

ANNUAL RESULTS 2017

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2017

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31 ST			
(in thousands MAD)			
	Notes	2017	2016
ASSETS			
• Intangible assets	1.2.1 & 2.1	4,514,614	4,856,765
• Tangible assets	1.2.2 & 2.1	10,084,482	10,421,534
• Financial assets	2.2	3,161	4,345
• Unrealised foreign exchange losses		420,701	523,027
FIXED ASSETS		15,022,958	15,805,671
• Inventories	1.2.3 & 3	1,441,818	1,575,879
• Operating receivables	4	1,679,784	1,618,537
• Other receivables	5	555,305	623,800
• Short term deposits	6	2,249,297	2,274,948
• Unrealised foreign exchange losses		5,407	8,240
• Cash	7	309,648	591,350
CURRENT ASSETS		6,241,259	6,692,755
TOTAL ASSETS		21,264,217	22,498,426
LIABILITIES			
• Capital		2,358,854	2,358,854
• Share premium		1,164,805	1,164,805
• Consolidated reserves		785,542	679,835
• Group share of net profit		1,013,813	978,488
• Group Equity	8	5,323,014	5,181,982
• Minority interests		784,656	766,243
CONSOLIDATED SHAREHOLDERS EQUITY		6,107,670	5,948,225
Provisions for liabilities and charges	1.2.5 & 9	19,227	17,338
Financial debt	10	12,652,595	13,840,389
NON-CURRENT LIABILITIES		12,671,823	13,857,727
• Operating debts	11	1,099,902	1,156,788
• Other debts	12	1,384,822	1,535,686
CURRENT LIABILITIES		2,484,724	2,692,474
		15,156,547	16,550,201
Total Equity and Liabilities		21,264,217	22,498,426

Notes 1 to 24 are an integral part of the consolidated financial statements.

CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 31 ST			
(in thousands MAD)			
	Notes	2017	2016
REVENUES			
Revenues	13	8,082,066	8,049,378
Other operating income		3,251	905
Operating reversals and transfers of operating charges income		29,248	22,284
Total revenues		8,114,565	8,072,567
EXPENSES			
Purchases and other external expenses	14	4,289,095	4,286,599
Taxes		23,947	24,422
Staff expenses	15	255,425	229,940
Amortisation and provisions	16	973,006	955,156
Total expenses		5,541,473	5,496,117
Operating income		2,573,093	2,576,450
Financial income	17	(640,391)	(708,915)
Current result		1,932,701	1,867,535
Non current income	18	(6,227)	2,670
Profit before tax		1,926,475	1,870,205
Income Tax	19	605,248	572,502
Net consolidated income		1,321,227	1,297,703
Group share of net profit		1,013,813	978,488
Minority interests		307,413	319,215
Net consolidated income		1,321,227	1,297,703
Earning per share (in MAD)		42.98	41.48

Notes 1 to 24 are an integral part of the consolidated financial statements.

TABLE OF CONSOLIDATED STATEMENT OF CASH FLOW AS OF DECEMBER 31 ST		
(in thousands MAD)		
	2017	2016
Cash flow from operations		
Net income of consolidated companies	1,321,227	1,297,703
Elimination of non cash items		
- Operating allowances and non-current allowances	956,220	936,135
- Deferred taxes variance	12,158	21,038
- Net disposals gains	(896)	84
Net Working Capital needs variance	(72,099)	68,380
Cash flows from operations	2,216,610	2,323,340
Investing cash flow		
Net acquisitions of assets	(277,904)	(385,185)
Net disposals of assets	1,184	1,715
Changes in scope of consolidation	0	0
Investing cash flow	(276,719)	(383,470)
Dividends paid (*)	(1,161,776)	(996,656)
Capital increase	0	0
Issuance of loans	0	0
Repayment of loans	(1,085,468)	(1,144,320)
Financing cash flow	(2,247,244)	(2,140,976)
Cash variance	(307,353)	(201,105)
Opening cash	2,866,299	3,067,403
Closing cash	2,558,945	2,866,299

(*) Of which dividends paid by TAQA Morocco, equal to KDH 872.776 in 2017 compared with KDH 707.656 in 2016.
The remainder comprised the dividends distributed by JLEC 5&6 to TAQA Power Ventures B.V

Notes 1 to 24 are an integral part of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2017

TAQA MOROCCO GROUP

CONSOLIDATED EXPLANATORY NOTES AS OF DECEMBER 31ST, 2017 AND 2016

1- ACCOUNTING PRINCIPLES AND VALUATION METHODS

The Group's main rules and principles are the following:

1.1 Consolidation principles and methods

The consolidation principles and methods used by the TAQA MOROCCO Group are compliant with the methodology adopted by the National Accounting Council for the preparation of consolidated financial statements in its notice n°5.

1.1.1. Perimeter and method of consolidation

The companies over which the Group has exclusive control, directly or indirectly, are integrated using the full consolidation method. Exclusive control is the direct or indirect power to steer a company's financial and operational policies in order to obtain the benefice of its activities.

The companies over which the Group has significant influence, directly or indirectly, are integrated using the equity method.

Significant reciprocal liabilities, debts, proceeds and expenses are eliminated in their entirety for fully consolidated companies.

1.1.2. Reporting dates

TAQA MOROCCO and JLEC 5 & 6 close their accounts on December 31 and September 30 respectively.

1.2 Valuation methods

1.2.1. Intangible assets

The expenses incurred in connection with Major overhauls, performed every 8 years according to a pre-established plan, are capitalised and amortised over the same duration.

- Initial right of use

In compliance with the Transfer of use Agreement (Contrat de Transfert de Droit de Jouissance) or TPA and in return for payment of the Right of use indicated in this contract, ONE transferred to JLEC (now TAQA Morocco) its "right of use" of the Site and of units 1 & 2. This right of use is capitalised in intangible assets and amortised over the concession duration, i.e. 30 years starting from the financial closing.

- Complementary right of use

TAQA Morocco then built Units 3 and 4 during a period respectively, of 33 months and 40 months, as of the date of the closing of financing and also carried out other investments related to the site. During this period, the total corresponding expenses, including interim interest, were recognised in tangible fixed assets in progress. As of the COD of Unit 4 on 2nd February, 2001, the right of use of TAQA Morocco was extended to these new units. These intangible assets are amortised over the remaining period of the concession, i.e. 26 years and 7 months as of this date.

- Fees from securing finance

Upfront fees were accounted for under intangible assets and amortised over a period of five years. the regular amortisation of these fees is stated as an operation allowance in accordance with the provisions of CGNC.

- Other project development cost

Starting from Financing closing, TAQA Morocco has accounted some expenditure paid during the project development period under intangible assets. These fixed fees are amortised over the concession period, meaning 30 years starting from the date of the closing of the Financing.

1.2.2 Tangible assets

This item includes tangible fixed assets for which the estimated useful life is shorter than the contract duration.

These fixed assets are recorded at their acquisition or production cost. Amortization is calculated according to the straight-line method, and the applicable fiscal rates.

1.2.3 Inventories

Inventories are valued at their purchase cost. This cost includes the purchase price and the additional purchase fees. At the end of the year, inventories are valued using the Weighted Average Cost Method, except for inventories of spare parts that are valued using First In First Out (FIFO).

1.2.4 Receivables and debt denominated in foreign currencies

Receivables and debts in foreign currencies are recognised at the prevailing exchange rate on the transaction date. These receivables and debts are converted at the closing rate and adjusted via the translation adjustment accounts.

Unrealised exchange losses are recorded in the income / expenses account by means of financial provisions, except for those related to funding debts denominated in American dollars and in euros, that are the subject of quasi-exchange hedging operations resulting from an overall exchange position.

Unrealised exchange gains are not recorded in the income / expenses account.

1.2.5 Provisions for liabilities and charges

On December 31, 2017, the provisions for liabilities and charges consist of the provisions for pensions, for which an independent firm provided an actuarial evaluation.

These social commitments include free electricity services provided to the TAQA Morocco statutory staff.

1.2.6 Deferred taxes

The deferred taxes resulting from consolidation adjustments are calculated company by company.

2. FIXED ASSETS

2.1. Net Fixed assets

in thousands MAD	December 31, 2017			December 31, 2016		
	Gross value	Prov. Amorts.	Net value	Gross value	Prov. Amorts.	Net value
Intangible fixed assets (*)	12,539,394	8,022,780	4,516,614	12,715,675	7,858,910	4,856,765
Tangible fixed assets (**)	11,864,680	1,780,198	10,084,482	11,777,636	1,356,102	10,421,534
Total	24,404,074	9,802,978	14,601,096	24,493,311	9,215,012	15,278,299

(*) Intangible assets primarily include the TAQA Morocco right of use for a net amount of KDH 3,935,496.

(**) Tangible assets primarily consist of investments in Units 5 & 6 and the port superstructure in the overall net amount of KDH 9,725,663.

2.2. Financial assets

in thousands MAD	December 31, 2017	December 31, 2016
Long term loans	2,449	3,633
Other financial fixed assets	712	712
Total	3,161	4,345

3. Inventories

in thousands MAD	December 31, 2017			December 31, 2016		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Spare parts	958,369	16,785	941,584	938,710	19,200	919,510
Coal	446,341		446,341	569,290		569,290
Other inventories	53,893		53,893	87,079		87,079
Total	1,458,603	16,785	1,441,818	1,595,079	19,200	1,575,879

Inventories include mainly coal and spare parts

4. Operating receivables

in thousands MAD	31 December 2017			December 31, 2016		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Accounts receivable	1,679,784		1,679,784	1,618,537		1,618,537
Total	1,679,784		1,679,784	1,618,537		1,618,537

The accounts receivables primarily include the last two invoices for november and december, and JLEC 5&6 invoices for august and september, in compliance with the payment deadlines for the Power Purchase Agreement

5. Other receivables

in thousands MAD	December 31, 2017			December 31, 2016		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Debtor suppliers	25,460		25,460	21,909		21,909
Staff	2,387		2,387	2,230		2,230
State	496,395		496,395	558,503		558,503
Deferred tax assets	12,155		12,155	29,101		29,101
Other debtors	-		-	989		989
Accrued income	18,908		18,908	11,068		11,068
Total	555,305		555,305	623,800		623,800

6. Short term deposits

Short term deposits include cash investments through money market funds, bord fund and fixed term deposits.

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7. Cash

in thousands MAD	December 31, 2017	December 31, 2016
Cash	309,648	591,350
Short term financial debt		
Total	309,648	591,350

The bank accounts of TAQA Morocco denominated in MAD, in EURO and in USD are open in the following banks: Attijariwafa Bank, BCP, BMCE, Société Générale and BMCI. The bank accounts of JLEC 5&6 denominated in MAD, in EURO and in USD are open in the BCP and BNP Paribas London.

8. Group Equity

The change of the Group Equity can be analysed as follows:

CONSOLIDATED TABLE OF CHANGES OF SHAREHOLDER'S EQUITY (GROUP SHARE)					
in thousands MAD	Capital	Share premiums	Consolidated reserves	Net profit of the year	Consolidated shareholders equity
In thousands MAD					
Situation at close of 2015 financial year	2,358,854	1,135,409	450,898	965,994	4,911,155
Income allocation			258,333	(965,994)	(707,661)
Net profit as of December 31, 2016				978,488	978,488
Situation at close of 2016	2,358,854	1,135,409	709,231	978,488	5,181,982
Income allocation			105,707	(978,488)	(872,781)
Net profit as of December 31, 2017				1,013,813	1,013,813
Situation at close of 2017 financial year	2,358,854	1,135,409	814,938	1,013,813	5,323,014

9. Provisions for liabilities ans charges

in thousands MAD	December 31, 2017	December 31, 2016
Provisions for liabilities		
Provisions for changes	19,227	17,338
Total	19,227	17,338

The provisions for charges correspond to the provisions for pensions which have been subject to an actuarial evaluation by an independent firm. These social commitments include free electricity that TAQA Morocco statutory staff benefited from.

10. Financial debts

in thousands MAD	December 31, 2017	December 31, 2016
TAQA Morocco	3,687,908	4,086,602
JLEC 5&6	8,964,687	9,753,787
Total	12,652,595	13,840,389

- TAQA Morocco

Nature of the loan	Fixed Interest rate	Repayment methods	Outstanding (million MAD)	
			2017	2016
Bank loan	4,,80%	Linéaire	3,687,908	4,086,602
Total			3,687,908	4,086,602

After amendment n°7 of the TAQA Morocco financing agreement signed on 24 march 2017, the interest rate of the long-term loan was lowered from 5.30% to 4.80% before tax.

- JLEC 5 & 6

Credit line	Interest rate	Currency	Total facility amount in original currency	Balance at September 30, 2017 in equivalent Dirhams	Balance at September 30, 2016 in equivalent Dirhams
JBIC Direct Loan	4.23%	USD	216,000,000	1,641,855	1,844,780
NEXI Covered Loan	3.92%	EUR	115,200,000	1,046,408	1,131,382
KEXIM Direct Loan	4.27%	EUR	156,000,000	1,416,201	1,531,461
KEXIM Covered Loan	5.16%	EUR	104,000,000	944,114	1,020,974
EUR TERM Facility	4.52%	EUR	30,000,000	272,792	294,980
MAD TERM Facility	5.50%	MAD	2,990,000,000	2,408,868	2,612,224
TAQA International BV	7.00%	USD	153,900,000	1,234,449	1,318,167
Total				8,964,687	9,753,787

11. Operating Debts

in thousands MAD	December 31, 2017	December 31, 2016
Trade payables	1,099,902	1,156,788
Total	1,099,902	1,156,788

Coal suppliers represent 61% of the trade payables as of December, 31 2017.

12. Other Debts

in thousands MAD	December 31, 2017	December 31, 2016
Trade Debtors	58,893	16,477
Staff	42,339	40,215
Social organizations	11,495	8,435
State	274,034	374,081
Deferred tax liabilities	134,007	138,796
Partner's accounts	288,999	288,999
Other creditors	412,720	475,927
Accruals	156,874	181,750
Other provisions for liabilities and charges	5,461	11,006
Total	1,384,822	1,535,686

Debt towards the State primarily include debt for corporate tax and invoiced VAT accounts.

Other creditors primarily include the invoiced prepayments to ONEE related to VAT credit, as per the provisions of the Power Purchase Agreement, as well as dividends to be paid by JLEC 5&6 to TAQA Power Ventures B/V.

13. Net Revenues

in thousands MAD	December 31, 2017	December 31, 2016
Capacity charges	4,260,410	4,266,686
Energy payments	3,706,469	3,651,346
Other revenues	115,187	131,346
Total	8,082,066	8,049,378

14. Purchases and other external expenses

in thousands MAD	December 31, 2017	December 31, 2016
Coad Consumption	3,689,183	3,659,794
Fuel Consumption	23,726	23,453
Other Consumptions	349,125	307,378
Other expenses	227,061	295,974
Total	4,289,095	4,286,599

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15. Staff expenses

in thousands MAD	December 31, 2017	December 31, 2016
Staff expenses	255,425	229,940
Average number of employees	475	442
Average salary	538	520

The increase of the average salary can mainly be explained by the wages increase granted during the year.

16. Operating allowances

in thousands MAD	December 31, 2017	December 31, 2016
Amortisation allowances	956,220	936,136
Provisions allowances	16,786	19,020
Total	973,006	955,156

The provision allowances are primarily used as part of the provisions for depreciation of spare parts.

17. Financial income

in thousands MAD	December 31, 2017	December 31, 2016
Interest and other financial income	51,725	71,673
Financial reversals and cost transfers	6,100	3,272
Currency Exchange result	(6,846)	5,073
Interest expenses	(688,988)	(782,833)
Financial allowances	(2,382)	(6,100)
Total	(640,391)	(708,915)

The interest and other financial income correspond to the income from cash investments.
The financial reversals correspond to reversals of provisions for currency exchange loss of the previous financial year.
The interest expenses correspond to the interests on the loans obtained by the companies TAQA Morocco and JLEC 5&6.

18. Non recurring income

in thousands MAD	December 31, 2017	December 31, 2016
Capital gains disposals of asset	(1,299)	124
Other non-current income	14,713	38,258
Non-current reversals and transfers of operating charges income	13,785	3,685
Other non-current expenses	(31,537)	(25,696)
Non-current allowances for amortizations and provisions	(1,889)	(13,701)
Total	(6,227)	2,670

Non-current other expenses include as of december 31, 2016 reversals of provisions booked by JLEC 5&6 for an amount of MAD 20.6 millions.

19. Income Tax

in thousands MAD	December 31, 2017	December 31, 2016
Current tax	593,090	551,464
Deferred tax	12,158	21,038
Total	605,248	572,502

Deferred tax results only from the Consolidation adjustments (mainly temporary differences). The tax proof is presented as follows :

in thousands MAD	2017	2016
Profit before tax	1,926,475	1,870,205
Neutralisation of profit of equity affiliates		
Profit before tax of integrated companies	1,926,475	1,870,205
Tax rate (*)	31%	31%
Theoretical tax	597,207	579,764
Depreciation allowances net tax deductible	7,507	7,277
Donations and gifts net tax deductible	135	645
Non-deductible taxes (Social solidarity contribution)		(532)
Other permanent differences	385	(2,330)
Other adjustments	14	(12,322)
Total tax charge	605,248	572,502

20. Off-balance sheet commitments

in thousands MAD	December 31, 2017	December 31, 2016
Commitments made (agreements and guarantees)	846,266	831,506
Commitments received (agreements and guarantees)	1,164,703	538,749

The list of JLEC 5&6 assets subject to a real collateral security as part of the financing, the construction and the operating of the Units 5&6 of the Thermal power station of Jorf Lasfar ('The Project') is found below:

- two pledges relative to all of the shares (less three shares) of JLEC 5&6, representing 100% (less three shares) of its share capital;
- a real estate mortgage on the surface right held by JLEC 5&6 on the site of Units 5 and 6 and that is the subject of the special security n°146.616/08/BIS and of the special security n°146.617/08/BIS;
- a framework agreement for the assignment of professional receivables relative to certain Project contracts and the corresponding documents for the assignment of professional receivables;
- Convention framework for the assignment of professional receivables;
- insurance benefit delegations relative to the insurance policies arranged as part of the Project;
- pledges of the balances of bank accounts dedicated to JLEC 5&6;
- a pledge of receivables of hedge instruments obtained as part of the JLEC 5&6 project;
- a pledge of receivables from the reinsurance benefits related to the reinsurance policies obtained as part of the JLEC 5&6 Project;
- Reinsurance allowances of TAQA Morocco.

21. Transactions with related parties

The transactions with related parties in 2017 are summarized below:

Agreement	Related party	Transaction type	Amount recorded in the income statement (in thousands of MAD)
Support Services agreement (finalizing of the accounting closings, assistance with the reporting obligations and legal aspects).	TNA	Refacturation	6,272
TAQA Morocco provides JLEC 5&6 with services, notably in the following domains: HR (recruiting, training), technical support, logistics and purchases, IT, implementation of the health, safety & environment procedures, as well as security	JLEC 5&6	Refacturation	10,662
O&M agreement between JLEC, TNA and JLEC 5&6	TAQA Morocco,JLEC 5&6 et TNA	Refacturation	63,512
O&M agreement between JLEC, TNA and JLEC 5&6	TAQA Morocco et TNA	Refacturation + bonus - malus	73,077
A contract known as "IPFPA" (Inter-Project Funding Providers Agreement) and its application protocol "SFIPAP" (Shared Facilities Insurance Proceeds Application Protocol)	JLEC-JLEC 5&6	Refacturation	-
Re-invoicing of expenses (notably plane tickets for business travel abroad)	Abu Dhabi National Energy Company (TAQA)	Refacturation	2,465
« EPA » (Equity Parties Agreement)	Abu Dhabi National Energy Company (TAQA), JLEC, JLEC 5&6 , Taqa Power Ventures BV	Refacturation	0
Subordinated loans granted to JLEC 5&6 in order to finance the development and construction costs	TAQA International BV	Intérêts	93,109

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22. Contingent liabilities

The tax returns related to the years 2016 and 2017 are not yet prescribed, and could be subject to a tax audit leading to potential adjustments. Moreover, TAQA Morocco has signed on december 26th, 2017 an agreement with the Tax Administration to close the tax audit faced. The adjustments resulting from the tax audit do not have a significant impact on the net income, nor the net equity or the liquidity of the Company.

23. Subsequent event

No significant event likely to have an impact on the Company's financial situation has occurred since the closing of 2017.

24. Consolidation perimeter

Subsidiaries	DECEMBER 2017			DECEMBER 2016		
	interest %	control %	Method	interest %	control %	Method
TAQA MOROCCO	100	100	Globale	100	100	Globale
JLEC 5&6	66	66	Globale	66	66	Globale



STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

We have audited the accompanying consolidated financial statements of TAQA Morocco Group which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statement of profit and loss and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. Those consolidated financial statements show a total equity of KMAD 6,107,670 including a net profit of KMAD 1,321,227.

Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Moroccan GAAP, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Moroccan Standards on Auditing applicable in Morocco. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in Morocco.

Casablanca, February 28, 2018

The Statutory auditors

ERNST & YOUNG
French original signed by
Bachir TAZI

Partner

BENJELLOUN TOUIMI CONSULTING
French original signed by
Abdelmajid BENJELLOUN TOUIMI

Partner

STATUTORY ACCOUNTS

AS OF DECEMBER 31ST, 2017

BALANCE SHEET					
From January 2016 to December 2017					
	ASSETS		CURRENT YEAR	PREVIOUS YEAR	
		GROSS	Dep/Amort. and provisions	Net	Net
LONG TERM ASSETS	CAPITALIZED COST (A)	430,512,740.20	209,277,139.73	221,235,600.47	181,601,065.66
	• Pre-Operating Costs				
	• Deferred Expenditures	430,512,740.20	209,277,139.73	221,235,600.47	181,601,065.66
	• Bond Reimbursement Costs				
	INTANGIBLE ASSETS (B)	11,883,595,455.48	7,725,439,805.54	4,158,155,649.94	4,590,380,826.33
	• Research and development Costs				
	• Licenses, trademarks, rights and similar values	11,096,260,316.18	7,160,764,651.82	3,935,495,664.36	4,344,763,938.24
	• Goodwill				
	• Other intangible assets	787,335,139.30	564,675,153.72	222,659,985.58	245,616,888.09
	FIXED ASSETS (C)	831,403,486.36	532,345,798.84	299,057,687.52	318,805,986.71
	• Land				
	• Constructions	2,104,303.57	542,117.60	1,562,185.97	1,667,400.74
	• Technical installations, tools and equipment	477,638,785.30	363,337,448.59	114,301,336.71	94,601,486.97
	• Vehicles	2,214,265.53	2,055,043.30	159,222.23	199,888.89
	• Office furniture and equipment other fixtures and furnishing	266,584,481.41	166,122,752.77	100,461,728.64	112,484,400.14
	• Other fixed assets	313,970.50	288,436.58	25,533.92	56,099.74
	• Fixed assets in progress	82,547,680.05		82,547,680.05	109,796,710.23
	LONG TERM FINANCIAL ASSETS (D)	1,202,897,909.99		1,202,897,909.99	1,204,082,221.86
	• Loans	2,448,847.13		2,448,847.13	3,633,159.00
	• Other long term financial assets	449,462.86		449,462.86	449,462.86
	• Shares, Interests	1,199,999,600.00		1,199,999,600.00	1,199,999,600.00
	• Other investments				
	LONG TERM EXCHANGE FLUCTUATION (E)				
	• Decrease in long term assets				
	• Increase in long term liabilities				
	TOTAL I (A+B+C+D+E)	14,348,409,592.03	8,467,062,744.11	5,881,346,847.92	6,294,870,100.56
CURRENT ASSETS	INVENTORIES (F)	969,525,585.60	14,006,091.00	955,519,494.60	1,044,398,508.47
	• Merchandises				
	• Consumables	969,525,585.60	14,006,091.00	955,519,494.60	1,044,398,508.47
	• Work in progress				
	• Intermediary inventories				
	• Finished goods				
	CURRENT ASSETS (G)	1,963,733,472.63		1,963,733,472.63	1,912,546,846.44
	• Suppliers advances	20,090,158.61		20,090,158.61	16,797,641.49
	• Trade receivables	902,944,049.40		902,944,049.40	871,127,356.66
	• Employee	1,632,599.87		1,632,599.87	1,572,495.56
	• Recoverable VAT	465,485,514.95		465,485,514.95	458,049,785.34
	• Affiliates current accounts				
SHORT TERM ASSETS	• Other debtors	560,994,249.81		560,994,249.81	560,994,249.81
	• Prepaid	12,586,899.99		12,586,899.99	4,005,317.58
	SHORT TERM INVESTMENTS (H)	1,100,230,572.72		1,100,230,572.72	941,211,262.60
	SHORT TERM EXCHANGE FLUCTUATION (I)	2,680,473.66		2,680,473.66	3,985,250.71
	(Current assets and liabilities)				
	TOTAL II (F+G+H+I)	4,036,170,104.61	14,006,091.00	4,022,164,013.61	3,902,141,868.22
CASH	Cash and Banks				
	• Checks & cash in transit				
	• Banks	16,008,624.06		16,008,624.06	12,467,421.02
	• Petty cash	9,269.25		9,269.25	31,200.68
	TOTAL III	16,017,893.31		16,017,893.31	12,498,621.70
GRAND TOTAL I+II+III		18,400,597,589.95	8,481,068,835.11	9,919,528,754.84	10,209,510,590.48

BALANCE SHEET			
From January 2016 to December 2017			
	LIABILITIES	CURRENT YEAR	PREVIOUS YEAR
LONG TERM LIABILITIES	SHARE HOLDER EQUITY (A)		
	• Share capital (1)	2,358,854,200.00	2,358,854,200.00
	• Minus : subscribed and not paid up capital		
	• Issuance, merger and transfer premiums	1,164,804,710.00	1,164,804,710.00
	• Write up variances		
	• Legal reserve	235,885,420.00	235,885,420.00
	• Other reserves	216,856,842.77	150,927,276.88
	• Retained earnings (2)		
	• Earnings to be allocated (2)		
	• Net earnings (2)	972,399,304.47	938,705,619.89
	Total shareholders equity (A)	4,948,800,477.24	4,849,177,226.77
	ASSIMILATED EQUITY (B)		
	• Investment Subsidy		
	• Regulated reserves		
	LONG TERM FINANCIAL DEBTS (C)	3,687,908,496.95	4,086,601,307.31
SHORT TERM LIABILITIES	• Bonds issued		
	• Other long term financial debts	3,687,908,496.95	4,086,601,307.31
	LONG TERM PROVISIONS (D)	19,227,389.00	17,338,168.00
	• Risk provisions		
	• Provisions for costs	19,227,389.00	17,338,168.00
	LONG TERM EXCHANGE FLUCTUATION (E)		
	• Increase in receivables		
	• Reduction in financial debt		
	Total I (A+B+C+D+E)	8,655,936,363.19	8,953,116,702.08
	CURRENT LIABILITIES (F)	1,255,499,675.28	1,247,258,495.20
CURRENT ASSETS	• Trade payables	624,210,886.64	662,280,462.41
	• Client advances	50,321,329.63	9,918,766.52
	• Employee	32,788,644.28	33,448,161.97
	• Social security / Pension funds	9,166,947.82	6,697,230.86
	• State	134,156,253.48	128,614,767.44
	• Affiliates current accounts	1,697.19	1,697.19
	• Other creditors	401,275,979.82	401,411,129.82
	• Accruals	3,577,936.42	4,886,278.99
	OTHER PROVISIONS (G)	2,693,904.07	6,962,150.32
	SHORT TERM EXCHANGE FLUCTUATION (H)	5,398,812.30	2,173,242.88
	Total II (F+G+H)	1,263,592,391.65	1,256,393,888.40
CASH	BANK-OVERDRAFTS		
	• Discounted bills		
	• Overdrafts		
	• Banks (Credit balance)		
Total III			
GRAND TOTAL I+II+III		9,919,528,754.84	10,209,510,590.48

(1) Debtor personal capital (-)
(2) Profitable (+) Loss-making (-)

INCOME STATEMENT				
From January 2016 to December 2017				
		OPERATIONS		PREVIOUS YEAR
		Related to this year 1	Related to Previous year 2	
EXPLOITATION	I OPERATING REVENUES			
	• Sales of goods			
	• Sales of services and produced goods	4,398,631,059.55		4,398,631,059.55
	• Turnover			
	• Inventory variation (+/-) (1)			
	• Self-constructed fixed asset			
	• Operating subsidy			
	• Other revenues			
	• Operating expense adjustments;	3,251,228.52		3,251,228.52
	• Operating expense transfers	29,248,089.50		29,248,089.50
	TOTAL I	4,431,130,377.57		4,431,130,377.57
	II OPERATING EXPENSES			
	• Sales value purchase			
	• Raw materials and consumables consumptions	2,684,873,707.89		2,684,873,707.89
FINANCIAL RESULTS	• Other external expenses	161,462,805.40		164,912,462.30
	• Taxes	23,346,424.89		23,516,745.27
	• Labor cost	197,969,039.15		197,969,039.15
	• Other operating expenses			
	• Operating depreciation and provisions	592,767,645.36		592,767,645.36
	TOTAL II	3,660,419,622.69		3,660,419,622.69
	III OPERATING RESULT (I-II)	770,710,754.88		770,710,754.88
	IV FINANCIAL REVENUES			
	• Revenues from investments	560,994,249.81		560,994,249.81
	• Exchange gains	4,129,986.73		4,129,986.73
FINANCIAL RESULTS	• Interest and other financial proceeds	32,846,447.45		32,846,447.45
	• Financial reversals;	2,056,314.93		2,056,314.93
	charge transfers			
	TOTAL IV	600,026,998.92		600,026,998.92
	V FINANCIAL EXPENSES			
	• Interest expenses	192,177,133.24		192,177,133.24
	• Exchange losses	8,162,939.32		8,162,939.32
	• Other financial costs			
	• Financial depreciation and provisions	55,721.63		55,721.63
	TOTAL V	200,395,794.19		200,395,794.19
FINANCIAL RESULTS	VI FINANCIAL INCOME (IV - V)	399,631,204.73		399,631,204.73
	VII CURRENT INCOME (III + VI)	1,170,341,959.61		1,170,341,959.61

INCOME STATEMENT				
From January 2016 to December 2017				
		OPERATIONS		PREVIOUS YEAR
		Related to the financial year 1	Related to previous FYs 2	
NON-CURRENT	VII CURRENT INCOME (reports)	1,170,341,959.61		1,170,341,959.61
	VIII NON CURRENT REVENUES			
	• Proceeds from fixed assets disposals			174,100.00
	• Balance subsidy			
	• Investment subsidy / Current year			
	• Other non-current revenues	7,333,505.57		7,333,505.57
	• Expenses reductions ; Unusual expenses transfer	31,123,406.51		31,123,406.51
	TOTAL VIII	38,456,912.08		38,456,912.08
	IX Non current expenses			
	• Sold fixed assets net book value			49,677.95
	• Subsidies awarded			
	• Other non current expenses	31,533,198.81		31,533,198.81
	• non current allotment for current year depreciations and provisions	19,227,389.00		19,227,389.00
	TOTAL IX	50,760,587.81		50,760,587.81
	X NON CURRENT INCOME (VIII - IX)	(12,303,675.73)		(12,303,675.73)
FINANCIAL RESULTS	XI PRETAX INCOME (VII + X)	1,158,038,283.88		1,158,038,283.88
	XII INCOME TAX	185,638,979.41		185,638,979.41
	XIII NET PROFIT (XI - XII)	972,399,304.47		972,399,304.47
FINANCIAL RESULTS	XIV TOTAL REVENUES (I + IV + VIII)	5,069,614,288.57		5,069,614,288.57
	XV TOTAL EXPENSES (II + V + IX + XII)	4,097,214,984.10		4,097,214,984.10
	XVI NET PROFIT (TOTAL REVENUES - TOTAL EXPENSES)	972,399,304.47		972,399,304.47

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2017

STATEMENT OF MANAGEMENT BALANCES (ESG)				
I. SUMMARY OF RESULT FORMATION (TFR)				
		Financial year from 01/01/2017 to 31/12/2017		
		EXERCICE	EXE. PRECEDENT	
	1	Sales		
	2	- Sales purchase value		
I	=	Gross margin on commercial activities		
II	+	PRODUCTION (3+4+5)	4,398,631,059.55	4,505,769,456.93
	3	• sales of goods and produced services	4,398,631,059.55	4,505,769,456.93
	4	• Inventory variation		
	5	• Self-constructed fixed asset		
III	-	COMSUMPTION (6+7)	2,846,336,513.29	2,985,748,994.60
	6	• Cost of goods sold	2,684,873,707.89	2,820,836,532.30
	7	• Other external expenses	161,462,805.40	164,912,462.30
IV	=	ADDED VALUE (I+II-III)	1,552,294,546.26	1,520,020,462.33
	8	+ Operating subsidy		
	9	- Taxes	23,346,424.89	23,516,745.27
	10	- Payroll and Salaries	197,969,039.15	186,460,066.72
V	=	OPERATING SURPLUS OR OPERATING DEFICIT	1,330,979,082.22	1,310,043,650.34
	11	+ Other operation revenues	3,251,228.52	904,764.58
	12	- Other operation expenses		
	13	+ Operating costs reductions ; operating expense transfer	29,248,089.50	17,396,496.40
	14	- Operating depreciations	592,767,645.36	564,930,449.47
VI	=	OPERATING INCOME (+ ou -)	770,710,754.88	763,414,461.85
VII	+/-	FINANCIAL INCOME (LOSS)	399,631,204.73	351,530,565.32
VIII	=	USUAL INCOME (+ or -)	1,170,341,959.61	1,114,945,027.17
IX	+/-	UNUSUAL INCOME (LOSS)	(12,303,675.73)	(12,272,794.06)
	15	- Income tax	185,638,979.41	163,966,613.22
X	=	NET EARNINGS (LOSS) (+ OR -)	972,399,304.47	938,705,619.89

II. SELF-FINANCING CAPACITY (SFC) -- SELF-FINANCING				
	1	Net result of current year		
	=	• profit +	972,399,304.47	938,705,619.89
	=	• Loss -		
	2	+ Operating depreciation	578,761,554.36	548,689,028.17
	3	+ Financial depreciation		
	4	+ Non current depreciation	19,227,389.00	17,338,168.00
	5	- Operating costs reductions	13,006,668.19	
	6	- Financial costs reductions		
	7	- Non current costs reductions	17,338,168.00	15,384,492.00
	8	- Revenues from fixed assets sales		174,100.00
	9	+ Net book values of sold fixed assets		49,677.95
I		SELF-FINANCING CAPACITY (SFC)	1,540,043,411.64	1,489,223,902.01
	10	- Distribution of dividends	872,776,054.00	707,656,260.00
II		SELF-FINANCING	667,267,357.64	781,567,642.01

CASH FLOW STATEMENT					
I. SUMMARY BALANCE SHEET			Financial year from 01/01/2017 to 31/12/2017		
AGGREGATES		YEAR N	YEAR N-1	Variance A-B	
				Uses C	Sources D
1	Long Term Liabilities	8,655,936,363.19	8,953,116,702.08	297,180,338.89	
2	Long Term Assets	5,881,346,847.92	6,294,870,100.56		413,523,252.64
3	WORKING CAPITAL (1-2)	2,774,589,515.27	2,658,246,601.52		116,342,913.75
4	Current Assets	4,022,164,013.61	3,902,141,868.22	120,022,145.39	-
5	Current Liabilities	1,263,592,391.65	1,256,393,888.40		7,198,503.25
6	NET CURRENT ASSETS (4-5)	2,758,571,621.96	2,645,747,979.82	112,823,642.14	
7	NET CASH (3-6) A - B	16,017,893.31	12,498,621.70	3,519,271.61	

II. USES AND SOURCES OF FUNDS				
	CURRENT		PREVIOUS PERIOD	
	USES	SOURCES	USES	SOURCES
I. LONG TERM SOURCES OF FUNDS FOR THE CURRENT YEAR				
• SELF FINANCING (A)		667,267,357.64		781,567,642.01
• Self Financing Capacity		1,540,043,411.64		1,489,223,902.01
- Dividends distribution		(872,776,054.00)		(707,656,260.00)
• TRANSFER AND REDUCTIONS OF LONG TERM ASSET (B)		2,651,020.08		2,172,546.74
• Intangible assets transfer				
• Fixed assets disposal		1,466,708.21		457,515.71
• Financial assets transfer				
• Long term assets recovery		1,184,311.87		1,715,031.03
• INCREASE IN EQUITY (C)				
• INCREASE IN SHARE EQUITY				
• Investment subsidy				
• INCREASE IN FINANCIAL DEBTS (D)				
TOTAL I (A+B+C+D)		669,918,377.72		783,740,188.75
II. LONG TERM USES OF FUNDS ACQUISITIONS AND ADDITIONS IN LONG TERM ASSETS (E)				
• Intangible asset additions				
• Fixed asset acquisitions	32,022,209.60		46,036,092.09	
• Financial and other assets acquisitions				
• Increase in other long term assets				
• REIMBURSEMENT OF SHARE EQUITY (F)				
• LOAN REPAYMENTS (G)	398,692,810.37		398,692,810.36	
• INCREASE IN CAPITALIZED COSTS (H)	122,860,444.00		129,498,315.59	
TOTAL II. (E+F+G+H)	553,575,463.97		574,227,218.04	
III. NET CURRENT ASSETS VARIATION	112,823,642.14		232,378,601.67	
IV. NET CASH VARIATION	3,519,271.61			22865630.96
TOTAL	669,918,377.72	669,918,377.72	806,605,819.71	806,605,819.71

TAQA MOROCCO

NOTES TO MOROCCAN GAAP FINANCIAL STATEMENT AS OF DECEMBER 31, 2017

A- ACCOUNTING PRINCIPLES AND METHODS

A.1 / GENERAL INFORMATION ON THE ACTIVITY

A.1.1 BACKGROUND

The power station at Jorf Lasfar is located on the Atlantic coast of Morocco, adjacent to the Port of Jorf Lasfar, in the province of El Jadida . This location is approximately 127 km south-west of Casablanca. Units 1 and 2 of the power station were constructed by GEC Alstom for the Moroccan electricity company, L'Office National d'Electricité ("ONE"), and are now in commercial operation. Each of these existing Units is 330 MW, fired by coal.

In October of 1994, the ONE issued a public tender for international companies to expand the power station at Jorf Lasfar. In February of 1995, the ONE selected the "Consortium" of ABB Energy Ventures and CMS Generation as the preferred bidder and exclusive partner for negotiation.

In April of 1996, the Consortium and the ONE reached agreement in principal, and initialed the necessary Project Agreements.

A.1.2 ESTABLISHMENT

In order to officially conclude and implement these Project Agreements, the consortium established the Jorf Lasfar Energy Company (the "Company" or "JLEC") on January 20, 1997. The Company was established as a limited partnership ("société en commandite par actions") in accordance with the laws of the Kingdom of Morocco, with Commercial Registration Number 2145, Fiscal Identification Number 1021595, and Patentee Number 42161753.

In accordance with its charter documents, the company's objective and purpose is to construct, operate, manage and maintain the power station at Jorf Lasfar, including the development, financing, engineering design, construction, commissioning, testing, operation and maintenance of two (2) new coal-fired Units, which will be very similar in size and technology to the existing Units. In order to secure its fuel supply, the Company will also expand, operate and maintain the coal-unloading pier in the Port of Jorf Lasfar. For these activities, the Company received a "right of use" ("droit de jouissance") for the site, the existing units, the new units, the coal-unloading pier.

The "right of use" and the "Project Agreements" duration are the same, and are 30 years starting from the date of Financial Closing, September 12, 1997.

A.1.3 DEVELOPMENT STAGE ACTIVITIES

On September 12, 1997, all Project Agreements were signed, the Company Loan Agreement was executed and the first disbursement of the Company Loan was used to pay the TPA fee to ONE. As a consequence, JLEC received possession of the power station at Jorf Lasfar on September 13, 1997, and began to sell its available capacity and net generation to ONE, in accordance with the Power Purchase Agreement.

The remaining requirements for project financing have been completed in November of 1997.

A.1.4 CONSTRUCTION PERIOD OF UNITS 3 & 4

Units 3 and 4 entered into operation respectively on June 10, 2000 (33 months starting from financial closing date) and February 03, 2001 (40 months starting from financial closing date).

A.1.5 ACQUISITION OF JLEC BY TAQA

On May 2, 2007, Abu Dhabi National Energy Company ("TAQA") (1) purchased CMS Generation, a subsidiary of CMS Energy, that at the time of the acquisition, owned and controlled (i) Jorf Lasfar Energiaktiebolag, (ii) Jorf Lasfar Power Energy AB and (iii) Jorf Lasfar Handelsbolag and (2) acquired from ABB group (i) Tre Kronor Investment AB, (ii) AB Cythere 61 and (iii) AB Cythere 63. As a result of these acquisitions, JLEC became an indirect wholly-owned subsidiary of TAQA.

A.1.6 REFINANCING ACTIVITY

In February 2009, JLEC prepaid and discharged in full all loans and other obligations in connection with its original secured credit facilities from 1997 with the proceeds of three related party loans disbursed to the Company by TAQA Generation Investment Company IV ("TGIC IV") during January and February 2009.

During 2009, JLEC entered into a secured credit facility with a consortium of Moroccan banks providing credit availability of up to MAD 7.4 billion with an 18-year term. In April 2009, JLEC borrowed MAD 4.0 billion under the term loan facility, the proceeds of which were used by the Company to (1) repay in full all outstanding loan principal and accrued interest due under the Company Loan Agreement, and (2) partially prepay outstanding subordinated debt provided by TGIC IV.

In March 2010, JLEC borrowed an additional MAD 3.0 billion under the term loan facility, the proceeds of which were used by the Company to (1) repay in full all outstanding principal and accrued interest due under subordinated Euro and USD loans provided by TGIC IV, and (2) partially prepay principal and accrued interest due under subordinated MAD loans provided by TGIC IV. In July 2012, JLEC completed the final repayment of the remaining subordinated MAD loan from TGIC IV.

A.1.7 ESTABLISHMENT OF THE SUBSIDIARY JORF LASFAR ENERGY COMPANY 5&6 (JLEC 5&6)

On December 22, 2010, Jorf Lasfar Energy Company 5&6 ("JLEC 5&6") has been created for the purpose of implementing two new units of a gross capacity of 350 MW each ("Units 5 & 6"). Further to this implementation, the installed capacity of the power station at Jorf Lasfar is 2056 MW. As of December 31, 2014, TAQA Morocco owns 66% of the shares of JLEC 5&6.

Units 5&6 were entered commercial operations respectively on April 15, 2014 and June 7, 2014.

A.1.8 PRIVATE PLACEMENT AND STOCK EXCHANGE LISTING

In December 2013, JLEC completed two capital increases through a private placement and an initial public offering ("IPO") and listing of its shares on the Casablanca Stock Exchange. JLEC issued a total of 3,351,956 new common shares (representing an aggregate 14.21% ownership interest in the Company) at an issuance price of MAD 447.50 per share, for MAD 1.5 billion of total gross proceeds. The JLEC IPO was executed with the selling of shares representing a 9.47% aggregate ownership interest on the open market and 4.74% aggregate ownership interest placed privately with certain Moroccan institutional investors (RMA Watanya, SCR and MCMA).

Following the completion of the IPO and listing of JLEC's shares on the Casablanca Stock Exchange, on December 26, 2013, TAQA purchased all of the shares of JLEC previously held by various TAQA subsidiaries. TAQA purchased the JLEC shares through block transactions concluded at the IPO price of MAD 447.50 per share. Following the completion of these block share sales, JLEC became a direct subsidiary of TAQA, with TAQA holding a direct 85.79% controlling majority ownership in JLEC%, with the remaining 14.21% interest being held by institutional and individual investors.

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2017

A.1.9 CHANGE OF THE NAME OF THE COMPANY AND EXTENSION OF ITS PURPOSE

The Extraordinary General Assembly held on October 13, 2014, has decided to change the name of the Company “Jorf Lasfar Energy Company” and adopt the name “TAQA Morocco”, and to extend its corporate purpose to the following activity : the achievement, directly or indirectly, of any development project, both in Morocco and abroad, in the fields of electricity production from any source including coal, gas and renewables, and water production.

A.1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

A.1.1 GENERALITIES

The accounting and reporting policies of the Company are in accordance with the Generally Accepted Accounting Principales of Morocco, which are called “Code General de Normalisation Comptable” or “CGNC”.

During the Company’s development stage (until Financial Closing), all expenses have been paid by related Parties (ABB and CMS). When the project achieves Financial Closing, all the accumulated expenditures of these related Parties have been invoiced to the Company, and immediately paid by the Company to these related Parties.

A.1.2 CAPITALIZED COSTS

- Preliminary fees

The company capitalizes its pre-opening costs at Financial Closing. After Financial Closing such capitalized costs are amortized on a straight-line basis within a period of (5) year. Such pre-opening costs include the legal and administrative costs incurred to incorporate the Company, and certain expenses incurred to prepare the Company for commercial operation.

- Deferred expenditures

All the major outages are executed every 8 years for each unit, according to a pre-established major outage plan. The major outage expenditures are considered as deferred expenses and are amortized over 5 years.

All the minor outages are executed every 3 years for each unit, according to a pre-established major outage plan. The minor outage expenditures are considered as deferred expenses and are amortized over 5 years starting from January 1st, 2014.

All the costs related to the IPO were capitalized and amortized on a straight-line basis within a period of (5) year.

A.1.3 INTANGIBLE ASSETS

- Financing cost

Costs incurred to obtain financing were capitalized, and then such costs were amortized as a financial cost over a five year period. The periodic amortizations of such costs is noted in the operating depreciation in accordance with CGNC.

- Other Project Development Costs

At Financial Closing, the Company also capitalized certain other costs paid by Related Parties during the development stage as an Intangible Asset. These capitalized costs are allocated during the entire period of the concession, which is 30 years from the financial closing date.

- Initial Right of use

In accordance with the Transfer of Possession Agreement (TPA) and in counter part of the payment of the TPA fee, “ONE” transfers to JLEC its “right of use” of the units 1&2. This “right of use” is capitalized as an Intangible Asset, and amortized over the period of concession (30 years from the financial closing.)

- Complementary Right of use

As indicated in A.0.4 above, JLEC has completed the construction of Units 3&4 respectively after a period of 33 months and 40 months starting on financial closing date as well other investments related to the plant. During the period of construction, the total cost of construction that includes capitalized interest, have been accounted for as a Fixed Asset in Progress. From the commercial operation date of Unit 4, on February 02, 2001, the “right of use” has been extended to the new Units (3&4), and the corresponding Intangible Asset are amortized over the remaining period of concession, which is 26 years and 7 months starting February 02, 2001.

A.1.4 FIXED ASSETS

This account includes all Fixed Assets for which the estimated life duration is less than the concession period. They are recorded at their acquisition costs or production costs. Their depreciations are calculated on a straight-line basis based on the applicable tax rates.

A.1.5 INVENTORIES

The inventories are accounted for at their initial cost. Such cost will include the initial prices and any other accessory costs. At the end of the fiscal year, the inventories are evaluated according to the weighted average cost, except for spare parts inventory by applying the First In First Out (FIFO) Method.

A.1.6 FOREIGN CURRENCY TRANSACTION

Receivables and debts in foreign currencies are accounted at the exchange rate prevailing on the date of the transaction. These receivable and debts are converted at the balance sheet closing exchange rate and readjusted in the asset/liability short term exchange of fluctuation.

The unrealized exchange loss are recorded into the income statement through the financial provisions.

The unrealized gains are not recorded in the income statement.

A.2 EXCEPTIONAL STATEMENT

A.2.1 EXCEPTIONS TO THE FUNDAMENTAL ACCOUNTING PRINCIPLES

Nothing.

A.2.2 EXCEPTIONS TO THE EVALUATION METHODS

- Deferred expenditures - Minor outage amortizations.

Expenses related to the minor outages (25 days) of the Units 1 and 2 achieved in in 2013 are capitalized as deferred expenses and amortized over 3 years instead of 5 years as required by the General Tax Code for the deferred expenses. This accounting policy is due to the fact that the Minor Outage maintains the same performance level of the Unit during the three following years, the excess of the book depreciation over the tax depreciation allowed is reinstated in the reconciliation of accounting income to taxable income B12

A.2.3 EXCEPTIONS TO FINANCIAL STATEMENTS PRESENTATION'S RULES

Exchange gains and loss from the accounting of the coal purchases and the US Dollars subsequent payments once converted to Moroccan Dirham at the exchange rate of the transaction date, are recorded in a sub-account of “Coal purchase” called “US Dollars difference in coal purchase” as operating expenses. This special treatment, without any impact on the Equity of the company and its financial situation, is justified by the fact that these differences are related to the accounting rules and do not correspond to exchange gains or loss driven from the conversion from Moroccan Dirhams to US Dollars.

A.3 CHANGES IN METHOD STATEMENT

A.3.1 CHANGES AFFECTING THE EVALUATION METHODS

Nothing.

A.3.2 CHANGES AFFECTING THE PRESENTATION RULES

Nothing.

APPENDIX B-1 - PRE OPENING COSTS STATEMENT

Moroccan Dirhams			From January 2017 to December 2017	
PRINCIPAL ACCOUNT	DESCRIPTION		AMOUNT AS OF DECEMBER 31, 2017	
2128200000	Minor and major outages		425,419,276.14	
2128200000	Financing optimization project		5,093,464.06	
	Gross		430,512,740.20	
2812820000	Minor and major outages		206,221,061.33	
2812820000	Financing optimization project		3,056,078.40	
	Amortization		209,277,139.73	
	TOTAL		221,235,600.47	

APPENDIX B-2 - SUMMARY OF FIXED ASSETS (GROSS)

From January 2017 to December 2017						
DESCRIPTION	GROSS VALUE BEGINNING BALANCE	INCREASE		Reduction	Transfer	GROSS VALUE ENDINGS BALANCE
		Acquisition	Transfer			
CAPITALIZED COSTS	406,281,075.31	122,860,444.00		98,628,779.11		430,512,740.20
• Pre - Opening						
• Deferred Expenses	406,281,075.31	122,860,444.00		98,628,779.11		430,512,740.20
• Bonds premiums						
INTANGIBLE FIXED ASSETS	11,883,595,455.48					11,883,595,455.48
• Research and development						
• Right, License, similar values	11,096,260,316.18					11,096,260,316.18
• Goodwill						
• Other intangible assets	787,335,139.30					787,335,139.30
FIXED ASSET	800,847,984.97	32,022,209.60	33,882,089.25	1,466,708.21	33,882,089.25	831,403,486.36
• Land						
• Constructions	2,104,303.57					2,104,303.57
• Technical installation, equipment	426,151,081.51	21,722,869.82	29,764,833.97			477,638,785.30
• Vehicles	2,214,265.53					2,214,265.53
• Office furniture	260,267,653.63	2,199,572.50	4,117,255.28			266,584,481.41
• Other fixed assets	313,970.50					313,970.50
• Fixed assets in progress	109,796,710.23	8,099,767.28		1,466,708.21	33,882,089.25	82,547,680.05

STATUTORY ACCOUNTS

AS OF DECEMBER 31ST, 2017

APPENDIX B-2 BIS SUMMARY OF DEPRECIATION				
From January 2017 to December 2017				
NATURE	Cumulated Beginning Balance 1	Current year Depreciation 2	Cumulated Adjustments 3	Cumulated Depreciation Ending Balance 4=1+2-3
CAPITALIZED COSTS	224,680,009.65	83,225,909.19	98,628,779.11	209,277,139.73
• Pre - Opening				
• Deferred Expenses	224,680,009.65	83,225,909.19	98,628,779.11	209,277,139.73
• Bonds premiums				
INTANGIBLE ASSETS	7,293,214,629.15	432,225,176.39		7,725,439,805.54
• Research asset and development				
• Right, License, similar values	6,751,496,377.94	409,268,273.88		7,160,764,651.82
• Goodwill				
• Other intangible assets	541,718,251.21	22,956,902.51		564,675,153.72
FIXED ASSET	482,041,998.26	50,303,800.58		532,345,798.84
• Land				
• Constructions	436,902.83	105,214.77		542,117.60
• Technical installation, equipment	331,549,594.54	31,787,854.05		363,337,448.59
• Vehicles	2,014,376.64	40,666.66		2,055,043.30
• Office furniture	147,783,253.49	18,339,499.28		166,122,752.77
• Other fixed assets	257,870.76	30,565.82		288,436.58

APPENDIX B-3 SUMMARY OF ASSET DISPOSAL							
From January 2017 to December 2017							
Date of disposal or retirement	Principal Account	Gross amount	Cumulated Depreciations	Net Book Value	Sale Value	Capital gains	SaleWithdrawal
30-nov-17	2393000228	728,238.72	0.00	0.00	0.00	0.00	Withdrawal
30-nov-17	2393000228	707,830.50	0.00	0.00	0.00	0.00	Withdrawal
30-nov-17	2393000228	30,638.99	0.00	0.00			Withdrawal
							Withdrawal
31-dec-17	2128200000	628,349.54	628,349.54	0.00	0.00	0.00	Withdrawal
31-dec-17	2128200000	1,767,056.27	1,767,056.27	0.00	0.00	0.00	Withdrawal
31-dec-17	2128200000	26,930,825.00	26,930,825.00	0.00	0.00	0.00	Withdrawal
31-dec-17	2128200000	870,928.50	870,928.50	0.00	0.00	0.00	Withdrawal
31-dec-17	2128200000	564,557.47	564,557.47	0.00	0.00	0.00	Withdrawal
31-dec-17	2128200000	2,166,888.89	2,166,888.89	0.00	0.00	0.00	Withdrawal
31-dec-17	2128200000	1,093,124.56	1,093,124.56	0.00	0.00	0.00	Withdrawal
31-dec-17	2128200000	7,392,685.91	7,392,685.91	0.00	0.00	0.00	Withdrawal
31-dec-17	2128200000	6,564,216.20	6,564,216.20	0.00	0.00	0.00	Withdrawal
31-dec-17	2128200000	41,994,119.86	41,994,119.86	0.00	0.00	0.00	Withdrawal
31-dec-17	2128200000	8,656,026.91	8,656,026.91	0.00	0.00	0.00	Withdrawal
TOTAL		100,095,487.32	98,628,779.11				

APPENDIX B-4 SUMMARY OF INVESTMENTS									
From January 2017 to December 2017									
Company Name	Activity Sector 1	Share Capital 2	% of detention 3	Acquisition Price 4	Net Book Value 5	Extract from the last statement reports of the company			Dividends paid to TAQA Morocco
						Closing date 6	Net Equity 7	Net income 8	
JORF LASFAR ENERGY COMPANY 5&6 «JLEC 5&6»	Power Production	1,818,200,000	66.00%	1,199,999,600.00	1,199,999,600.00	30-sept-17	3,194,719,336.27	881,324,317.84	560,994,249.81
TOTAL				1,199,999,600.00	1,199,999,600.00		3,194,719,336.27	881,324,317.84	560,994,249.81

APPENDIX B-5 SUMMARY OF PROVISIONS AND RESERVES								
From January 2017 to December 2017								
DESCRIPTION	Beginning Balance	CURRENT YEAR PROVISIONS			PROVISIONS DEDUCTIONS			Amount ending balance
		Operating	Financial	Non current	Operating	Financial	Non current	
1. Long term assets provisions								
2. Regulated Reserves								
3. Long term reserves for risks	17,338,168.00			19,227,389.00			17,338,168.00	19,227,389.00
SUB-TOTAL (A)	17,338,168.00			19,227,389.00		-	17,338,168.00	19,227,389.00
4. Current assets provisions	16,241,421.30	14,006,091.00			16,241,421.30			14,006,091.00
5. Other risk provisions	6,962,150.32		55,721.63	-		2,056,314.93	2,267,652.95	2,693,904.07
6. Financial provisions								
SUB-TOTAL (B)	23,203,571.62	14,006,091.00	55,721.63	-	16,241,421.30	2,056,314.93	2,267,652.95	16,699,995.07
TOTAL (A+B)	40,541,739.62	14,006,091.00	55,721.63	19,227,389.00	16,241,421.30	2,056,314.93	19,605,820.95	35,927,384.07

APPENDIX B-6 SUMMARY OF RECEIVABLES AND DEBTORS								
Moroccan Dirhams			From January 2017 to December 2017					
RECEIVABLES	TOTAL AS OF 31.12.2016	RECEIVABLES ANALYSES			OTHER ANALYSIS			
		> 1 year	< 1 year	unrecovered	foreign currency balance	State receivables	Affiliated corporate receivables	Bills of exchange
LONG TERM RECEIVABLES	2,898,309.99	1,713,998.12	1,184,311.87					
- Loans	2,448,847.13	1,264,535.26	1,184,311.87					
- Other financial assets	449,462.86	449,462.86						
CURRENT ASSETS	1,963,733,472.63	2,370,197.23	1,961,363,275.40		6,857,022.67	475,557,841.43	572,119,713.50	
- Advances to suppliers	20,090,158.61		20,090,158.61		4,486,825.44	10,072,326.48		
- Trade receivables	902,944,049.40	2,370,197.23	900,573,852.17		2,370,197.23		11,125,463.69	
- Staff	1,632,599.87		1,632,599.87					
- State	465,485,514.95		465,485,514.95			465,485,514.95		
- Partners current accounts			-					
- Other debtors	560,994,249.81		560,994,249.81				560,994,249.81	
- Prepayment	12,586,899.99		12,586,899.99					

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APPENDIX B-7 - SUMMARY OF LIABILITIES								
In Moroccan Dirhams				From January 2017 to December 2017				
LIABILITIES	TOTALS AS OF 31.12.2017	ANALYSIS BY MATURITY			OTHER ANALYSIS			
		> 1 year	< 1 year	Outstanding and unrecovered	Foreign Currency	State receivables	Affiliated corporate receivables	Bills of exchange
LONG TERM FINANCIAL DEBTS	3,687,908,496.95	3,289,215,686.59	398,692,810.36					
- Bonds issues								
- Other financial debts	3,687,908,496.95	3,289,215,686.59	398,692,810.36					
CURRENT	1,255,499,675.28	407,413,529.31	848,086,145.97		481,743,008.85	143,323,201.30	48,047,773.79	
- Trade payables	624,210,886.64	6,137,549.49	618,073,337.15		481,743,008.85		48,046,076.60	
- Advances from customers	50,321,329.63		50,321,329.63					
- Staff	32,788,644.28		32,788,644.28					
- Social security	9,166,947.82		9,166,947.82			9,166,947.82		
- State	134,156,253.48		134,156,253.48			134,156,253.48		
- Partners current accounts	1,697.19		1,697.19				1,697.19	
- Other creditors	401,275,979.82	401,275,979.82						
- Accruals	3,577,936.42		3,577,936.42					

APPENDIX B-8 - SUMMARY OF «ESTATE GUARANTEES» GIVEN OR RECEIVED					
Financial year from 01/01/2017 to 31/12/2017					
CREDITORS/DEBTORS	Amount covered by guarantee	Nature (1)	Date and registration location	Purpose (2) (3)	Net booking value of the Guarantee as of December 31, 2017
- Given guarantees			NONE		
- Received guarantees	2,448,847.13	Mortgage		Employee Mortgage loans	

(1) Security: 1 - Mortgage; 2 - Pledge; 3 - Warrant; 4 - Other; 5 - (to be specified)
(2) Indicate if the surety is given for the benefit of third party companies or persons (sureties given) [affiliated companies, associates, personnel members]
(3) Indicate if the surety received by the company comes from third parties other than debtors (sureties received)

APPENDIX B-9 - FINANCIAL COMMITMENTS OTHER THAN LEASING OPERATINGS		
From January 2017 to December 2017		
GIVEN COMMITMENTS	Current year Amounts	Previous year Amounts
- Avalize and guarantee		
Assignment of receivables of November 2015		383,726,603.06
Assignment of receivables act of December 2015		446,682,448.47
Assignment of receivables of November 2016	444,119,039.00	
Assignment of receivables act of December 2016	401,050,871.69	
Temporary Importation		
ALSTOM France	26789.00	26789.00
CENTRACOM	4650.00	4650.00
LAMBLIN Voies Ferrées	133688.00	133688.00
Temporary Exportation		
URS (38,890,00 MAD)	38,890.00	38,890.00
FERBECK & FURMITHERM (43,028 EUR)	208,712.00	208,712.00
ALSTOM France (80,750 EURO)	273,006.00	273,006.00
ALSTOM POWER SERVICE (5,000 euro)	35,313.00	35,313.00
SCOTT USA (1350 USD)	6,557.00	6,557.00
ABB SECHERON SA (1,500 CHF)	4,752.00	4,752.00
ABB SECHERON SA (1,460 CHF)	8,622.00	8,622.00
ABB SECHERON SA (2,090 CHF)	9,628.00	9,628.00
ABB SECHERON SA (34,600 CHF)	77,021.00	77,021.00
Kema 2,000 EURO	6,648.00	6,648.00
Paul boman (250 USD)	663.00	663.00
TOTAL	846,004,849.69	831,243,990.526

APPENDIX B-9 - FINANCIAL COMMITMENTS OTHER THAN LEASING OPERATINGS		
RECEIVED COMMITMENTS	Current year	Previous year
- Endorsement and Guarantee		
VITOL S.A (USD 2 000 000,00) (BMCE)		20 252 000,00
SUEK AG (USD 2 000 000,00) (BMCI)		20 252 000,00
SUEK AG (USD 2 000 000,00) (BMCI)		20 252 000,00
TRAFIGURA (USD 2 000 000,00) (BCP)		20 252 000,00
UNIPER EX E.ON ENERGY (USD 2 000 000,00) (BCP)	18 719 800,00	20 252 000,00
SUEK AG (USD 2 000 000,00) (BMCE)	18 719 800,00	
UNIPER EX E.ON ENERGY (USD 2 000 000,00) (BCP)	18 719 800,00	
SUEK AG (USD 2 000 000,00) (BMCE)	18 719 800,00	
Letter of credit ONEE	425 000 000,00	425 000 000,00
AFRIQUIA (Attijari wafa bank)	339 820,20	339 820,20
AFRIQUIA (BP)	559 812,60	559 812,60
LE MONDE VEGETAL		269 200,00
OSS	83 592,00	83 592,00
SMAC STE	134 068,70	134 068,70
STOKVIS NORD-AFRIQUE	192 000,00	192 000,00
GETRA (210000)		2 415 000,00
SOMARAIL (20655 eur) Credit du Nord	237 532,50	237 532,50
SOMARAIL (11846 eur) Credit du Nord		136 229,00
SOMARAIL (11564 eur) societe Generale		132 951,50
SOMARAIL (3286,24eur) Societe Generale		37 791,76
Atlas copco	304 091,00	304 091,00
SOMAGEC	6 619 460,12	6 619 460,12
ARMO (ASSISTANCE REALISATION ET MONTAGE)		370 037,93
BABCOCK WANSON MAROC		492 006,00
SCHNEIDER ELECTRIC IT	165 120,00	165 120,00
ALOMRA GROUP INTERNATIONAL	372 375,06	
CNIM BABCOCK MAROC	915 322,80	
IP VISION	153 872,28	
- Other commitments received		
TOTAL	509 956 267,26	538 748 713,31

APPENDIX B10 - SUMMARY OF LEASING CONTRACTS										
Financial year from 01/01/2017 to 31/12/2017										
Designation 1	first maturity Date 2	Length of contract 3	Estimated value at contract date 4	Theoretical depreciation period 5	Cumulated leasing expenses 6	yearly leasing expenses 7	Remaining balance		End of contract residual price 10	Comments 11
							< 1 year 8	> 1 year 9		
					NONE					

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APPENDIX B-11 - INCOME STATEMENT DETAILS			
From January 2017 to December 2017			
Account		CURRENT YEAR	PREVIOUS YEAR
611	OPERATING EXPENSES		
	Cost of sales		
	- purchases		
	- Inventory variation (+/-)		
	Total		
612	Cost of sales (production)		
	- Raw material purchases	2,384,080,331.73	2,564,075,243.61
	- Raw material inventory variation	85,182,199.62	3,287,443.08
	- Consumables	117,514,763.49	79,918,246.34
	- Consumables inventory variation (+/-)	(36,893,705.31)	(7,415,832.99)
	- Non stored purchased raw and equipments	51,832,965.98	59,965,197.36
	- services and surveys	83,157,152.38	121,006,234.90
	Total	2,684,873,707.89	2,820,836,532.30
613/614	Other external expenses		
	- Rentals	4,433,751.14	6,506,537.36
	- Repairs and maintenance	40,302,223.19	45,804,396.33
	- Insurance	25,998,019.98	27,913,943.32
	- Remuneration of external labor to the company	15,070,802.72	8,667,743.15
	- Fees and commissions	48,666,487.72	45,095,419.02
	- Royalties, rights,...	-	6,301,524.24
	- Research and documentation	390,180.77	899,354.37
	- Transportation	3,810,159.90	2,688,506.63
	- Travel, assignments and reception	1,700,178.42	2,131,052.56
	- Other external expenses	21,091,001.56	18,903,985.32
	Total	161,462,805.40	164,912,462.30
616	Taxes	23,346,424.89	23,516,745.27
617	Payroll expenses		
	- Remunerations	165,954,589.76	160,154,120.95
	- Social Charges	32,014,449.39	26,305,945.77
	Total	197,969,039.15	186,460,066.72
618	Other operating expenses		
	- Directors' fees		
	- Loss in unrecoverable receivables		
	- Other		
	Total		
638	FINANCIAL EXPENSES OTHER FINANCIAL EXPENSES		
	- Net investment sales costs		
	- Other		
	Total		
658	NON CURRENT EXPENSES		
	Other non current expenses		
	- Penalties on contracts		
	- Taxes adjustments		
	- Tax penalties	5,608,374.26	2,403.12
	- Unrecoverable assets		
	- Other	25,924,824.55	3,554,543.17
	Total	31,533,198.81	3,556,946.29

APPENDIX B-11 - INCOME STATEMENT DETAILS (CONTINUED)			
From January 2017 to December 2017			
POSTE		FINANCIAL YEAR	PREVIOUS YEAR
711	OPERATING REVENUES		
	Sales of merchandise		
	- Domestic		
	- Export		
	- Other		
	Total		
712	Sales of goods and services produced		
	- Sales of goods in Domestic	4,398,631,059.55	4,505,769,456.93
	- Sales of goods Export		
	- Sales of services in Domestic		
	- Sales of services Export		
	- Royalties		
	- Other		
	Total	4,398,631,059.55	4,505,769,456.93
713	Inventories Variation		
	- Inventories variation of goods produced (+/-)		
	- Inventories variation of services produced (+/-)		
	Total		
718	Other operating income		
	- Attendance fees received		
	- Other	3,251,228.52	904,764.58
	Total	3,251,228.52	904,764.58
719	Cost transfers, Provision reduction		
	- Reversals	29,248,089.50	17,396,496.40
	- Cost transfers		
	Total	29,248,089.50	17,396,496.40
	FINANCIAL REVENUES		
738	Interest and other financial revenues		
	- Interest and proceeds	1,257,763.46	1,126,181.16
	- Revenue from affiliated companies		
	- Net proceeds fixed asset disposal	31,588,683.99	21,658,832.12
	- Other		
	Total	32,846,447.45	22,785,013.28

APPENDIX B12 - TAXABLE INCOME CALCULATION			
From January 2017 to December 2017			
	DESCRIPTION	Montant T1	Montant T2
III.	FISCAL DEDUCTIONS		616,893,293.87
	1. Current		
	- Unrealized gain as of decembe 31, 2016		2,173,242.88
	2. Non-current		
	- Reversal on provisions for retirement commitments on 31 December 2016		17,338,168.00
	- Reversal of non-current provisions		13,785,238.51
	- Deduction amortizations on minor overhauls		22,602,394.67
	- Dividends		560,994,249.81
	Total	1,401,367,690.73	616,893,293.87
IV.	GROSS FISCAL RESULT		
	Gross profit if T1 > T2 (A)	784,474,396.86	
	Growth fiscal deficit if T2 > T1 (B)		
V.	CARRIED FORWARD DEFICIT (1)		
	Financial year n-4		
	Financial year n-3		
	Financial year n-2		
	Financial year n-1		
VI.	NET FISCAL RESULT		
	Net fiscal profit (A-C)		784,474,396.86
	or net loss (B)		
VII.	CUMULATED DEFERRED DEPRECIATIONS		
VIII.	CARRIED FORWARD TAX DEFICITS		
	Financial year n-4		
	Financial year n-3		
	Financial year n-2		
	Financial year n-1		
	Financial year n		

(1) Within the limit of the gross fiscal profit amount (A)

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2017

APPENDIX: B13 - CALCULATION OF NET OPERATING INCOME (AFTER TAXES)		
From January 2017 to December 2017		
I. INCOME CALCULATION		AMOUNT
- Operating Income (I/S)	(+/-)	1,170,341,959.61
- Tax operating additions	(+)	5,938,143.99
- Tax operating deductions	(-)	-2,173,242.88
- THEORETICAL TAXABLE OPERATING INCOME	(=)	1,174,106,860.72
- Theoretical tax	(-)	363,973,126.82
- Net operating income	(=)	806,368,832.79
II. SUMMARY OF TAX REGULATIONS AND SPECIFIC TAX ADVANTAGES		

APPENDIX B14 - DETAIL OF V.A.T				
From January 2017 to December 2017				
DESIGNATION	Current year Initial balance 1	Current year Transactions 2	Current year V.A.T declaration 3	Current year final balance (1 + 2 - 3 = 4)
A. Invoiced V.A.T	105,269,875.43	617,310,032.19	618,584,996.50	103,994,911.12
B. Recoverable V.A.T	51,692,399.06	621,205,712.17	645,228,893.05	27,669,218.18
* On Expenses	51,692,399.06	621,088,175.64	645,228,893.05	27,551,681.65
* On Asset		117,536.53		117,536.53
C. V.A.T payable or V.A.T credit	53,577,476.37	(3,895,679.98)	(26,643,896.55)	76,325,692.94
NOTE: VAT credit as per tax return as of December 31, 2017				(437,816,296.77)

B.15 CONTINGENT LIABILITIES

- The tax returns related to the years 2016 and 2017 are not yet prescribed, and could be subject to a tax audit leading to potential adjustments. Moreover, TAQA Morocco has signed on december 26th, 2017 an agreement with the Tax Administration to close the tax audit faced.
- The adjustments resulting from the tax audit do not have a significant impact on the net income, nor the net equity or the liquidity of the Company.

APPENDIX: C-1 - SHARE CAPITAL ALLOCATION							
Capital amount: 2,358,854,200.00 DH							
From January 2017 to December 2017							
Name or corporate names of principals shareholders 1	Address 2	NUMBER OF SECURITIES		Nominal Value of each share 5	CAPITAL AMOUNT		
		Previous Period 3	Current Period 4		Subscribed 6	Called Up 7	Paid Up 8
ABU DHABI NATIONAL ENERGY COMPANY (TAQA)	Al Maria Island, Level 23,24,25 AL Maqam Tower ABU DHABI, UNITED ARAB EMIRATES	20,236,583	20,236,583	100.00	2,023,658,300	2,023,658,300	2,023,658,300
S.E Abdulaziz Abdulrahman Mubarak Alhemaïdi	c/o Abu Dhabi National Energy Company PJSC Al Maria Island, Level 23,24,25 AL Maqam Tower Abu Dhabi, Emirats Arabes Unis	1	1	100.00	100	100	100
Saeed Hamad Obaid Abuqa- ta Aldhaïheri	c/o Abu Dhabi National Energy Company PJSC Al Maria Island, Level 23,24,25 AL Maqam Tower Abu Dhabi, Emirats Arabes Unis	1	1	100.00	100	100	100
Mohammed Abdulla Falah Jaber Al Ahbabi	c/o Abu Dhabi National Energy Company PJSC Al Maria Island, Level 23,24,25 AL Maqam Tower Abu Dhabi, Emirats Arabes Unis	1	1	100.00	100	100	100
Khalid Al Sayari	Al Maria Island, Level 23,24,25 AL Maqam Tower ABU DHABI, UNITED ARAB EMIRATES	1	1	100.00	100	100	100
RMA WATANYA	Avenue des FAR - Casablanca	446,927	446,927	100.00	44,692,700	44,692,700	44,692,700
SCR	Tour ATLAS - Place Zellaqa - Casablanca	446,927	446,927	100.00	44,692,700	44,692,700	44,692,700
MCMA	Rue Abou Inane - Rabat	223,464	223,464	100.00	22,346,400	22,346,400	22,346,400
Public		2,234,637	2,234,637	100.00	223,463,700	223,463,700	223,463,700
		23,588,542	23,588,542		2,358,854,200	2,358,854,200	2,358,854,200

APPENDIX : C-2 - STATEMENT OF NET RESULT ALLOCATION			
From January 2017 to December 2017			
	AMOUNT		AMOUNT
A. ORIGIN OF ALLOCATED RESULTS		B. ALLOCATED RESULTS	
- Retained earning	150,927,276.88	- Legal reserve	
- Income / Loss to be allocated	938,705,619.89	-Other reserve	216,856,842.77
- Net result		- Percentage of profit	
- Deductions from reserves		- Dividends	872,776,054.00
- Other deductions		- Other profit allocation	
		- Retained earnings	
TOTAL A	1,089,632,896.77	TOTAL B	1,089,632,896.77

Total A = Total B

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2017

APPENDIX: C3 - LAST THREE YEARS RESULTS			
INDICATIONS	Year N-2 From 01/01/2014 To 31/12/2014	Year N-1 From 01/01/2015 To 31/12/2015	Year N From 01/01/2016 To 31/12/2016
NET SHAREHOLDERS EQUITY			
• Shareholders equity plus assimilated equity minus capitalized cost	4,191,935,698.20	4,484,568,287.29	4,667,576,161.11
TRANSACTION AND RESULTS OF THE CURRENT YEAR			
1. Revenues	4,877,913,258.79	4,887,224,375.99	4,505,769,456.93
2. Pretax result	672,696,003.61	1,008,634,519.36	1,102,672,233.11
3. Corporate Tax	164,612,268.50	167,019,855.88	163,966,613.22
4. Dividends and related revenues distributed	2,514,538,577.20	518,947,924.00	707,656,260.00
5. Non distributed results (revenues to be allocated)			
RESULT PER SHARE			
• Earning per share	21.54	35.68	39.79
• Dividend per share	106.60	22.00	30.00
PERSONNEL			
• Current year gross salary amount	169,083,055.73	167,302,956.34	160,154,120.95
• Average staff employed during the current year	338	332	322

APPENDIX: C4 - SUMMARY OF FOREIGN CURRENCIES TRANSACTIONS BOOKED DURING THE CURRENT YEAR		
DESIGNATION	Inflow dirham equivalent	Outflow equivalent in DH
- Permanent financing		24,065,543.25
- Gross fixed assets		
- Fixed Assets Disposals		
- Loan repayment		
- Proceeds	1,090,887.61	
- Expenses		2,456,648,169.09
TOTAL INFLOWS	1,090,887.61	
TOTAL OUTFLOWS		2,480,713,712.34
BALANCE IN FOREIGN CURRENCIES	2,479,622,824.73	
TOTAL	2,480,713,712.34	2,480,713,712.34

APPENDIX: C5 - FIXED DATE AND LATER EVENTS	
I. FIXED DATE	
• Closing date (1)	December, 31 2017
. Establishment date of summary statement	February, 21 2018
(1) Justification in case of change of the financial year closing date (2) Justification in case of exceeding the regulatory time limit of three months for preparing summary statements	

II. SUBSEQUENT EVENTS TO THE CLOSING UNRELATED TO CURRENT YEAR AND KNOWN BEFORE THE COMMUNICATION OF THE SUMMARY STATEMENT

Dates	Indication of events	
	- Favourables	NONE
	- Unfavourables	NONE



Ernst & Young Sarl
37, Bd Abdellatif Ben Kaddour
Casablanca



Espace Bureaux Clarence
13, rue Al Kasr
Casablanca

STATUTORY AUDIT REPORT PERIOD FROM JANUARY 1ST TO DECEMBER 31, 2017

In accordance with the assignment entrusted to us by your General Meeting, we have audited the accompanying financial statements of TAQA Morocco S.A. as at December 31, 2017 including the balance sheet, the income statement, the statement of management accounts, the cash flow statement and the notes to the financial statements for the year then ended, these financial statements show a net equity of MAD 4,948,800,477.24 including a net profit of MAD 972,399,304.47.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Moroccan GAAP. This responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Moroccan standards on auditing. Those standards require that we comply with ethical requirements plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement in the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

We certify that the above-mentioned financial statements present fairly, in all material respects, the financial position of TAQA Morocco S.A. as at December 31, 2017 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Morocco.

Specific verifications and information

We have also performed the specific controls required by the law and made sure that the information provided in the management report to be presented to the shareholders are consistent with the financial statements of the company.

Casablanca, February 28th, 2018

The Statutory auditors

ERNST & YOUNG
French original signed by
Bachir TAZI
Partner

BENJELLOUN TOUIMI CONSULTING
French original signed by
Abdelmajid BENJELLOUN TOUIMI
Partner

