

TAQA MOROCCO

INCREASING RESULTS AS OF DECEMBER 31st, 2018

UNDERPINNED BY A STRONG BUSINESS PLAN

- Good operational performance of Units 1 to 6 with a global availability rate of 91.2%,
- Increasing financial performance with a Net Income Group Share rising to 1,049 MDH as compared to 2017,
- Proposed dividend distribution of MAD 40 per share, representing a dividend yield of 4.4%*.

TAQA Morocco Management Board, meeting on March 11th, 2019 under the chairmanship of Mr. Abdelmajid Iraqui Houssaini, approved the Company's statutory and consolidated financial statements as of December 31st, 2018 as follows:

CONSOLIDATED ACCOUNTS

In Mdh	2018	2017	Variation 18/17 en %
Turnover	8,511	8,082	5.3%
EBITDA	3,584	3,514	2.0%
Operating profit	2,641	2,573	2.6%
Financial result	-644	-640	-0.5%
Net profit	1,362	1,321	3.1%
Incl. Net Income Group Share	1,049	1,014	3.4%
Incl. Minority interest	313	307	1.9%
Net Debt / EBITDA	2,2x	2,9x	-23.3%

The growth of TAQA Morocco's operational and financial results is based on a strong business plan and breaks down as follows :

- An availability rate of Units 1 to 4 of **88.8%** compared to **93.2%** year-on-year (December 31st, 2017), due to Unit 2 major overhaul and Unit 4 minor overhaul as part of the maintenance plan,
- Units 5&6 achieved an availability rate increasing significantly to **96%** compared to **91%** year-on-year.

In this context, the **Consolidated turnover** increases to **8,511 MDH** at December 31st, 2018, compared to **8,082 MDH** at December 31st, 2017, due to the good performance of Units 1 to 6, taking into account Unit 2 major overhaul and Unit 4 minor overhaul, as well as the increase of energy payments resulting from coal price evolution in the international market.

Consolidated operating profit rises by 2.6% to **2,641 MDH** against **2,573 MDH** year-on-year (December 31st, 2017) driven by continued operating and maintenance cost optimization program which offset the effect of dollar depreciation against the dirham in 2018 compared to 2017. Therefore, the consolidated net margin reaches **31%** as of December 31st, 2018 compared to **31.8%** year-on-year (December 31st, 2017).

Higher **Net Income Group Share** from **1,014 MDH** to **1,049 MDH**, taking into account. As a result, net profit margin reaches **16%** as of December 31st, 2018 compared to **16.3%** year-on-year.

STATUTORY ACCOUNTS

In Mdh	2018	2017	Variation 18/17 in %
Turnover	4,617	4,399	5.0%
EBITDA	1,340	1,331	0.7%
Operating income	770	771	-0.1%
Financial result	270	400	-32.3%
Net Income	827	972	-14.9%

Social Net Income records **827 MDH** in 2018 compared to **972 MDH** in 2017 due to:

- Good operating performance of Units 1 to 4 taking into account Unit 2 major overhaul and Unit 4 minor overhaul as part of the maintenance plan,
- Continued action on operational efficiency which mitigated the dollar depreciation effect against the dirham in 2018 compared to 2017. Thus, the **operating margin rate** reaches **16.7%** in 2018, against **17.5%** in 2017,
- A financial Result impacted by the dividend distribution of the subsidiary JLEC 56 of 396 MDH in 2018 against 561 MDH in 2017 according to the dividend distribution plan.

Dividends

The Management Board has decided to submit for approval to the General Assembly, a dividend distribution of **MAD 40 per share**. This dividend will be paid on before July, 25th, 2019.

* Based on share price as at March 4th, 2019.

Outlooks

Thanks to its operational excellence, TAQA Morocco will carry on its strategic orientations to achieve 2019 forecasted results. TAQA Morocco Group renews its development ambitions by exploring opportunities in Morocco and Africa.

Subsidiary of Abu Dhabi National Energy Company "TAQA"

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