material misstatements, whether resulting from fraud or errors.

In preparing the individual financial statements, the Board of Directors is responsible for evaluating the Company's ability to continue as a going concern, to present in these accounts, as appropriate, the necessary information relating to the continuity of operations and apply the going concern accounting policy unless it is intended by the Board of Directors to wind up the company or cease operations or if there is no other realistic alternative available to it.

The Audit Committee is responsible for overseeing the process of the preparation of the company's financial reporting.

Responsibilities of the statutory auditors relating to the audit of the financial statements

Our objectives are to obtain reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatements, whether from fraud or from errors, and to issue an audit report containing our opinion.

Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with the ISA standards will systematically detect any material misstatement. Misstatements may arise from fraud or result from errors and are considered material when it is reasonably expected that, taken individually or in combination, they may influence the economic decisions that users of the annual accounts take on the basis of the latter.

Our responsibilities for the audit of the financial statements are described in greater detail in appendix 1 to this auditor's report.

II - Other information and specific verifications required by law and regulations

Responsibility for other information rests with the Board of Directors. Other information consists of the information contained in the management report but does not include financial statements and our auditor's report on these annual financial statements, documents sent to shareholders on the financial position and the draft resolutions.

Our opinion on the annual financial statements does not extend to other information and we do not express any form of assurance whatsoever on this information.

As part of our statutory audit mandate, our responsibility is, on the one hand, to perform the specific verifications required by law and regulations, and in doing so, to verify the sincerity and consistency with the annual financial statements of information given in the approved management report of the Board of Directors, and in the documents sent to shareholders on the financial

position and the annual financial statements, and to verify, in all material respects, compliance with certain legal and regulatory obligations. On the other hand, our responsibility is also to read the other information and, consequently, to assess whether there is a material inconsistency between these and the financial statements or the knowledge that we have acquired during the audit, or if the other information seems to contain a material misstatement.

If in the light of the work we have carried out during our specific verifications or on other information, we conclude that there is material misstatement, we are

required to report the fact. We have nothing to report in this regard.

Dakar, 13 April, 2021

The Auditors

GARECGO
MEMBER OF JPA INTERNATIONAL NETWORK

Mamour FALL
Partner

RACINE
MEMBER ERNST & YOUNG

Makha SY
Partner

Annex 1: Responsibilities of the statutory auditors relating to the audit of the financial statements

This annex is an integral part of our statutory audit report. As part of our due diligence, we successively comply with:

- the requirements of the International Standards on Auditing (ISA), and
- the specific obligations stipulated by the OHADA Uniform Act on the law of commercial companies and EIG.

In more detail:

- We comply with the rules of ethics relating to the audit of annual financial statements enacted by the Code of ethics of accounting and auditing professionals stipulated by Regulation No. 01/2017 / CM / OHADA, as well as the independence rules governing the statutory audit.
- We demonstrate critical thinking that involves being attentive to evidence that contradicts other evidence gathered, to disclosures that call into question the reliability of documents and responses to requests for information to be used as audit evidence, to situations which may reveal possible fraud, to circumstances which suggest the need to perform audit procedures in addition to those required by ISA standards.
- We use professional judgment in the conduct of the audit, in particular for decisions relating to materiality and audit risk, the nature, timing and extent of the audit procedures to be implemented to meet the due diligence required by ISA standards and to collect audit evidence, determining whether sufficient and appropriate evidence has been gathered, and if additional work is necessary to achieve the objectives of the ISA standards and, consequently, the general objectives of

the auditor, the evaluation of management's judgments relating to the monitoring of the applicable accounting framework, the basis of conclusions drawn from audit evidence gathered, for example the assessment of the reasonableness of the assessments made by management during the preparation of the financial statements.

- We prepare documents throughout the audit. exercise which provides a sufficient and appropriate trace of the work, the basis of our audit report and evidence that the audit has been planned and carried out in accordance with ISA standards and in compliance with applicable legislative and regulatory requirements.
- We identify and assess the risks that the financial statements contain material misstatement, whether the result of fraud or errors, we design and implement audit procedures in response to these risks, and gather sufficient and appropriate evidence to base our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error because fraud can involve collusion, falsification, willful omissions, false declarations or circumvention of internal control.
- We collect, where applicable, sufficient and appropriate audit evidence concerning compliance with the provisions of laws and regulations which are admitted to have a direct impact on determining the material figures recorded and the information provided in the financial statements, implement specific audit procedures to identify cases of non-compliance with other legislative and regulatory texts which may have a material impact on the financial statements, and provide an appropriate response to proven or suspected cases of non-compliance with legislative texts and regulations identified during the audit.
- We also provide the Board of Directors with a statement that we have complied with the relevant rules of ethics

regarding independence, and disclose to them, as the case may be, all relationships and other factors that may reasonably be considered to have an impact on our independence and related safeguarding measures. Among the points communicated to the Board of Directors, we determine which ones were most important during the audit of the financial statements of the current period: these are the key points of the audit. We describe these points in our audit report, unless the law or regulation prohibits their publication or if, in extremely rare circumstances, we determine that we should not disclose a point in our audit report because the reasonably expected adverse consequences of the communication of this point exceed the benefits to the public interest.

- We take cognizance of the internal control of the company relevant to the audit in order to define appropriate audit procedures in the circumstances, but not to express an opinion on the effectiveness of the internal control of the company. When significant weaknesses are identified, we communicate them to the management and, where applicable, to the Board of Directors.
- We assess the impact on the audit of the misstatements identified and the impact on the financial statements of uncorrected misstatements, if any. We communicate them to the appropriate level of management, unless this is prohibited by law or regulation.
- We assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the information provided by them.
- We appreciate the overall presentation, structure and content of the financial statements, including information provided in the notes, and assess whether the financial statements reflect the underlying operations and events in a proper way to give a true view.

- We identify relationships and transactions with related parties, whether or not the applicable accounting framework establishes rules in this area, to be able to identify risk factors for fraud, if any, arising from relationships and transactions with related parties, which are relevant for the identification and assessment of the risks of material misstatement arising from fraud, and conclude, on the basis of evidence gathered, if the financial statements, insofar as they are affected by these relationships and these transactions are presented truthfully or are not misleading. In addition, when the applicable accounting framework contains rules concerning the parties related, we collect sufficient evidence and appropriate to determine whether relations and transactions with related parties have been properly identified and recognized in the financial statements and whether relevant information about them has been provided therein.
- We collect sufficient and appropriate evidence showing that the events between the date of the financial statements and the date of our report, requiring an adjustment to the financial statements or information to be provided in them, have been the subject of appropriate treatment in the financial statements in accordance with the applicable accounting framework.
- We conclude as to the appropriateness of management's use of the going concern accounting principle and, depending on the evidence gathered, whether or not there is a material uncertainty related to events or situations likely to cast significant doubt on the ability of the company to continue operating. If we conclude that there is a material uncertainty, we are required to draw the attention of readers of our report to the information provided in the financial statements about that uncertainty or, if this information is not adequate, to express a modified opinion. Our conclusions are based on elements collected up to the date of our report.

- We get written statements from the General Management and, where applicable, the Board of Directors, confirming that it considers that it has met its responsibilities for preparing financial reports as well as the completeness of the information that were provided to us. In addition, we reinforce other audit evidence relating to the financial statements or to specific assertions contained in these by means of such written representations if we consider it necessary or if these are required by other ISA standards.
- We ensure, throughout the audit, that the equality between the shareholders is respected, in particular

that all shares of the same category enjoy the same rights.

- We must report to the next General Meeting, the irregularities and inaccuracies noted during the audit. In addition, we must report to the Public Prosecutor's Office any criminal facts of which we became aware during the audit, without our liability being engaged by such disclosure.
- We have the obligation to respect professional secrecy regarding the facts, acts and information of which we have become aware.

AUDITORS' REPORT ON THE COMBINED FINANCIAL STATEMENTS

YEAR ENDING
31 DECEMBER, 2020

Ladies and gentlemen, Shareholders,

Pursuant to the law, we inform you that the Orange Group based in France has several subsidiaries in the OHADA region, including SONATEL. These entities are subject to the reporting obligation regarding the combined financial statements as stipulated by Article 103 of the OHADA Uniform Act relating to accounting law and financial reporting and each of

these subsidiaries is required to mention in its annual financial statements the name of the entity responsible for the preparation of the combined accounts.

SONATEL has not given us the name of the entity in charge of preparing these Orange Group combined accounts and has not mentioned in the notes to the financial statements, the identity of the entity in charge of preparing combined accounts.

Dakar, 13 April, 2021

The Auditors

GARECGO
MEMBER OF JPA INTERNATIONAL NETWORK

Mamour FALL
Partner

RACINE
MEMBER ERNST & YOUNG

Makha SY
Partner

AUDITORS' SPECIAL REPORT ON THE SPECIAL
REMUNERATIONS AND REIMBURSEMENTS
PAID TO THE DIRECTORS IN APPLICATION
OF ARTICLE 432 OF OHADA

YEAR ENDING
31 DECEMBER, 2020

Ladies and gentlemen, Shareholders,

Pursuant to the provisions of article 432 of the Uniform Act of OHADA relating to the law of commercial companies and economic interest groups, the Board of Directors of SONATEL SA, at its meetings on 9 April 2008 and 13 October, 2009, authorized the refund of hotel and travel expenses of directors between their normal place of work and the place where Board meetings or Board Committee meetings are held.

Dakar, 13 April, 2021

The Auditors

GARECGO
MEMBER OF JPA INTERNATIONAL NETWORK

Mamour FALL
Partner

We inform you that the company has not paid any amount for special remuneration for the missions and mandates entrusted to the directors as well as the travel and travel expenses incurred by them in the interest of the institution during the financial year ended 31 December, 2020.

RACINE
MEMBER ERNST & YOUNG

Makha SY
Partner

SONATEL SA

STATEMENT ON THE TOTAL AMOUNT OF THE SPECIAL
REMUNERATIONS, TRAVEL COSTS AND EXPENSES PAID
TO THE DIRECTORS (ART. 432 AU/DSC/EIG)

In financial year 2020, no amounts were paid to the directors as special remuneration for discharging their missions and duties including any travel costs and expenses incurred by them in the service of the company.

Done in Dakar,

09 April 2021

The Chairman of the Board

AUDITORS' CERTIFICATE ON THE INFORMATION
PROVIDED UNDER ARTICLE 525-5 OF
THE OHADA UNIFORM ACT RELATING TO THE LAW
OF COMMERCIAL COMPANIES AND EIG

YEAR ENDING
31 DECEMBER, 2020

Ladies and gentlemen, Shareholders,

In our capacity as statutory auditors of your company and pursuant to article 525-5 of the Uniform Act of OHADA relating to the law of commercial companies and economic interest groups, we have prepared this certificate on the information relating to the total amount of compensation paid to the ten (10) highest paid corporate officers and employees for the year ended 31 December, 2020, appearing in the attached document.

This information was established under the responsibility of the Management. It is our responsibility to certify this information.

We have implemented the due diligence that we deemed necessary. These procedures, which do not constitute an audit or a limited review, have consisted in carrying out the necessary reconciliations in order

to verify the match between the total amount of the remuneration paid to the highest paid managers and employees and the annual accounts at 31 December 2020.

On the basis of our work, we have no comments on the match between the total amount of compensation paid to the highest paid corporate officers and employees appearing in the attached document and amounting to 1,765,894,894 XOF

This certificate serves as a certification of the accuracy of the total amount of compensation paid to the highest paid corporate officers and employees within the meaning of article 525-5 of the OHADA Uniform Act relating to the law of commercial companies and economic interest groups.

Dakar, 13 April, 2021

GARECGO
MEMBER OF JPA INTERNATIONAL NETWORK

Mamour FALL
Partner

The Auditors

RACINE
MEMBER ERNST & YOUNG

Makha SY
Partner



DG/DGA/DFC/DPC

FINANCIAL STATEMENTS AT 31 DECEMBER 2020

STATEMENT ON THE 10 HIGHEST PAID PERSONS

The gross total amount of the remuneration off the ten (10) highest paid persons during financial year 2020 is one billion seven hundred and sixty-five million eight hundred and ninety-four thousand eight hundred and ninety-four XOF (1.765.894.894 XOF).

Sékou DRAME

SONATEL
Le Directeur Général

AUDITORS' SPECIAL REPORT
ON THE REGULATED AGREEMENTS

YEAR ENDING
31 DECEMBER, 2020

Ladies and Gentlemen, Shareholders

In our capacity as statutory auditors of your company, we present to you our report on the regulated agreements.

It is our responsibility to communicate to you, on the basis of the information provided to us, the essential characteristics and terms of the agreements of which we have been informed, without having to comment on their usefulness and their merits. It is your responsibility, under the terms of articles 440 et seq of the Uniform Act of OHADA relating to the law of commercial companies and economic interest groups, to assess the interest attached to the conclusion of these agreements for their approval.

Furthermore, it is our responsibility, where applicable, to provide you with information relating to the execution, during the past financial year, of the agreements already approved by the general meeting.

We have been informed of the execution of the following agreements, concluded during the year and previously authorized by the Board of Directors.

We carried out our work according to the standards of the profession; these standards require the implementation of due diligence to verify the consistency of the information that was given to us with the basic documents from which it was taken.

AGREEMENTS SUBMITTED FOR THE
APPROVAL OF THE GENERAL MEETING

Agreements authorized during the 2020 financial year by the Board of Directors

1. MEMORANDUM OF UNDERSTANDING ON
ORANGE MIDDLE EAST AND AFRICA (OMEA)
DIVIDEND DEFERRED PAYMENT)

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr Fabrice ANDRE.
- Mr. Alioune NDIAYE.
- Mr. Hugues FOULON.
- Mr. Ludovic PECH.
- Mr. Jérôme HENIQUE.

Nature and object

This is an agreement signed between OMEA and SONATEL relating to the special deferred payment of amounts due under the 2018 securities in accordance with resolution n°2 of the General Meeting of 17 April, 2019 for a total of 63.499 million XOF.
Terms and effects

This amount from May 14, 2019 is first deferred to January 31, 2021 with an interest rate of 4.5% per annum from this date, and where applicable, the effective rate of charge is 4.59%.

As of 31 January, 2020, SONATEL made a part payment of 25,000 billion XOF and remained indebted to OMEA for the sum of 38,499 million XOF, of which 20,000 billion XOF was paid on 3 February, 2020, leaving an outstanding balance of 18.499 million XOF.

On 25 April, 2020, at the request of SONATEL, OMEA accepted the extension of the payment deferral until 30 April, 2020. This agreement will take effect retroactively from 1st February 2020.

The balance of 31 January, paid belatedly on 3 January, 2020, will give rise to the payment of late payment interest at the rate of 4.5%. The balance of March will bear interest at the rate of 4.5% as of 3 February, 2020. The balance of March and the interests, resulting in liquid and payable debts, cannot constitute a junior debt subordinated to any other debt of Sonatel with regard to any other creditor. Consequently, the payment of the balance for March and the late interest for January cannot be subordinated to any payment by the company to its bank lenders.

SONATEL alone will assume all tax consequences caused by the extension of the deferral of payment

granted and shall indemnify our company at its first request.

Interest recorded for the year amounts to 370 million XOF.

2. PARTICIPATION IN THE SIMBA SUBMARINE CABLE

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr Fabrice ANDRE.
- Mr. Alioune NDIAYE.
- Mr. Hugues FOULON.
- Mr. Ludovic PECH.
- Mr. Jérôme HENIQUE.

Nature and object

Under the leadership of Facebook, a consortium was created for the construction of a submarine cable called «Simba West» starting from Yzerfountain in South Africa to Widemouth bay in the United Kingdom. Vodafone, MTN, China Mobile (CMCC) and the WIOCC joined this SIMBA consortium through a agreement signed on March 2, 2020 called the “Joint Build Agreement” (JBA). In view of the capacities of this submarine cable and its importance, Orange MEA joined the JBA by signing a membership agreement on 3 June, 2020.

In addition to this JBA, 3 other agreements govern the consortium:

- a supply contract signed by the members of the consortium and Alcatel, which is in charge of the construction;
- a billing agreement (Central billing party agreement) in which, the consortium designates the WIOCC as billing and payment center;

- an agreement on the global organization entitled «Landing Party agreement ”(LPA), between the SIMBA consortium and the members regarding the management of local authorizations and the provision of services of operators who are members of the SIMBA consortium. As of the date of this agreement, 7 LPAs have been signed for the «SIMBA West» project: South Africa, DRC, Coast d’Ivoire, Nigeria, Senegal, Portugal and United Kingdom.

The agreement was signed for a period of at least 15 years.
It takes effect from the date of the last signature of the agreement by the various parties.

Terms and effects

As mentioned in Annex 4 of the agreement, the construction cost relating to OMEA amounts to 52.399.320 dollars including an amount of 7.700 dollars relating to the landing infrastructure. In its capacity as agent, OMEA will bear the costs mentioned below. Each party will bear the costs in proportion to its stake in the condominiums or the applicable part respectively. The costs that will be billed by the OMEA to the other parties are: cost of capital, operating and maintenance expenses, cost of the permit and other costs.

For the 2020 financial year, this agreement has not produced any effect.

3. ASSISTANCE AGREEMENT BETWEEN SONATEL AND ORANGE ON BEHALF OF OINIS

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Fabrice ANDRE.
- Mr. Sékou DRAME.

- Mr. Alioune NDIAYE.
- Mr. Hugues FOULON.
- Mr. Ludovic PECH.
- Mr. Jérôme HENIQUE.

Nature and object

As part of the activities of the Orange SA Group, it was decided to create an entity responsible for managing certain specific activities for the benefit of other Orange group companies. These activities will be managed from Dakar (Senegal). With this in mind, and pending the establishment of this subsidiary, the subsidiary OINIS Africa wishes to call on SONATEL to benefit from its support concerning certain operational activities. The services will be rendered by Sonatel to the subsidiary OINIS Africa on whose behalf Orange SA is acting and until the OINIS subsidiary is created.

This agreement authorized during the 194th SONATEL Board of Directors meeting held on 17 July, 2020 was signed on 2 October, 2020.

Orange SA, acting on behalf of the OINIS subsidiary will benefit from assistance from SONATEL

for the provision of services (as defined in annex to the agreement) and in particular as regards:

- the lease of a building for professional use,
- the purchase of vehicles,
- the ordering of office supplies,
- IT expenses, and
- legal services.

In return for these services, Orange will pay to SONATEL a price as defined in the financial model annexed to the agreement.

In addition to these assistance services, Sonatel will assist Orange SA on behalf of OINIS with occasional assistance services (study and legal advice and assistance in litigation).

Terms and effects

This agreement comes into force on 1 February, 2020 for a period of 7 months. The prices stipulated in the contract are net of all taxes, duties, charges, levies or withholdings of any kind, including VAT or comparable taxes, due under contracts and the services provided.

All services will be billed at cost +/-8%. This type of billing involves an 8% increase on each of the expenses that Sonatel will incur for Orange SA according to the contractual conditions of this agreement.

During the year under review, this agreement did not generate income totaling 24 million XOF.

4. ASSISTANCE AGREEMENT WITH OINIS

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Fabrice ANDRE.
- Mr. Sékou DRAME.
- Mr. Alioune NDIAYE.
- Mr. Hugues FOULON.
- Mr. Ludovic PECH.
- Mr. Jérôme HENIQUE.

Nature and object

SONATEL has signed the agreement mentioned in point 3 of this report, starting on 1 February, 2020 and ending on 30 August, 2020, in anticipation of the services to be rendered to OINIS Africa prior to its creation.

From 1st September, with OINIS Africa established, this contract signed on 27 October, 2020 was previously authorized by the Board of Directors on 17 July, 2020.

OINIS Africa will benefit from assistance from SONATEL for the provision of services (as defined in the annex to the agreement) and in particular about:

- the lease of a building for professional use,
- the purchase of vehicles,
- the ordering of office supplies,
- IT expenses, and
- legal services.

In return for these services, Orange will pay to SONATEL a price as defined in the financial model annexed to the agreement.

In addition to these assistance services, Sonatel will assist Orange SA on behalf of OINIS with occasional assistance services (study and legal advice and assistance in litigation).

Terms and effects

This agreement comes into force on 1st September 2020 for a period of 3 years renewable by tacit agreement. The prices stipulated in the contract are net of all taxes, duties, charges,

The prices stipulated in the contract are net of all taxes, duties, charges, levies or withholdings of any kind, including VAT or comparable taxes, due under contracts and the services provided.

All services will be billed at cost +/-8%. This type of billing involves an 8% increase on each of the expenses that Sonatel will incur for Orange SA according to the contractual conditions of this agreement.

During the year under review, this agreement produced revenues of 3 million XOF.

5. CASH MANAGEMENT AGREEMENT WITH OFMS

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr Fabrice ANDRE.
- Mr. Sékou DRAME.

Nature and object

To meet their cash flow needs, SONATEL and OFM Senegal have agreed to seek an alternative to the financial or banking market. In view of SONATEL's power of control over OFM Senegal, they decided to resort to a cash pooling agreement, as authorized by article 14.3 of law n° 2008-26 on banking regulations.

The agreement signed on 13 January, 2021 was authorized by the Board of Directors of SONATEL at its 194th meeting of 13 July, 2020.

Terms and effects

Each party will open a current account in its books for the other party, which shall accept it,. Cash advances will be entered in the current account with exemption from any commissions. Each party can benefit from advances to meet cash flow needs. To this end, the authorized signatory shall send an advance request to the counterpart referred to in appendix 2 of the agreement (SONATEL, head of finance department, and OFMS, head of finance and support department) by any means leaving a trace in writing, at least five days before the desired date of Provisioning.

Each advance is repayable in full at any time depending on the financial position of the borrower. The credit balance of the advances will bear interest at the rate of 4.7% per year. Interest due will be credited to the current account every end of year.

The agreement is signed for a period of one year renewable by tacit agreement for an indefinite period, unless terminated by one of the parties. at the latest 3 months before the end of the annual term by letter against discharge or registered letter with acknowledgment of receipt.

As of 31 December, 2020, this agreement has not produced any effect.

6. COOPERATION AGREEMENT WITH ORANGE OMEA

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Alioune NDIAYE.
- Mr Fabrice ANDRE.
- Mr. Ludovic PECH.
- Mr. Jérôme HENIQUE.
- Mr. Hugues FOULON.

Nature and object

The purpose of this agreement is to define the terms and conditions under which Orange MEA undertakes to transfer certain elements of its sectoral and to provide the company with advice and assistance services in the following areas:

- a) Direct and privileged access to all of the Orange group's know-how in the multiservice operator's businesses making it possible to: establish, develop and operate all telecommunications networks.

- b) Provision of advice and assistance in the following fields: technology, marketing, strategy, support, finance, internal control, audit and management risks, compliance and governance, legal and regulatory, human resources, group purchasing, content, institutional relations and with different stakeholders.

Orange MEA reserves the right, as the company acknowledges, to call on other companies in the Orange group or third parties (including services outside the group) for the provision of services or some of them, and this, without additional billing for additional costs to the company.

Orange Mea undertakes to transmit by all means to the company its procedures and methods relating to the aforementioned activities and to facilitate the points of contact between the company and the Orange MEA departments in charge of these activities. It is expressly agreed that this agreement does not cover all of the services that Orange MEA or the Group may be required to provide to SONATEL or its subsidiaries. Are notably excluded from the scope of the convention:

- any provision of personnel,
- any brand license,
- all use of a shared service platform (Tango, Nomad, Zebra ...),
- any use of purchased licenses or acquired tools under group contracts,
- any membership in shared service centers (GOS, CECOM, ERP, Fraud & Revenue Assurance, etc.),
- services provided by the GOS and the compliance center Orange Money (CECOM)),
- innovation services.

Exceptional assignments, at the express request of the company. These services must, if necessary, be

the subject of specific contracts concluded for this purpose.

Finally, it is expressly agreed that Orange MEA's support to the Company's Foreign subsidiaries, will be the subject of separate contracts in accordance with the practice of the Orange Group with its Affiliated companies.

The agreement enters retroactively into force from 1st April 2020 and shall remain in effect until 31 December, 2022.

Terms and effects

In return for the provision of services, Orange MEA will receive an annual fee of an amount equal to the ratio calculated according to the provisions hereinafter multiplied by the annual external turnover excluding taxes within the meaning of the accounting standard applicable in Senegal in Euros of the company for the year concerned.

The ratio is calculated each year by Orange MEA for all companies within its scope that have signed a similar agreement. The ratio is equal:

- i) to the total costs borne by Orange MEA for the provision of the services performed for the year in question, plus a margin of 8% on the same costs;
- ii) divided by the sum of the annual turnover of all the companies of the Orange MEA group that have concluded such an agreement for the year in question.

This ratio for fiscal year N will be communicated to the company no later than 30 June of the following fiscal year. (N + 1). If the ratio established for year N shows an increase of more than 15% compared to the ratio

established the previous year, the parties agree that the company may express its disagreement with the new ratio within 30 days.

As for the services, they will be billed semi-annually by OMEA and payable directly to the latter in Euros within the following 30 days. The bill for the first semester will be based on:

- i) the ratio for year N-1,
- ii) multiplied by the external turnover excluding tax of the company achieved in the first half of the year, reported in Euros in the Magnitude consolidation tool on the T30000 account.

A second bill will be based on the ratio of N, unless otherwise expressly agreed, non-payment by the company on time will result in a surcharge for late payment which will be applied from the initial due date. This surcharge for late payment will be equal to one and a half (1.5) times the interest rate charged by the BCEAO at its refinancing operation at 1st March of the current year, or of the previous year for the bill of January to March, on the amount due including all taxes.

As of 31 December, 2020, this agreement has not produced any effect.

7. MEMORANDUM OF UNDERSTANDING BETWEEN SONATEL SA AND OMEA

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Alioune NDIAYE.
- Mr. Ludovic PECH.
- Mr. Jérôme HENIQUE.
- Mr. Hugues FOULON.
- Mr Fabrice ANDRE.

Nature and object

SONATEL and Orange MEA signed a cooperation agreement specifying the terms and conditions under which Orange MEA undertakes to transfer certain elements of its know-how and to provide SONATEL with consulting and support services in a certain number of areas. .

The Orange Group is also the majority shareholder of Orange Brand Services Limited (OBSL), owner of the Orange brand. SONATEL and its subsidiaries in Senegal have signed with OBSL brand license agreements called the Brand License Agreement (BLA), under the terms of which they agreed to pay OBSL a royalty for the use of the brand.

The parties declare and certify that they have perfect knowledge of the BLA agreement.

The Parties have agreed in principle to a memorandum of understanding relating to the remuneration of the cooperation agreement, in particular to take into account the evolution of know-how transfers.

This memorandum of understanding cancels and replaces the memorandum of understanding signed on 18 December, 2013 between Sonatel and Orange MEA. It comes into force from 1st April 2020 until 31 December, 2022 that is, the expiration date of the agreement, the date on which it will be terminated without the possibility of de facto extension. It will be automatically and immediately terminated or cancelled in the event of termination or cancellation of the agreement for any reason whatsoever and without penalty or damages.

Terms and effects

A calculation basis is defined for each year in progress consisting of the following two elements:

- i) the amount of royalties due to OBSL by Sonatel in Senegal and as specified in annex 1 of the agreement (Senegal scope) for the Orange brand, and
- ii) the amount of royalties due to Orange MEA by all entities of the Senegal Scope and subsidiaries of Sonatel internationally, as specified in Annex 2 (Sonatel scope), under the agreement and assistance agreements entered into between Orange MEA and the international subsidiaries of SONATEL.

The base thus defined and reduced to the turnover excluding consolidated tax of the Scope of the previous year, known as year N-1 as audited and approved by the Board of Directors of SONATEL, known as (reference turnover as defined in appendix 3, gives a global royalty rate (the global rate).

Global cap: the parties agree that the global rate is capped each year at 1.29%. This ceiling rate applied to overall turnover gives the ceiling amount.

Floor: it is expressly agreed that, notwithstanding the stipulations of article 2 (ceiling), the fee due under the agreement may in no case be adjusted below 0.2% of the baseline turnover of the Senegal scope mentioned in annex 3, corresponding to the part of the charges borne by Orange MEA for Sonatel for the technical competence centers (network and services) and BuyIn shared purchases (the “floor”).

As of 31 December, 2020, this agreement has not produced any effect.

8. SUBSIDIARY SUPPORT AGREEMENT GOS

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Fabrice ANDRE.
- Mr. Sékou DRAME.

Nature and object

The GOS, as an entity for hosting and pooling the IT resources of the Orange group in the MEA zone, aims to be the catalyst for the operational efficiency of its customers. It intends to boost its business and aims to position itself as the reference partner and manager of the centers of Orange MEA expertise for the benefit of other subsidiaries of the Orange group.

To this end, and to strengthen its presence in the potential market represented by Senegal, the GOS approached SONATEL and requested its support in terms of material resources; software and human resources, for the creation and support of a subsidiary to host the shared service centers (SSC) for the benefit of other Orange group companies.

Indeed, since the management of the activities of the SSC is to be carried out from Dakar, and for the purposes of providing the new entity with adequate conditions. while reducing the burden, it appeared advisable to resort to Sonatel for its support for certain operational activities. This agreement was previously authorized by the Board of Directors of SONATEL at its 197th meeting of 22 December, 2020.

Signed on 14 January, 2021, the purpose of the agreement is to define the conditions and modalities of implementation of the assistance in various fields,

including administrative, technical, financial, legal, fiscal, human resources and purchasing, which SONATEL is expected to provide to GOS Senegal (the services are detailed in annex 1 of the agreement).

It is understood that in this agreement, GOS means the company GOS, its subsidiary and GOS Senegal hosted by the latter.

The agreement is concluded for a period of one year tacitly renewable and takes effect from 1st January 2021.

Terms and effects

GOS services will be billed per quarter, the first bill of the year being issued on the basis of the provisional budget, the annual purchase order

being recognised as affording proof. The parties agree to set up quarterly meetings during which they will review current services and validate the services already performed. This validation will serve as the basis for issuing the bill for the following quarter. This process will condition the payment of the next cash advance.

The terms and conditions are mentioned in annex 2 by type of service. The assistance of GOS Senegal by Sonatel is remunerated on the basis of an actual billing in proportion to the resources allocated plus a mark-up of 8%.

As of 31 December, 2020, revenues totalling 414 million XOF have been recorded under this agreement.

9. CONSORTIUM CONTRACT FOR THE ESTABLISHMENT, OPERATION, MAINTENANCE AND MARKETING OF THE AFRICA FIBER OPTIC BACKBONE «DJOLIBA»

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Alioune NDIAYE.
- Mr. Ludovic PECH.
- Mr. Jérôme HENIQUE.
- Mr. Hugues FOULON.
- Mr Fabrice ANDRE.
- Mr. Sékou DRAME.

Nature and object

This agreement was signed between Orange SA, OMEA, SONATEL and other subsidiaries in the subregion.

The Orange Group, through its subsidiary OMEA which brings together all the subsidiaries and holdings

operating in West Africa and the Middle East, is strongly present in the field of networks and infrastructure in West Africa.

Thus, the companies SONATEL and Orange Côte d'Ivoire, affiliated to OMEA and their respective subsidiary companies, in particular Orange Mali and Orange Burkina Faso, have operational fiber optics transmission infrastructure in their national territories and are considering connecting these infrastructures in order to implement a transnational backbone project in West Africa (referred to as «DJOLIBA»).

To this end, the parties have entered into discussions on the implementation of the DJOLIBA project under

the coordination of OMEA and with the support and participation of the management of the Orange Group in charge of international networks and services.

The parties wish to:

- establish a cross-border broadband transmission network intended for the subsidiaries of the Orange group in West African countries as well as other Central African countries;
- define the modalities and conditions of operation and maintenance under which the DJOLIBA will be operated, upgraded and maintained during the term of the contract;
- define the commercial terms of DJOLIBA.

The contract is concluded for a period of 10 years from the date of signature.

Terms and effects

The prices of DJOLIBA's services are defined in a price listing in annex 8 and are applied by the parties in the context of re-invoicing their customers ("external price list").

The prices of the services provided by the parties for the benefit of another of the Parties when contracting with a customer are also defined in annex 8. It is these service prices that give rise to internal re-invoicing and cover all the costs incurred by the provision of the Service to the customer ("internal price list").

The prices of the services under the contract are expressed in Euro, the billing, accounting and payment currency.

Payments will be made on D + 60, D being the date of issuance of the bill.

As of 31 December, 2020, this agreement has not produced any effect.

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

Consequences of the merger-absorption

The consolidation scope of the SONATEL Group is marked by the merger-absorption by SONATEL SA of the entities SONATEL Mobiles, SONATEL Business Solutions and SONATEL Multimedia. The merger projects were signed on 10 September, 2020 and their approval completed on 27 October, 2020.

In this context, the agreements below have lapsed:

- assistance agreement with SONATEL Mobiles signed on 21 December, 2012 and amended 3 times, 2 in 2010 and one in 2014;
- cooperation agreement with SONATEL Multimédia signed on 17 December, 2007 as well as its amendments 1, 2 and 3 of 3 March, 2009, 15 October, 2009 and 11 February, 2010;
- Cooperation agreement with Sonatel Business Solutions signed on 28 December, 2015 and the subject of an amendment n°1 signed on 20 December, 2019.

In addition, the agreements relating to services between absorbed subsidiaries and entities other than SONATEL SA and Orange France were taken over by SONATEL, are as follows and are reported respectively in points 23 and 24 of this report:

- the SONATEL Mobiles framework contract with Orange Finances Mobiles Sénégal
- the assistance agreement of SONATEL Mobiles with Orange Mali.

Agreements authorized during previous years, whose execution continued during the past year Furthermore, in application of article 440 of the OHADA Uniform

Act relating to the law of commercial companies and economic interest groups, we have been informed that the execution of the following conventions, referred to in article 438 of this Act and approved in previous years, continued during the last financial year.

10. LOAN AGREEMENT WITH ORANGE GUINEA

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Sékou DRAME.
- Mr Fabrice ANDRE

Nature and object

This agreement, signed on 31 December, 2019, relates to the deferral of the payment of dividends in the form of a loan. SONATEL is entitled, by resolution of the Ordinary General Meeting of 15 April, 2019, to the payment of dividends for the 2018 financial year on the basis of an amount of GNF 158.005 per share. The amount due in this respect is 426.978.700.371 GNF.

Orange Guinea has made a part payment of 216.893.000.000 GNF. Sonatel agrees to lend the balance of the dividends due to it for the 2018 financial year (the 2018 balance).

Terms and effects

The balance for 2018 corresponds to the amount of 216.893.000.000 GNF or 19.528.877 Euro. The balance being due since 30 September, 2019, it will bear interest at the rate of 4.5% per annum from this date (included) until the day of full effective payment of the 2018 balance (excluded).

The loan will be repaid in euros. The applicable Euro / GNF exchange rate is that of 22 November, 2019, i.e. 10,757.6948.

Payment will be made over a period of 8 months, ie until 31 May, 2020 at the latest in accordance with the amortization schedule.

For the 2020 financial year, the amount of interest on this loan amounted to 178 million XOF.

11. TECHNICAL ASSISTANCE AGREEMENT WITH ORANGE FINANCES MOBILES SENEGAL

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Sékou DRAME.
- Mr. Fabrice ANDRE.

Nature and object

The purpose of the contract signed on 26 November, 2019 is to define the conditions and modalities according to which

SONATEL provides technical assistance to OFMS. This agreement was previously authorized by the SONATEL Board of Directors meeting held on 23 October, 2019 and that of OFMS on 14 October, 2019. SONATEL reserves the right, as OFMS expressly acknowledges, to use third parties to provide the Services or some of them.

The technical assistance is on «activities», or «services» (detailed in Annexes 1-A to C of the agreement):

- Planning, engineering and operation services of Networks and Service Platforms
- Planning, engineering and operations services of IT security applications, software and solutions (Studies, integration of OFMS applications, operation of OFMS applications, Availability OFMS undertakes to settle the invoices within sixty. of infrastructures

for OFMS, security of OFMS applications, reporting, decision-making and business, capacity building of OFMS on current activities and certain processes);

- Application development management service and digitalization projects (coaching design thinking, design sprint..., course screen design, development, MCO, data analysis and reporting, IT services, use of applications and IS, Network and service platforms)

Terms and effects

The services will be subject to real cost billing to which will be added a mark-up of 8%. Travel costs and disbursements are billed to OFMS in addition. SONATEL sends a bill to OFMS at the end of each quarter, drawn up in accordance with the legislation in force. calendar days of receipt, by transfer to the SONATEL bank account.

The contract is concluded for a period of 5 years from the date of signature. It is renewable by tacit agreement for successive periods of 5 years subject to prior validation by the Boards of Directors of the Parties, unless notice of non-renewal notified by one of the Parties by hand-delivered letter against a liability release or registered letter with acknowledgment of receipt, at least three months before the end of the current period.

For the 2020 financial year, this agreement produced an overall effect of XOF 439 million which can be analyzed as follows (in millions of XOF):

	Amount
Network and service platform	271
Digitization project	379
ACL IT service	67 (325)
Mark up of	8% 47
Total	439

12. SERVICE PROVISION AGREEMENT WITH OFMS-AREA:

COMMERCIAL ACTIVITIES (Marketing, CBM, Communication study, distribution, animation, customer service,)

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Sékou DRAME.
- Mr. Fabrice ANDRE.

Nature and object

The purpose of this agreement is to define the terms and conditions under which SONATEL provides OFMS with the services described in Annex 1 to the agreement and comprising:

- CBM Marketing and Studies, communication and Go to Market services;
- Sales, distribution and animation services (recruitment, training, management and reactivation, visits,

Management of UV availability and liquidity of points of sale, animation and loyalty of the network, audit on request of OFMS.

- Service levels and annual targets (or on demand) must be negotiated between Sonatel and OFMS. A note must be drawn up to validate and formalize them.
- Customer service: Management of requests for information, assistance and complaints (processing of requests for information, assistance Level 1, processing of requests for information, assistance and complaints Orange money level 2, unassisted channel - application Orange money and USSD, traceability of requests received from customers).

The agreement was previously authorized by the SONATEL Board of Directors meeting on 23 October, 2019.

Terms and effects

The contract comes into force from the date of signature for a period of one year. The royalties due to SONATEL are billed in accordance with the provisions annexed to the agreement on a quarterly basis and in proportion to allocated resources plus an 8% mark up. OFMS undertakes to pay the bill issued by SONATEL within 30 calendar days of receipt by wire.

The effect of this agreement is 1.450 million XOF and breaks down as follows as of 31 December, 2020 (in millions of XOF):

	Amount
Distribution services	824
Communication and go to market service	131
Provision of customer services	331
Marketing activity (CBM)	35
Go to market activity	35
Mark up de	8% 94
Total	1.450

13. SERVICE PROVISION CONTRACT WITH ORANGE FINANCES MOBILES SENEGAL (OFMS)-AREA: GENERAL AFFAIRS

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Sékou DRAME.
- Mr. Fabrice ANDRE.

Nature and object

The purpose of this agreement, authorized by the Board of Directors on 23 October, 2019, is to define the terms and conditions under which SONATEL provides OFMS with the services described in Annex 1 of the agreement, including:

- Legal and judicial assistance services;
- Human resources management services (acquire, manage, develop human resources and promote health and safety at work);
- Logistics purchase and insurance services;
- Integrated management system, audit and investigation
- Service provision: physical security
- Corporate communication services and corporate social responsibility

With OFMS operating in a sector regulated by the BCEAO and subject to a specific legal framework, the parties undertake to perform this contract in accordance with the regulations governing electronic money institutions.

Terms and effects

This contract comes into force from 6 November, 2019 for a period of 5 years extended by tacit renewal. The services will be billed in real terms plus a mark-up of 8% in accordance with the table appearing in appendix 3 of the agreement.

OFMS undertakes to pay within 60 calendar days of receipt of the bill.

As of 31 December, 2020, the effect of this agreement was 718 million XOF and can be broken down as follows (in millions of XOF):

Amount	
Management of purchase and logistics activities	
Operation	135
Physical Security	13
IPM Access	13
Access Corporate medicine	34
Legal assistance	105
Litigation	150
Management of Accounting and Tax activities	60
Human Resource Management	106
Integrated management-audit / investigation	44
Mark up of	8% 58
Total	718

14. COOPERATION AGREEMENT BETWEEN SONATEL AND OMEA

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Alioune NDIAYE.
- Mr. Ludovic PECH.
- Mr. Jérôme HENIQUE.
- Mr. Fabrice ANDRE.
- Mr. Hugues FOULON.

Nature and object

This is a cooperation agreement signed on 18 December, 2013 between SONATEL SA and Orange SA for a period of three (3) years and extended for a period of three (3) months from 1 January, 2017 by amendment N° 1 signed on 27 July, 2017. This agreement was the subject of an amendment No. 2 signed on 27 July, 2017 which, on the one hand, extended the duration of the cooperation agreement signed between SONATEL and Orange SA on 18

December, 2013, for three (3) years from 1st April 2017, and on the other hand extended the scope of the SONATEL Group to Orange Finances Mobiles Senegal and Orange Sierra Leone..

This agreement was also the subject of an amendment n 3 signed on 20 December, 2017 to confirm the transfer of the Orange SA agreement to its subsidiary Orange-MEA SA with effect from 01 January, 2018. SONATEL SA has accepted the transfer, from 1st January 2018 by Orange SA to its subsidiary Orange-MEA SA of all of its rights and obligations arising from the agreement of 18 December, 2013 extended until 31 March, 2020.

Orange-MEA SA has therefore, from 1st January 2018, taken over from Orange SA for the execution of the agreement.

Through this agreement, Orange-MEA SA delivers know-how to SONATEL SA and its Senegalese subsidiaries and provides the following services to SONATEL SA and all its subsidiaries:

- transfer of know-how in all areas of the operation and development of a telecommunications business (strategic planning, technical, regulatory, financial, information system, purchasing, etc.);
- technical assistance on a permanent basis with the availing of experts on a permanent basis who will participate in the leadership and management of the company and subsidiaries ;
- ad hoc technical assistance with the realization of ad hoc and specific studies, the resolution of problems related to its organization or operation.

Terms and effects

In return for the transfer of know-how and the services provided, SONATEL SA will pay Orange-MEA SA an

annual fee equivalent to 0.31% of the turnover of the Senegal scope (SONATEL SA, SONATEL Mobiles, SONATEL Multimedia, SONATEL Business Solutions, Orange Finances Mobiles Senegal) net of intragroup activities. From 1st April 2020, this agreement is cancelled and replaced by the agreement mentioned in point 6 of this report.

For the 2020 financial year, the fees recognized under this agreement and its amendments over the period from January to March amount to 1,350 million XOF.

For the cost of making staff available, SONATEL SA re-invoiced Orange-MEA SA for the expenses relating to expatriates borne by SONATEL SA and which are outside the lump sum price set by Orange SA. The amount of costs rebilled by SONATEL SA amounted to 89 million XOF as of 31 December, 2020.

15. MEMORANDUM OF UNDERSTANDING BETWEEN SONATEL SA AND OMEA

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Alioune NDIAYE.
- Mr. Ludovic PECH.
- Mr. Jérôme HENIQUE.
- Mr. Fabrice ANDRE.
- Mr. Hugues FOULON.

Nature and object

A memorandum of understanding was signed on 18 December 2013 (with effect from 1st January 2014) between SONATEL SA and Orange SA for a period of three years, until 31 December, 2016. An amendment n°1 was then signed on July 27, 2017 to extend the period over three (3) months from 1st January 2017.

This protocol was the subject of an amendment n°2 signed on 27 July, 2017 to extend the term to three (3) years, from 1st April 2017, and extend the scope of the SONATEL Group to the companies Orange Finances Mobiles Senegal and Orange Sierra Leone. This protocol was also the subject of an addendum n°3 signed on December 20, 2017 for the purpose of confirming the transfer of the Orange SA protocol to its subsidiary Orange-MEA SA from 1st January 2018. SONATEL SA accepted the transfer, as of 1st January 2018, by Orange SA to its subsidiary Orange-MEA SA for the whole of its rights and obligations arising from the protocol of 18 December, 2013 extended until 31 March, 2020.

In this memorandum, Orange SA and SONATEL SA have agreed that the know-how transfer fee of 0.31%, applied to annual turnover of the Senegal net scope of intragroup activities, is calculated so that the amount of Orange brand royalties applied to the Orange Senegal scope (Sonatel SA, Sonatel Mobiles, Sonatel Multimedia, Sonatel Business Solutions) and the total fees for transfer of know-how and assistance services of the SONATEL Group does not exceed 1.43% of turnover of the SONATEL Group for the 2013 financial year.

Orange-MEA SA has therefore, from 1st January 2018 taken over from Orange SA the execution of the memorandum.

Terms and effects

If this royalty exceeds 1.43% of the SONATEL Group's consolidated turnover in 2013, it will be adjusted so as not to exceed the amount corresponding to 1.43% of the consolidated turnover of the SONATEL Group. This royalty may not be less than 0.20% of annual net turnover of the Senegal scope net of intra-group activities.

The SONATEL Group means SONATEL SA and its existing subsidiaries at 1st November 2011.

New subsidiaries registered outside Senegal which join the scope of the SONATEL Group after this date are excluded from the mechanism for adjusting know-how transfer fees.

This agreement is replaced by the agreement mentioned in point 7 from April 2020.

As of 31 December, 2020, the excess royalty was 495 million XOF with an effect of equal amount on SONATEL SA products.

16. ASSISTANCE AGREEMENT WITH ORANGE (SL) LTD

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Sékou DRAME.
- Mr. Fabrice ANDRE.

Nature and object

This is an assistance agreement between SONATEL SA and Orange (SL) Ltd authorized during the 171th meeting of the Board of Directors of SONATEL SA of 18 September, 2016, signed on 1st March 2018 with retroactive effect to 19 July, 2016.

The purpose of the agreement is to determine the terms and conditions under which SONATEL will transfer know-how to Orange (SL) Ltd and provide services to Orange (SL) Ltd with a view to enabling it to develop its activities in their competitive context and sub-regional development, and to benefit from all the synergies available within the framework of

the SONATEL Group. This agreement provides in particular:

- a transfer of know-how from SONATEL SA in the field of strategic, regulatory, financial, technical, innovation and commercial planning, the quality and optimization of administrative, purchasing and human resources processes, in the area of management control, fraud and income insurance;
- assistance services on a permanent basis by the provision of experts on a permanent basis as well as the provision of all or part of its financial and commercial management tools and software, technical or operational within the limits of telecommunications regulations and rules defined in Senegal and Sierra Leone;
- occasional assistance at the request of Orange (SL) Ltd.

Terms and effects

In return for the transfer of know-how and personnel, Orange (SL) Ltd pays SONATEL SA an annual fixed fee calculated on the basis of 3% of turnover excluding tax net of the amount of management fees paid directly to the Orange Group.

The director’s services will be billed at. 9 million XOF / man month.
Experts seconded on a permanent basis will be billed at. 7 million XOF / man month.
The billing for the temporary experts is set at 350.000 XOF/man-day excluding transport and lodging costs.
The use of SONATEL SA software and management tools will be billed in proportion to the resources used.
Basis: (depreciation + maintenance costs) + 15%.
This agreement was the subject of two amendments :

- amemdment number 1, signed on 1st December 2019 concerns the suspension of the payment of the know-how transfer fee provided for in article 3.2 of the agreement of 1st March 2018 for fiscal years 2019, 2020 and 2021;
- amendment number 2 signed on 31 December, 2019, provides for a review of the cost of staff made available to Orange Sierra Leone in accordance with Article 4 of the agreement of 1 March, 2018.

These costs will be billed during the period from 1 January, 2019 to 31 December, 2021 as provided in the “billing formulas” appended to the amendment. These riders are part of the support provided by SONATEL to its subsidiary Orange Sierra Léone. In fiscal 2020, this agreement generated revenue for a total amount of 294 million XOF, which breaks down as follows:

In millions of XOF	
Seconded personnel IS network	273 21
Total	294

17. AGREEMENT ON THE RENEWAL OF THE CONCESSION

- Directors concerned
- Mr. Koly FAYE.
 - Mr. Abdoulaye DIOP.
 - Mr. Abdoulaye SAMB.

Nature and object

An agreement was signed on 21 June, 2016 between the State of Senegal and SONATEL SA, for the renewal of the concession expiring on 8 August, 2017. This agreement also provides for 4G frequency allocation arrangements.

This agreement was previously authorized by the Board of Directors of SONATEL SA at its 167th session dated 20 June, 2016

The renewal of the concession concerns the establishment and operation of public telecommunications networks and the provision of telecommunications services for a period of 17 years, beginning on 9 August, 2017.

Further, the Government of Senegal undertakes to allocate 4G frequencies to SONATEL SA for a period of 17 years with effect from the signing of the frequency allocation decision on 3 August, 2016.

Terms and effects

The renewal of the SONATEL SA concession agreement as well as the allocation of 4G frequencies are made subject to the payment of a total amount of.100 billion XOF distributed as follows:

- 68 billion XOF for the renewal of the global 2G / 3G fixed licence;
- 20 billion XOF for the allocation of frequencies 2x10Mhz in the 1800 Mhz band;
- 12 billion XOF for the allocation of frequencies of 2x10 MHz in the 800 MHz band.

This amount is paid according to the following terms:

- payment of XOF 50 billion in July 2016, after publication in the Official Gazette of the Republic of Senegal of the new versions of the Concession Agreement and the specifications and signing of the decision to allocate 4G frequencies. This first payment concerns the payment of. 32 billion XOF for the allocation of 4G frequencies and the payment of 18 billion XOF for the down payment on the renewal of the global fixed 2G / 3G license;

- payment of the balance of 50 billion XOF in January 2017 for the remainder of the renewal of the global fixed 2G / 3G license.

The amount of the concession was paid in full by SONATEL in previous years.

18. COOPERATION AGREEMENT WITH ORANGE MALI

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Sékou DRAME.
- Mr. Fabrice ANDRE.

Nature and object

This is a technical cooperation agreement signed in August 2002 between SONATEL and Orange Mali in the following areas:

- transfer of know-how from SONATEL SA to Orange Mali
- permanent assistance services by SONATEL SA in the fields of operational management, technical assistance, engineering and training,
- ad hoc assistance services at the request of Orange Mali for ad hoc and specific studies,
- supply by SONATEL at the request of Orange Mali, of technical and commercial management tools,
- use by Orange Mali of new SONATEL SA software. la SONATEL SA.

This agreement was the subject of three amendments signed respectively on 18 November, 2005, on 23 December 2008 and 23 December, 2011. The second amendment supplements the services provided for in the cooperation agreement and in amendment N°.1 signed between the parties in 2002 and in 2005.

The third amendment was signed on December 23, 2011 with retroactive effect from 1st January, 2011 and aims to modify article 2.2 of the agreement signed in August 2002 relating to the payment of management fees.

In addition to the services already provided for in these two initial contracts, the parties agree to grant each other loans and borrowings.

These management fees were the subject of an amendment N°4 previously authorized by the board of directors of SONATEL SA on 18 December, 2019. This amendment modifies the billing method for management fees to take into account the evolution of Orange Mali, which created an Orange Finance Mobiles Mali subsidiary to manage the Orange Money activity. The annual fee is equivalent to 3% of turnover net of intragroup activities of the consolidation scope composed of Orange Mali and its subsidiaries and after deduction of the management fees paid directly to Orange.

Terms and effects

In return for the services provided, Orange Mali will pay SONATEL SA a royalty amounting to 3% of corporate turnover net of the amount of the management fees paid directly to Orange SA in accordance with the contract signed between Orange SA and 7.5 million XOF per month and per agent for the posts of general manager and director and 5.9 million XOF per month and per agent for other positions.

Temporary expertise missions are billed at the rate of 350.000 XOF per man/day

The use of SONATEL SA software will be invoiced in proportion to the licenses operated by Orange Mali on

a base (amount depreciation + maintenance charges) x 15%. Under amendment n°2, the amount of loans granted by a party will not exceed at the time of the loan more than 60% of the average monthly cash flow of the last 6 months.

The interest rate corresponds to the average rate on the last three TADs from which the lender benefits plus 0.25 points.

If, as a result of the loan of the agreement, the lender contracts a debt, the rate to be applied will be the exit rate of the said debt plus 0.25 point.

The amounts invoiced by SONATEL SA for the 2020 financial year total 8.577 million XOF and break down as follows:

In millions of annual	FCFA
Fee Seconded staff IT	7.653
One-off assistance	386
Computer science	536
One-off assistance	2
Total	8.577

19. ASSISTANCE AGREEMENT WITH GROUPEMENT ORANGE SERVICES

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Sékou DRAME.
- Mr. Fabrice ANDRE.

Nature and object

This is a management assistance agreement for the provision of permanent experts of SONATEL SA to the Groupement Orange Services (GOS). This agreement

was validated at the 155th Meeting of the Board of Directors of SONATEL of 18 September 2014 and at the 14th Meeting of the Board of Directors of GOS SA. The agreement was concluded for an indefinite period. It has a retroactive effect and begins to run from 1st January 2014.

Terms and effects

In the case of a seconded expert, the billing will be 7 million XOF / man month (employee) and 9 million XOF /man-month if the staff occupies the position of DG or DDG.

In the case of a temporary expert, the billing will be 350 000 XOF/man-day. This billing does not include travel, stay and living expenses.

In the case of other assistance services, the billing must be agreed between the two parties. before the actual start of the execution of the requested service.

As of December 31, 2020, the effects produced by this The agreement only concerns permanent assistance services for experts, which amount to a total of 164 million XOF.

20. ASSISTANCE AGREEMENT WITH ORANGE GUINEA

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Sékou DRAME.
- Mr. Fabrice ANDRE.

Nature and object

This is an assistance agreement between Orange Guinea and SONATEL SA signed on 21 June, 2007 and which provides in particular for:

- transfer of know-how from SONATEL SA to Orange Guinea in the areas of strategic planning position, in the area of purchasing, human resources, financial management control, technical, commercial;
- permanent assistance services by SONATEL SA with the provision of highly qualified personnel in particular to occupy management positions;
- occasional assistance services at the request of Orange Guinea for one-off and specific studies
- availing by SONATEL SA to Orange Guinea of management tools.

An amendment was signed on 23 December, 2011 with retroactive effect to 1st January 2011 and modifies article 2.2 of the agreement signed on 21 June, 2007 relating to the payment of management fees.

Terms and effects

In return for the services provided, Orange Guinea will pay SONATEL SA a royalty amounting to 3% of net turnover of the amount of management fees paid directly to Orange SA in accordance with the contract signed between Orange SA and Orange Guinée.

These management fees were the subject of an amendment authorized by the Board of Directors of SONATEL SA of 18 December, 2019, which applies from 1st January 2019.

The agreement of 23 December, 2011 has been modified as follows: «in return for the transfer of know-how as defined in article 2.1 Orange Guinea shall pay SONATEL SA an annual fee equivalent to 3% of turnover net from intra group activities of the consolidation scope composed of Orange Guinea and its subsidiaries and after deduction of the management fees paid directly to Orange.

Regarding permanent assistance services, Orange Guinea will bear the full cost of expatriate staff made available by SONATEL and shall pay an amount of 7 million XOF / man month.

Occasional assistance services will be billed by SONATEL SA to Orange Guinea at the rate of 350,000 XOF / man-day.
The use of SONATEL SA software will be billed in proportion to the licences operated by Orange Guinea according to a base (depreciation amount + maintenance costs) x 1.15.

The amount recognized for the 2020 financial year under this agreement amounts to 5.058 million XOF and breaks down as follows:

In millions of XOF	
Seconded personnel	659
Management fees	4.216
IS Network	183
Total	5.058

21. ASSISTANCE AGREEMENT WITH ORANGE BISSAU

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Sékou DRAME.
- Mr. Fabrice ANDRE.

Nature and object

This is an assistance agreement between Orange Bissau and SONATEL SA signed on 6 August, 2007 and which provides in particular for:

- the transfer of know-how from SONATEL SA to Orange Bissau in the areas of strategic planning, purchasing,

- human resources, financial management, technical, commercial control;
- permanent assistance services by SONATEL SA with the provision of highly qualified personnel in particular to occupy management positions;
- occasional assistance services at the request of Orange Bissau for ad hoc and specific studies;
- availing of management tools by SONATEL SA to Orange Bissau.

This agreement was the subject of an addendum n°1 signed on 9 July, 2008 for the purpose of modifying and deleting the terms of the agreement of 6 August 2007 relating to the costs of permanent staff made available to Orange Bissau by SONATEL SA.

Article 2 of amendment N°1 to the agreement specifies that SONATEL SA shall bill Orange Bissau for the real gross cost of the staff made available on a permanent basis, without applying a margin as long as the latter's EBITDA is negative.

An amendment was signed on 23 December, 2011 with retroactive effect from 1 January, 2011 and modifies article 2.2 of the agreement signed on 6 August, 2007 relating to the payment of management fees.

Terms and effects

In return for the services provided, Orange Bissau will pay SONATEL SA a fee amounting to 3% of turnover net of the amount of management fees paid directly to Orange SA in accordance with the contract signed between Orange SA and Orange Bissau .

As part of the permanent assistance services, Orange Bissau will bear the full cost of expatriate staff made available by SONATEL SA. SONATEL SA will bill Orange Bissau for the real gross cost of the staff made

available on a permanent basis, without applying a margin as long as the latter's EBITDA is negative.

The occasional assistance services will be billed by SONATEL SA to Orange Bissau at the rate of XOF 350,000 / man-day.
The use of SONATEL SA software will be billed in proportion to the licences operated by Orange Bissau according to a base (depreciation amount + maintenance costs) x 1.15.

The amount recognized in the 2020 financial year under this agreement amounts to 693 million XOF and is detailed as follows:

In millions of XOF	
Seconded staff	113
Management fees	495
Network management and IT	85
Total	693

22. BRAND LICENSE AGREEMENT

ADirectors, Directors General, Deputy Directors General or shareholders concerned.

- Mr. Alioune NDIAYE.
- Mr. Ludovic PECH.
- Mr. Jérôme HENIQUE.
- Mr. Hugues FOULON.
- Mr Fabrice ANDRE

Nature and object

SONATEL, being a subsidiary of the Orange Group, has been using the Orange Brand since 2006 to benefit from its well-established specificity, its worldwide reputation and its goodwill.

The concessionaire has a non-exclusive license to use the orange brand in the territory during the contractual term, within the framework of the supply, sale, distribution, promotion and marketing of the licensed services, related products and promotional products, in all forms of current and future media (including internet and social media) and marketing and distribution channels (including, without limitation, the operation of retail stores of the Orange brand), and the concessionaire undertakes to use the orange brand during the contractual period, in each case according to the terms and conditions contained in this contract. This contract was authorized by the Board of Directors on 17 April, 2019..

This contract is effective retroactively from 1st January 2019 and will remain in effect for a period of ten (10) years.

Terms and effects

In return for the licenses and other rights granted by virtue of this contract, the concessionaire shall pay to the grantor, or to any entity designated by the grantor, royalties and other remuneration in the amounts and on the due dates provided for in this contract. All these sums will be counted in XOF and paid in euros to the the Concessionaire, or of any entity designated by the Licensor, to the credit of the bank account designated in writing by the Licensor. When the Concessionaire must convert into euros any amounts denominated in another currency in order to comply hereby, the conversion rate for the Quarter billed will be the average rate of the Orange Group calculated over the current financial year, as published monthly in Magnitude according to the SYSCOHADA standard.

Royalties and other remuneration due under this Contract will be paid to the Licensor without any

amount being deducted for value added tax or stamp duties or other taxes (including levies, fees, taxes, charges or duties) currently applicable according to the internal legislation or regulations in the Territory, with the exception of withholding tax which could be deducted.

The Royalty Rate is equal to 1.6% of Revenue and is recognized by the Parties as an arm's length royalty rate for the Orange Brand.

The effect of this agreement on the 2020 financial year is 6.445 million XOF.

23. PARTICIPATION CONTRACT

Directors, Directors General, Deputy Directors General or shareholders concerned.

- Mr. Alioune NDIAYE.
- Mr Fabrice ANDRE.
- Mr. Ludovic PECH.
- Mr. Jérôme HENIQUE.
- Mr. Hugues FOULON..

Nature et objet

This is a contract signed on 31 March, 2012, between JV (BUYIN SA company), NatCo (SONATEL SA, SONATEL Multimedia, SONATEL Mobiles and SONATEL Business Solutions) and Orange SA.

The purpose of this contract is to lay down the general terms and conditions of collaboration between JV and NatCo concerning the purchasing activities included in the scope of JV.

The scope of JV purchasing activities concerns in particular:

- network technology,
- customer equipment,
- service platforms...

Terms and effects

This collaboration is conducted without financial compensation.

24. FRAMEWORK CONTRACT WITH ORANGE FINANCES MOBILES SENEGAL

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Sékou DRAME.
- Mr Fabrice ANDRE.

Nature and purpose This is a framework contract authorized at the 76th meeting of the Board of Directors of SONATEL Mobiles on 18 April, 2017, signed between SONATEL Mobiles and Orange Finances Mobiles Senegal on 12 June, 2017 with retroactive effect from 1 June 2016. It was signed in the presence of the Orange Money Compliance Expertise Center (CECOM) set up by the Orange group and whose objective is to assist the Electronic Money Institute (EMI) in the definition, updating and implementation of the compliance system and for which the EMI remains responsible to the BCEAO.

The purpose of the framework contract is to define the conditions for the marketing and operation of the Orange money service in Senegal through the Orange money system, as well as the rights and obligations of each party resulting therefrom, in particular with regard to the operational and technical management of Orange money at the operator's cost. It is concluded

for a period of five (5) years from the effective date. At the end of this period, the framework contract will be automatically renewed for successive periods of five (5) years.

Terms and effects

In return for the activities of supply, operation and management of the Orange money system, the parties agree that OFMS will pay a fee whose amount will be fixed by the parties according to criteria and methods to be agreed later. For fiscal year 2020, no billing was carried out by SONATEL as part of this agreement.

25. ASSISTANCE AGREEMENT WITH ORANGE MALI

Directors, Directors General, Deputy Directors General or shareholders concerned

- Mr. Sékou DRAME.
- Mr Fabrice ANDRE

Nature and object

This is an assistance agreement between SONATEL Mobiles and Orange Mali which provides in particular for:

- the hosting until 15 November, 2005 for subscribers of Orange Mali in the intelligent network platform of SONATEL Mobiles;
- the setting up by SONATEL Mobiles of a shared technical platform and software of SICO (Commercial Information System);
- IT technical support in the operation of SICO;
- Orange Mali's use of new software owned by SONATEL Mobiles.

Terms and effects

In return for the services provided, SONATEL Mobiles shall bill Orange Mali for its share of depreciation of investments in the hosting and its share of support charges, plus a margin of 25%.

For fiscal year 2020, no billing was carried out by SONATEL as part of this agreement.

Dakar, 13 April, 2021

The Auditors

GARECGO
MEMBER OF JPA INTERNATIONAL NETWORK

Mamour FALL
Partner

RACINE
MEMBER ERNST & YOUNG

Makha SY
Partner

AGENDA OF THE ORDINARY GENERAL MEETING OF SONATEL

DU MERCREDI 28 AVRIL 2021

- | | |
|--|--|
| 1. Review and approval of the financial statements of the Year ended 31 December, 2020 | 7. Renewal of the term of office of Mr. Cheikh Tidiane MBAYE, |
| 2. Appropriation of the income for fiscal year 2020, | 8. Appointment of DELOITTE Senegal as Statutory Auditor and Cabinet EXCO Senegal as Alternate Auditor, |
| 3. Ratification of the co-optation of Mr. Cheikh Tidiane MBAYE, | 9. Appointment of GRANT Thornton as second Alternate Auditor, |
| 4. Renewal of the term of office of Mr. Alioune NDIAYE, | 10. Approval of regulated agreements. |
| 5. Renewal of the term of office of Mr. Ludovic PECH, | 11. Powers for accomplishment of formalities. |
| 6. Renewal of the term of office of Mr. Jérôme HENIQUE. | |

The right to participate in the Meeting is subject to the prior registration of shareholders in the Company's Shareholders' Book at least 05 days before the Meeting.

In accordance with Article 21 paragraph 1 of the Articles of Association of SONATEL, any shareholder (or group of shareholders) holding at least one hundred (100) shares may vote on resolutions within the competence of this Meeting. Any shareholder may be represented by a proxy of his choice.

For the proper conduct of the Meeting, each shareholder may proceed at his choice:

- or by correspondence (before the Meeting) to vote on the resolutions proposed.

Postal ballots must be deposited with SONATEL or a Management and Intermediation Company (MIC) at least 24 hours before the meeting is held.

- either by electronic voting (instead of the physical meeting) on the resolutions proposed,
- or by online voting (during the videoconference) on the resolutions proposed,

The cumulative use of the 03 voting methods is not possible. The proxy forms as well as the postal ballots are made available to shareholders at the SONATEL head office, at the SGI level and on the SONATEL institutional site. (www.sonatel.sn)

- The following contact channels have been put in place to answer all questions from shareholders relating to the holding of this Meeting:
- toll-free number accessible only from Senegal: 800 800 400
 - toll-free number accessible from abroad: +221 33 833 09 55
 - mail: relation.investisseurs@orange-sonatel.com

Finally, in accordance with Articles 525 and 847 of the OHADA Uniform Act relating to Commercial Company Law and Economic Interest Groups, the documents relating to this General Assembly will be made available to shareholders at the registered office at 64, Voie de Dégagement Nord (VDN) in Dakar during the fifteen (15) days preceding the holding of the Meeting, i.e. from 13 April to 27 April, 2021.

The following draft resolutions will be proposed:

DRAFT RESOLUTION 1: REVIEW AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020.

The General Meeting, after hearing the reading :

1. of the Report of the Board of Directors on the Company's activities during the year ended 31 December, 2020 and the accounts for the said financial year,
2. of the Auditors' General Report on the financial statements for the year,

Approves the financial statements of SONATEL for the year ended 31 December, 2020 as presented as well as the transactions reflected in these accounts and summarized in these Reports.

Accordingly, taking note of the Auditors' General Report, the Ordinary General Meeting grants full and unreserved discharge to the Directors and the Auditors for the execution of their mandate for the financial year ended 31 December, 2020.

DRAFT RESOLUTION 2:
APPROPRIATION OF THE INCOME FOR
THE FINANCIAL YEAR 2020.

The General Meeting, approving the proposal of the Board of Directors, notes the existence of a positive result of 150.446.962.632 XOF.

The General Meeting decides to distribute the result as follows:

Dividends :	136.111.111.111 FCFA
Other reserves :	14.335.851.521 FCFA

TOTAL : 150.446.962.632 F CFA

Consequently, the Ordinary General Meeting sets at 1,361 F XOF the gross dividend accruing to each share. After deduction of the 10% withholding tax for IRVM, the net dividend of XOF F 1,225 per share will be paid as of 17 May, 2021

DRAFT RESOLUTION 3: RATIFICATION
OF THE CO-OPTATION OF MR. CHEIKH
TIDIANE MBAYE

On the proposal of the Board of Directors and having deliberated, the General Meeting decides to ratify the co-optation of Mr. Cheikh Tidiane MBAYE coopted during the Board of Directors meeting of 24 February, 2021 to replace Mr. Thierry BRETON, who resigned.

Following this co-optation, Mr. Jérôme HENIQUE will retain his mandate for the remaining term of his predecessor's term of office until the Ordinary General Meeting which will decide in 2021 on the financial statements for the year ended 31 December, 2020.

DRAFT RESOLUTION 4: RENEWAL OF
THE TERM OF OFFICE OF MR ALIOUNE
NDIAYE.

The General Meeting notes that the mandate of Mr. Alioune NDIAYE expires at the end of this Ordinary General Meeting.

It decides to renew the mandate of Mr. Alioune NDIAYE for a period of three (3) years that will expire at the end of the Ordinary General Meeting which will rule in 2024 on the accounts for the year ended 31 December, 2023.

Mr. Alioune NDIAYE, whose term of office has been renewed, declares that he accepts this renewal and specifies that there is no incompatibility or prohibition liable to prevent him from exercising the functions of director.

DRAFT RESOLUTION 5: RENEWAL OF
THE TERM OF OFFICE OF MR LUDOVIC
PECH.

The General Meeting notes that the mandate of Mr. Ludovic PECH expires at the end of this Ordinary General Meeting.

It decides to renew the mandate of Mr. Ludovic PECH for a period of three (3) years that will expire at the end of the Ordinary General Meeting which will rule in 2024 on the accounts for the year ended 31 December, 2023.

Mr. Ludovic PECH, whose term of office has been renewed, declares that he accepts this renewal and specifies that there is no incompatibility or prohibition liable to prevent him from exercising the functions of director.

DRAFT RESOLUTION 6: RENEWAL OF
THE TERM OF OFFICE OF MR JEROME
HENIQUE.

The General Meeting notes that the mandate of Mr. Jérôme HENIQUE expires at the end of this Ordinary General Meeting.

It decides to renew the mandate of Mr. Jérôme HENIQUE for a period of three (3) years that will expire at the end of the Ordinary General Meeting which will rule in 2024 on the accounts for the year ended 31 December, 2023.

Mr. Jérôme HENIQUE, whose term of office has been renewed, declares that he accepts this renewal and specifies that there is no incompatibility or prohibition liable to prevent him from exercising the functions of director.

DRAFT RESOLUTION 7: RENEWAL OF
THE TERM OF OFFICE OF MR CHEIKH
TIDIANE MBAYE.

The General Assembly notes that the mandate of Mr. Cheikh Tidiane MBAYE expires at the end of this Ordinary General Meeting.

It decides to renew the mandate of Mr. Cheikh Tidiane MBAYE for a period of three (3) years which will expire at the end of the Ordinary General Meeting which will rule in 2024 on the accounts for the year ended 31 December, 2023.

Mr. Cheikh Tidiane MBAYE, whose mandate has been renewed, declares that he accepts this renewal and specifies that there is no incompatibility or prohibition liable to prevent him from exercising the functions of director.

DRAFT RESOLUTION 8: APPOINTMENT
OF DELOITTE SENEGAL AS STATUTORY
AUDITOR AND OF CABINET EXCO
SENEGAL AS DEPUTY STATUTORY
AUDITOR

To replace the resigning the firm RACINE, the General Meeting decides to appoint the firm DELOITTE Senegal as Statutory Auditor for the remainder of the term of office of its predecessor, i.e. at the end of the Ordinary General Assembly which will rule in 2022 on the financial statements for the year ended 31 December, 2021.

The Representative of DELOITTE Senegal previously contacted declared that he accepted this renewal and specified that the said Firm is not affected by any incompatibility, prohibition liable to prevent it from exercising the functions of Statutory Auditor.

The General Meeting also decides to appoint the firm EXCO Senegal as Deputy Auditor to replace KPMG, which has resigned. This appointment is made for the remainder of the term of office of Alternate Auditor of the resigning KPMG firm, i.e. at the end of the Ordinary General Meeting which will rule in 2022 on the accounts for the fiscal year ended 31 December, 2021.

The Representative of DELOITTE Senegal previously contacted declared that he accepted this renewal and specified that the said Firm is not affected by any incompatibility, prohibition liable to prevent it from exercising the functions of Statutory Auditor.

DRAFT RESOLUTION 9: APPOINTMENT OF THE FIRM GRANT THORNTON AS SECOND ALTERNATE AUDITOR.

The General Meeting also decides to appoint the firm GRANT Thornton as second Alternate Auditor to replace MAZARS Sénégal, which has resigned. This appointment is made for the remainder of the term of office of Alternate Auditor of the resigning firm MAZARS, i.e. at the end of the Ordinary General Meeting which will rule in 2022 on the accounts for the fiscal year ended 31 December, 2021.

The Representative of GRANT THORNTON previously contacted declared that he accepted this renewal and specified that the said Firm is not affected by any incompatibility, prohibition liable to prevent it from exercising the functions of Alternate Statutory Auditor.

DRAFT RESOLUTION 10: APPROVAL OF REGULATED AGREEMENTS.

Après avoir entendu la lecture du Rapport Spécial des Commissaires aux Comptes sur les conventions visées aux articles 438 et suivants de l'Acte Uniforme de l'OHADA relatif au Droit des Sociétés Commerciales et du Groupement d'Intérêt Economique, l'Assemblée Générale Ordinaire approuve les conventions suivantes :

Having heard the reading of the Special Report of the Auditors on the agreements referred to in Articles 438 et seq. of the OHADA Uniform Act on the Law of Commercial Companies and Economic Interest Groups, the Ordinary General Meeting approves the following agreements:

- Amendment to the contract with OMEA,
- Cash agreement signed with ORANGE Finances Mobiles Sénégal
- Agreement with ORANGE for the participation in the SIMBA submarine cable,
- Assistance agreement with OINIS,
- Assistance agreement signed with ORANGE,
- Ceiling agreement signed with ORANGE,
- Assistance agreement signed with GOS, Agreement on the African fiber-optic backbone with ORANGE and OMEA.

DRAFT RESOLUTION 11: POWERS FOR THE COMPLETION OF FORMALITIES.

The General Meeting confers all powers on the bearer of originals, copies or extracts of these resolutions in order to accomplish all the formalities prescribed by law..





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