



TAQA
M O R O C C O



20^{YEARS} OF CONTRIBUTION

2017 ANNUAL REPORT



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KEY FIGURES



15 407 GWh
NET PRODUCTION



92.5%
TOTAL UNIT
AVAILABILITY RATE



480
EMPLOYEES



8,082 million MAD
TURNOVER



2,217 million MAD
OPERATIONAL
CASH FLOW



1,014 million MAD
NET INCOME,
GROUP SHARE



43 MAD
NET INCOME
PER SHARE



40 MAD
DIVIDEND
PER SHARE

INTERVIEW WITH THE CHAIRMAN OF THE MANAGING BOARD OF TAQA MOROCCO

ABDELMAJID IRAQUI HOUSSAINI

2017 marked the 20th anniversary of TAQA Morocco. How do you see the journey it has taken since 1997?

This is a success guided by two objectives: excellence and performance. Following its developments around fundamental projects, TAQA Morocco quickly established itself as Morocco's leading electricity producer. These large-scale projects have marked the history of the company, but also that of the country, with the aim of guiding Morocco's development.

Today, almost 50% of the country's electricity is produced by TAQA Morocco.

What are the company's assets that allowed it to reach such a performance level?

Above all, the excellence of its industrial tool; indeed, the company reported good operating results in 2017, with an availability rate of 92.5%. This exceptional performance allows us to remain in the first quartile of thermal power plants worldwide. Thanks to highly technical infrastructures, we are capable of producing electricity for 18 million Moroccans. Of course, the operational excellence of TAQA Morocco is also based on a strong culture of performance and the sense of belonging among our teams.

“

We aim to remain the leading electricity producer in Morocco by positioning ourselves as a preferred partner to assist with the development of the national energy mix.

”



TAQA Morocco's industrial excellence places it in the top quartile of thermal power plants of similar sizes, worldwide.

What role does human capital play within TAQA Morocco?

Human capital is undeniably a key strength of our company. As an industrial operator, TAQA Morocco is carried by the energy of its teams. Our employees are strongly mobilised based on the company's challenges, driven by a real performance culture. In addition to safety, which remains an absolute priority, the permanent search for areas for improvement and innovation are the drivers of development.

Finally, we share values, expertise and methods we must preserve and grow in the coming years. This effective transfer of knowledge, combined with the digital culture of new generations, is an opportunity to be seized by TAQA Morocco.

Which specific actions were undertaken in 2017 to accompany industrial excellence?

Our performance requires a rigorous predictive maintenance policy and effective management of production costs. To this end, in 2017, we finalised the deployment of a computerised maintenance management system (CMMS) on our Oracle IT system. This allows us to carry out real analytical monitoring of our business and our investments.

From an operational perspective, we have also developed several scenarios to improve the combustion process, in order to optimise our coal, water and electricity consumption.

We cannot talk about operational excellence without mentioning safety. What is TAQA Morocco's policy in this respect?

Indeed, safety is an absolute priority for TAQA Morocco. It is a value which is totally ingrained in our company culture, as well as that of our Group. Safety affects everyone, and concerns both our employees and our subcontractors. In 2017, we therefore deployed a broad campaign to reiterate the 12 fundamental and mandatory rules applicable to all Group Units. To support this campaign, we implemented training to ensure everyone understands and applies the safety rules. In addition, on a day-to-day basis, we encourage each of our employees to analyse and identify near-misses and incidents that allow us to improve the prevention side of our policy. Safety and performance are linked.

How do you intend to retain your leading position in the next few years?

We would like to position ourselves as a preferred partner in Morocco to guide the country's energy policy. Therefore, our priority is to continue to innovate and invest to strengthen our industrial excellence. To this end, TAQA Morocco has implemented an ambitious strategic plan for 2021, which will not only enable us to respond to conventional national energy projects such as coal and natural gas production, but above all, renewable energies.

With the support of our TAQA Group, which is an operator with business across the entire energy value chain, we have all the capabilities to overcome these new challenges.



ORGANISATION

Chairman of the Managing Board
A. Iraqui Houssaini

Director of Operations, Africa A. Hilmi	Synergy & Equity Development F. Moutaouakil	Deputy MD, Finance & Development Division O. Alaoui	Plant Management F. Bendahbia	Support M. Belghiti	Human Resources K. Benghanem	Legal S. El Mamouni	Strategy & Planning K. Benjelloun
		Finance TM Z. Fafouri	Units 1&2 A. Bouzekri	IT & Audit Z. Sentissi	HR Development K. Benghanem	Legal Counsel H. Tazi	
		Finance 5&6 H. Chad	Units 3&4 L. El Malzoumi	Procurement A. Eddekkaki	Administration & Social Relations S. Benider		
		Development & Finance TNA B. Benbachir	Units 5&6 A. Harrouch	Safety N. Sennouni			
		Risk Management Y. Benbrik	Joint Facilities H. Moumni	General Facilities H. Bouttan			
		Communication L. Bouchourl	SPM & Engineering (acting) F. Bendahbia				
		Procurement of Fuels M. Berrechid	Audit Technique & Safety Process C. Amrani				
			QHSE Y. Annachchibi				



TAQA MOROCCO

IN BRIEF

PART OF A GLOBAL NETWORK

Founded in 2005 in Abu Dhabi, the TAQA Group is 74.05% owned by the ADWEA (Abu Dhabi Water and Electricity Authority). The TAQA Group employs 2,800 people worldwide and develops innovative solutions to meet the energy needs of its customers based in 11 countries on 4 continents.

Thanks to significant investments, the Group has developed multiple areas of expertise that allows it to have a full energy portfolio. A Group with wide-ranging businesses, from gas exploration to electricity production and seawater desalination. TAQA is structured around two business segments: oil and gas on one side, and water and electricity on the other side.



OIL AND GAS

The TAQA Group operates oil and gas businesses in five countries. Its businesses cover the entire value chain: exploration, development and production of crude oil, natural and liquid gas, but also storage, treatment and transport of oil and gas.



WATER AND ELECTRICITY

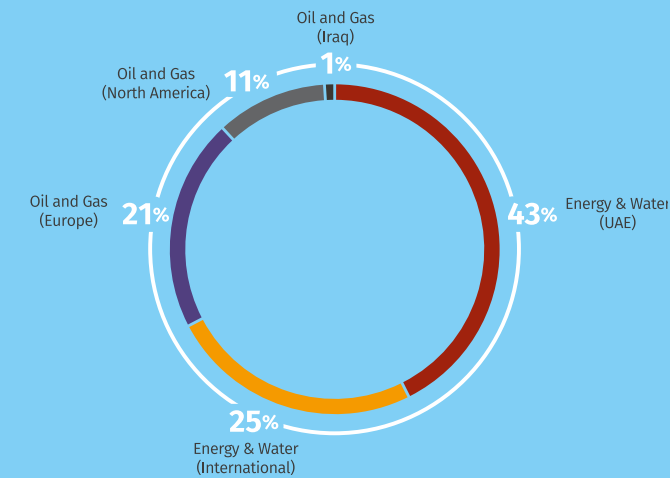
Through its various subsidiaries, the TAQA Group provides water and electricity to its customers worldwide. Its gross energy production capacity totals 17,410 MW. In addition, it provides approximately 90% of the water and electricity for the emirate of Abu Dhabi.

Thanks to a broad field of expertise, the TAQA Group has a number of assets worldwide: electric power plants, water desalination facilities, oil and gas exploration and production facilities, and gas storage facilities.

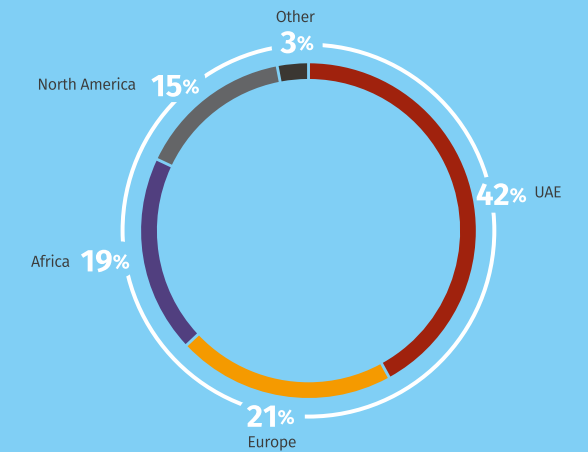
These infrastructures are spread across four continents: Africa and the Middle East, India, Europe, and North America.

Breakdown of the turnover

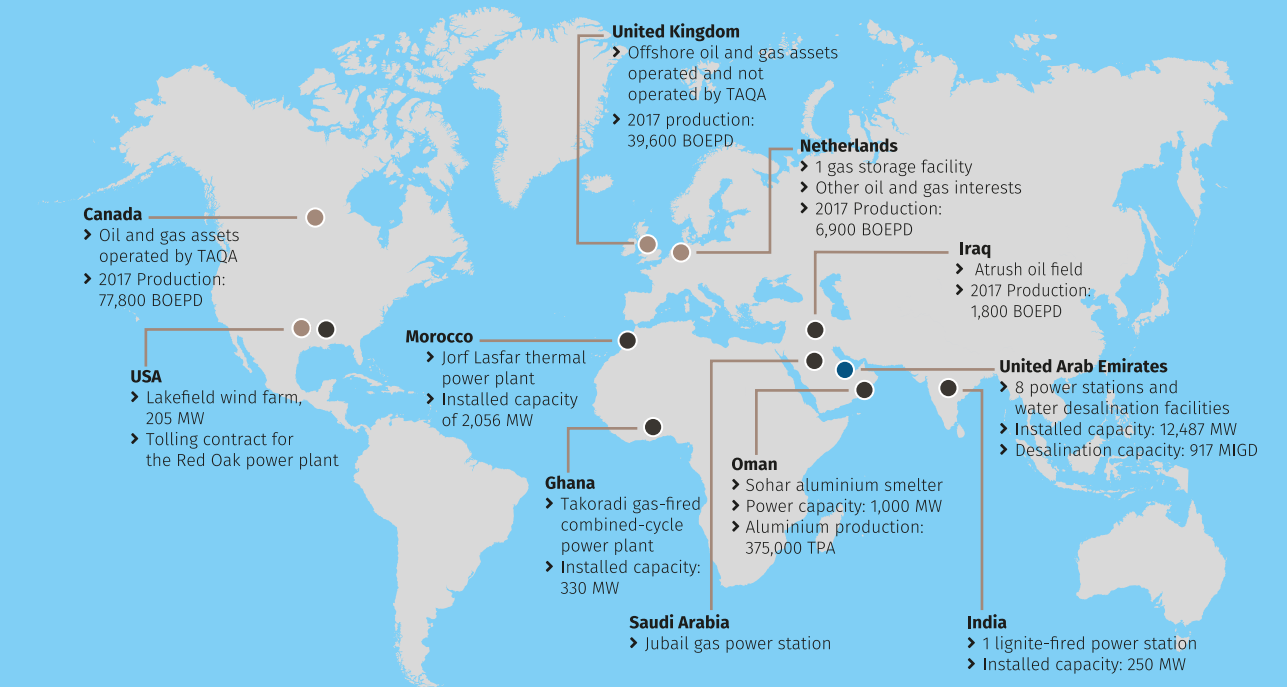
BY SEGMENT (%)



BY GEOGRAPHICAL AREA (%)



Established in 11 countries



In order to overcome future energy challenges, the TAQA Group has set out a strategic policy based on three basic concepts:

- Operational excellence
- Creation of long-term value
- Sound financial management

A KEY PLAYER IN THE MOROCCAN ENERGY SECTOR

THE LEADING ELECTRICITY PRODUCER IN MOROCCO

18 million

Moroccans supplied with electricity thanks to TAQA Morocco

By providing almost

50%

of the country's electricity production, TAQA Morocco has established itself as an essential partner for Morocco in terms of electricity production.

20 YEARS OF KNOW-HOW AND PERFORMANCE



Launched at the initiative of the ONEE to respond to the intensive development of electricity production, the construction work on the first two Units of the Power Plant began at Jorf Lasfar in 1991. Units 1 and 2 were commissioned in 1993: they already provide a capacity of 660 MW.

The creation of the Jorf Lasfar Energy Company (JLEC) marked a turning point in 1997, and the real arrival of the first private electricity production company in Morocco. With a sum of 1.25 billion dollars, JLEC reported a record amount of financing in Morocco for the development of its thermal power plant. Among other things, this involved the construction of Units 3 and 4, which will double the production capacity of the plant. Additional work is underway for the operation and maintenance of the coal unloading dock at the Jorf Lasfar port, as coal is a strategic and essential raw material for the plant. Following their official inauguration by His Majesty King Mohammed VI, Units 3 and 4 were commissioned in 2000 and 2001 respectively.

In order to continue to guide Morocco through its energy development, JLEC signed an agreement with the government to launch Units 5 and 6. The work began in

2012, following new financing of 1.4 billion dollars, a record amount in the history of Morocco. Units 5 and 6 were commissioned in 2014; they increased the total capacity of the plant to 2,056 MW. Since then, JLEC has produced 50% of the country's electricity. As JLEC develops, skills are honed and know-how progresses. The company's rise is also due to the dynamic of its human capital and the broadening of its expertise.

In 2014, JLEC changed its name, becoming TAQA Morocco. This step marked a strategic turning point for the company enabling it to diversify its activities in the long-term. The company has set a new challenge to guide the country's energy mix for the coming years. In order to be ready to seize all development opportunities, TAQA Morocco has adopted a strategic plan to be completed by 2021, which primarily relates to the strengthening of its operational excellence and its human capital.

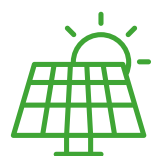
TAQA Morocco now employs 480 employees and operates across six production units. The Jorf Lasfar Thermal Power Plant is the main provider of the National Office for Electricity and Drinking Water (ONEE), and guarantees it an availability rate of over 92.5%.

THE DESIRE TO GUIDE MOROCCO'S ENERGY MIX

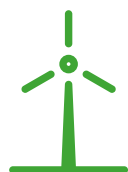
The backing of the TAQA Group gives the Moroccan subsidiary access to strong assets to prepare for the future. Indeed, the Group's financial soundness makes it one of the largest foreign investors in Morocco. In addition, the Group's expertise and know-how place TAQA Morocco in a leading position to become a preferred partner of the Moroccan government in the Kingdom's energy development.

THE MOROCCAN ENERGY CHALLENGE

Reminder of the main challenges



4,500^{MW}
Solar



4,200^{MW}
Wind



1,300^{MW}
Hydro

For several years, Morocco has been committed to a programme to develop production means from renewable energy sources, to cover Morocco's growing needs. The main challenges of this energy policy lie in the desire to combine economic development with consideration of climate issues.

Several energy challenges lie ahead over the coming years. First of all, electricity demand is set to double between 2013 and 2025.

To meet these growing demands, Morocco has set out strategic directions based on an optimised energy mix and on the strengthening of energy efficiency.

In addition, aware of the climate challenges, Morocco will prioritise renewable energies in the years to come. Therefore, the installed capacity of these energies is set to increase from 42% in 2020 to 52% in 2030.

Finally, to preserve the balance between local production and imports, the Kingdom intends to ensure all the national resources are optimally mobilised.

As part of this, between 2016 and 2030, Morocco will be required to develop an additional capacity of 10,000 MW, distributed as follows:

- 4,500 MW for Solar
- 4,200 MW for Wind
- 1,300 MW for Hydro

To overcome such a challenge, the country may count on a considerable renewable energy potential, primarily from wind and sunlight.

TAQA MOROCCO AIMS TO PLAY A MAJOR ROLE IN MOROCCO'S TRANSITION TO RENEWABLE ENERGY

OPPORTUNITIES TO BE SEIZED BY TAQA MOROCCO

TAQA Morocco has already demonstrated its strong ties to the Moroccan economy, and its desire to participate in the country's development. In addition to its contribution to employment, TAQA Morocco participated in the industrial development of the El Jadida region, through significant investments.

This is why, in a context of national action to respond to the energy challenges of the future, TAQA Morocco should remain a preferred partner of the Moroccan government. The Group's expertise in this area and its financial power shall undoubtedly serve as considerable assets for TAQA Morocco to position itself in these new markets.



EXCELLENCE AND PERFORMANCE AT THE HEART OF TAQA MOROCCO'S STRATEGY

Since its creation, TAQA Morocco has been guided by an objective of world-class excellence and operational performance. Following its industrial developments, TAQA Morocco has built unique know-how to overcome Morocco's energy challenges.

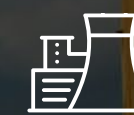
92.5%

availability



2,056 MW

capacity



50%

national electricity
production



5.4 Millions

tonnes of coal imported
per year



1 Coal

storage yard with a capacity
of 1,000,000 tonnes



2 Fuel

tanks with a capacity
of 50,000 m3 each



1 Plant

for demineralized water supply



1 Plant

for refrigerated water supply



1 Ash

storage facility



LEADERSHIP BASED ON THE EXCELLENCE OF THE INDUSTRIAL TOOL

The aim of TAQA Morocco is to provide its expertise, with high-performance and innovative infrastructures, in order to meet Morocco's growing electricity demands.

A RIGOROUS MAINTENANCE POLICY

To achieve the required performance level and maximum reliability, TAQA Morocco implements a rigorous maintenance policy and draws inspiration from the best practices worldwide, supported by the cutting-edge expertise of its human capital. In light of its strategic nature, TAQA Morocco deploys significant financial and human resources to optimise its maintenance.

From an organisational point of view, maintenance is the subject of a preventive plan to guarantee optimum performance of the production cycle. The maintenance of a Unit is based on an 8-year cycle composed of 3 types of maintenance shutdowns: a 7-day shutdown for simple inspection; a minor shutdown lasting between 21 and 25 days; and a major, 42-day shutdown at the end of the cycle.

In 2017, the Jorf Lasfar Plant underwent two shutdowns: a minor one on Unit 6 and a major one on Unit 3. The expertise of TAQA Morocco enabled these maintenance operations to be completed under the best work performance quality conditions and deadlines to guarantee the forecast availability rate.

To this end, as part of a process of continuous progress, the teams meet after each review operation to share their feedback and draw up any improvement plans.



NEWLY DIGITALISED MAINTENANCE MANAGEMENT

One of the highlights of 2017 was the integration of the EAM project.

The purpose of this Computerised Maintenance Management System (CMMS) project is to strengthen the TAQA Morocco maintenance policy through digitalisation. Therefore, this new automated maintenance management method allows TAQA Morocco to reach a decisive turning point from an operational perspective. Thanks to the EAM module on Oracle, all the maintenance-related information is shared and managed in real time. The integration of the EAM project is beneficial for the management of both daily and predictive maintenance. The entire maintenance activity is digitalised: breakdown history, interventions, routine inspection actions, which enables the range of maintenance to be better structured, and resources to be allocated on an ad-hoc basis.

In addition, the system allows the company's information to be capitalised and retained. By creating a memory of all maintenance-related operations, but also internal expertise, TAQA Morocco guarantees the transfer of knowledge to the company's future recruits, to guarantee the longevity of the business.

The transfer to the CMMS involved a large-scale training programme and information actions for the staff. These meetings allowed the employees to familiarise themselves with the new system, but also involved them and convinced them of the benefits of this new management.

SEEKING FURTHER EXCELLENCE IN 2018

As TAQA Morocco is committed to a continuous improvement policy, it plans to integrate other innovative projects in 2018. These projects will be in keeping with the digitalisation theme, to continue to maintain a high level of performance.

As part of this, TAQA Morocco plans to set up a turbine and alternator monitoring project. This system will establish a diagnosis and monitoring based on analysis of the behaviour of these machines. The objective is always to anticipate any malfunction and avoid unforeseen shutdowns.

In parallel, TAQA Morocco operates a constant technological watch in order to identify any opportunities for improvement of its industrial tool, and retain its leading position.



OUR HUMAN CAPITAL PERFORMANCE DRIVER

Human Resources are undeniably a key value for the company's performance. Fully aware of this, TAQA Morocco establishes its HR policy as part of a long-term strategic vision based on recognising skills and anticipating needs. In a context of generational changes, TAQA Morocco is required, in particular, to establish a long-lasting organisation to preserve the company's expertise and memory.

HUMAN RESOURCES INDICATORS



EMPLOYEES

480



TRAINING/ QUALIFICATIONS

220

Number of days of internal qualification



PROMOTIONS

62

Statutory progression

23

Number of people qualified

1,480

Number of days of training

26

Promotions

298

Number of people trained



TURNOVER

1.25%



RECRUITMENT

27

GUARANTEE GENERATIONAL SUCCESSION

Since 2014, the planning of succession is at the heart of TAQA Morocco's human resources strategy. A study was conducted to anticipate the succession.

The real challenge lies in the training time to be allocated so that the new operating recruits are effectively operational. Indeed, the qualifications required in the context of the activity of TAQA Morocco are very high, and this level of expertise is, unfortunately, not immediately available on the market. New recruits at TAQA Morocco therefore benefit from a training period, which provides them with the level of expertise and skills required for a specific position. However, this training process requires a minimum period of 18 months. 48 to 60 months of training is required to reach the qualification level of managerial staff (block manager, for example).

This mandatory minimum training time must therefore be anticipated and planned well in advance, to guarantee the succession of personnel.

A succession management programme has already been prepared and implemented for 2019; it generated recruitments and appropriate training. Another plan must be prepared for departures by 2025.

ANTICIPATE TRAINING REQUIREMENTS

In addition to the training programmes, which must meet the needs of future recruits in the context of generational succession, TAQA Morocco called upon the services of a specialised external firm to define appropriate training engineering.

This study led to the 2020 Training Plan, which covers all company levels. This 3-year programme responds to the needs expressed by employees in the context of their everyday activities. However, another purpose of the training plan is to anticipate the future needs of personnel, notably in the context of their career progression.

Outside of the development of know-how and expertise, this training plan will dedicate a significant section to soft skills and team management.

DEVELOP INTERNAL EXPERTISE

In order to attract and retain its employees, TAQA Morocco implements motivating skills and career management. Skills development and promotions are two of the cornerstones of TAQA Morocco's HR policy.

To guide its teams' career pathways, the company provides career management adapted to each profile. Attractive payment systems and promotion bonuses are planned to motivate the operating and maintenance personnel to take on new responsibilities.

With regard to engineers, since 2014, TAQA Morocco has deployed a career management plan specific to these parties. This plan aims to develop their skills, namely in terms of managerial responsibilities, and guide them to offer them career progression prospects.

MOTIVATE AND PROMOTE WELLBEING AT WORK

TAQA Morocco is committed to the development and wellbeing of its personnel. Offering appropriate working conditions, maintaining a healthy corporate climate, instilling confidence and respect. These all play a role in development, but also serve as performance levers for the company.

TAQA Morocco sets out solid and reassuring basic concepts for personnel: stable and receptive management, as well as a company small enough to remain personal, despite being part of an industrial group.

In addition to the resources implemented to motivate its personnel, TAQA Morocco is constantly seeking to improve the quality of its social actions, in the interests of its employees.

FOCUS ON AREAS OF EXPERTISE

Another initiative aimed at increasing the expertise of personnel was launched in 2017: this is the "Areas of expertise" project.

TAQA Morocco has highly technical expertise and know-how that is vital for the company's business and performance. This expertise was categorised into 7 different electrical fields. All employees who wished to specialise in an area completed tests to identify a real expert for each area. Through this specialisation system, several projects can therefore be allocated to the company's internal experts. From the point of view of the employees, by becoming an expert, the system enables them to have their skills recognised, but also offers them the opportunity to become an internal trainer.

In deploying this type of initiative, TAQA Morocco confirms its ambition to rely on a learning-focused organisation.

SOCIAL INDICATORS (Number of beneficiaries)



MEDICAL ACTIONS

100



SPORTING ACTIVITIES

644



EXTRA-CURRICULAR ACTIVITIES*

251

* for the employees' children



ACHOURA

538



LEISURE ACTIVITIES

228

SAFETY

A MAJOR PRIORITY FOR TAQA MOROCCO

Safety is a fundamental value of the company's culture.

A culture which involves the basic safety rules that apply in all Group Units to any person working on the site. These twelve rules are based on feedback from the sector, and result in mandatory safety practices. They were communicated on a large scale to all employees, but also to the suppliers and subcontractors who work at the Plant.

In 2017, a large-scale campaign was launched to promote these rules and also present them for the subcontractors required to work within the Plant. The safety managers of these companies received training culminating in an exam to ensure the TAQA Morocco safety rules were fully understood. Indeed, each operation in the field requires a risk assessment, which defines the personal protective equipment required, the permits necessary, and the specific procedures to be followed.

In addition, all employees are constantly encouraged to identify, report, and analyse near-misses and incidents in their everyday operational activities, in order to draw up preventive action plans.

Working safely is therefore, above all, a question of behaviour. It is through an ingrained culture, shared by everyone, that safety performance will be consolidated in the long-term.

TAQA MOROCCO'S 12 FUNDAMENTAL SAFETY RULES

1.


Work permits:

I have a work permit before carrying out any specific action

2.


Energy isolation:

I observe all the logging/locking procedures when I work on equipment

3.


Excavation work:

I obtain authorisation before starting any excavation work

4.


Entry into a confined space:

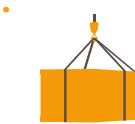
I respect the procedures regarding confined spaces before entering, as well as during all operations

5.


Work at height:

I ensure I use all equipment to protect from falls and work with a compliant means of access

6.


Lifting operations:

I observe the lifting plan and I never position myself under a suspended load

7.


Personal protective equipment:

I always wear the appropriate personal protective equipment

8.


Driving safety:

I drive carefully and observe all traffic rules

9.


Change management:

I carry out a review of the change management before making any temporary or permanent changes

10.


Access to reserved areas:

I obtain authorisation before entering a reserved area

11.


System bypass:

I request authorisation before deactivating a safety system

12.


Overhead power lines:

I conduct a risk assessment and use appropriate equipment when working below and/or close to overhead power lines

CSR AND SUSTAINABLE DEVELOPMENT COMMITMENTS WITHIN THE DNA OF TAQA MOROCCO

Following the example of the TAQA Group, CSR forms an integral part of TAQA Morocco's DNA. This is why the company implements an active social commitment and sustainable development policy.

TAQA Morocco's CSR policy is governed by a charter based on five key commitments:

1. Carry out the activity of TAQA Morocco while anticipating and reducing its environmental impacts
2. Work to create a fair, safe and participatory working environment

3. Get involved with communities and contribute to the creation of social values
4. Operate in the context of responsible and transparent governance
5. Undertake to operate ethically and extend the social, corporate and environmental responsibility of TAQA Morocco to its business ecosystem

TAQA Morocco has undertaken a citizen-focused approach, enabling it to become involved in societal areas such as health, education, environment and culture. Its industrial purpose also led it to set itself very strict objectives in terms of environmental impact.

INDICATORS



300 million MAD
invested in
environmental



80%
of fly ash recycled

200 million USD
invested to treat
liquid waste and
smoke emissions

AWARDS

CGEM CSR LABEL SINCE 2016



The CGEM Label for Corporate Social Responsibility is an accreditation through which the CGEM recognises companies' commitments in terms of CSR and the integration thereof in their managerial strategy and everyday operations. TAQA Morocco has had the CGEM CSR label since 2016, an accreditation that is testament to its responsible commitment, in line with the company's overall strategy.

LISTED AS TOP PERFORMER BY VIGEO EIRIS



In May 2017, TAQA Morocco was recognised as a Top CSR Performer for all its citizenship initiatives. The company achieved one of the highest scores of the category established by the independent Vigéo Eiris institute. This distinction recognises the company's commitment in the areas essential to the country's social development, and is formalised by a number of community outreach actions. This inclusive approach aims to create sustainable conditions for this citizen commitment, and independence for the stakeholders concerned, particularly the local communities.

CERTIFIED BY LRQA



Since 2014, TAQA Morocco has been certified for quality, safety and environment by Lloyd's Register Quality Assurance (LRQA) for all its activities. Through this, TAQA Morocco was able to obtain certification for its Integrated Quality Management System (ISO 9001), Occupational Health and Safety (OHSAS 18001) and Environment Management (ISO 14001).



SOCIAL COMMITMENT

HEALTH, EDUCATION, ENVIRONMENT & CULTURE

TAQA Morocco demonstrates its real desire to help disadvantaged communities, particularly in the regions in which the company is established. In addition to the richness created in terms of economic development and employment, TAQA Morocco seeks to improve the living conditions of local communities in the El Jadida region. Through community outreach programmes, TAQA Morocco makes a real contribution to local development in terms of health, education, environment and culture.

HELP TO IMPROVE ACCESS TO HEALTHCARE

Support for cancer patients

TAQA Morocco encourages medical research, in particular by providing its support to the Lalla Salma Cancer Foundation. This action aims to provide chemotherapy treatments to almost 15,000 low-income patients, and to create oncology centres in different towns throughout the Kingdom. Indeed, the Lalla Salma Cancer Foundation works to improve patient care, encourage preventive actions and make the fight against cancer a national public health priority.

Partner of the El Jadida emergency medical assistance service

TAQA Morocco is the partner of an emergency medical assistance service deployed throughout the province of El Jadida to serve a population of almost 635,000. This emergency medical service (SAMU), which meets international standards, allows thousands of emergency treatments to be provided for free, through five medical centres set up in El Jadida, Sidi Smaïl, Ouled Frej, Bir Jdid and Ouled Ghanem. Inside its ambulances equipped with the necessary equipment, the El Jadida paramedic service provides continued care during transport, and has a permanent hotline (24/7).

Implementation of community health actions

TAQA Morocco joined forces with the Sheikh Zayed Ibn Soltan Foundation to provide free, quality care to the most disadvantaged communities, who are often located in remote, rural areas. Medical missions are carried out by a multidisciplinary mobile medical unit, with the support of medical and paramedical teams from the Sheikh Zayed Hospital (doctors, nurses and volunteers). This real mobile multidisciplinary diagnostic centre, combined with an ocular surgery unit, enabled more than 500 cataract surgeries and more than 13,200 diagnoses to be carried out across 11 towns in the country.

SUPPORT DISADVANTAGED CHILDREN

Artistic programmes for children

TAQA Morocco assists the Kan Ya Makane association in its Tanour programme, aimed at generalising elementary education and fighting against dropout from public schools. This programme covers four public schools in the El Jadida region and concerns almost 600 children aged between 6 and 16. The purpose of the Tanour programme is to encourage the personal and educational development of these pupils, by allowing them access to multidisciplinary artistic workshops such as theatre or fine art, namely in order to broaden their development prospects.

Support for orphans

The goal of the Bab Rayan association is to accommodate, educate, and protect orphaned, abandoned, or mistreated children at a home specially designed to accommodate them in Casablanca. Bab Rayan has the capacity to accommodate 60 children, who are given the opportunity to build a future and grow up in a dignified manner, based on family values. TAQA Morocco supports this association, which, beyond providing a home, educates the children and also allows them to develop through extracurricular activities.

PROMOTE LOCAL HERITAGE

Safeguarding the cultural heritage with the Moulay Abdellah Amghar Moussem

TAQA Morocco is a partner of the Moulay Abdellah Amghar Moussem, one of the most important events that honours the victorious battles of the city of El Jadida against the occupying forces. The regional and national-scale event is renowned for its nightly shows by musical orchestras and folk groups, who perform on the numerous stages set up. The Moussem, which plays host to a variety of other shows and entertainment, is an important cultural event in the Doukkala region.

ENVIRONMENTAL COMMITMENT

LIMIT THE ENVIRONMENTAL IMPACT OF ACTIVITIES

In accordance with its CSR policy, TAQA Morocco is committed to the fight against climate change. Because of the industrial nature of its trade, TAQA Morocco has implemented several solutions intended to reduce the environmental impact of its activities. Particular efforts have been made with regard to the recycling of ash and the treatment of solid waste. In addition, TAQA Morocco ensures it strictly adheres to the standards imposed regarding air and water quality. In terms of emissions, TAQA Morocco is an environmentally mindful company, with levels well below the regulatory limits.

TAQA Morocco has invested more than 300 million dirhams in the environment, and allocates an annual operating budget of 30 million dirhams to this field.

AWARENESS

Environment Week: the opportunity to share good environmental practices

Each year, TAQA Morocco joins forces with the Doukkala Association and the El Jadida Province in the context of the Environment Week, which promotes environmental culture to the general public. The event welcomes researchers, academics and key socio-economic operators in the region, including TAQA Morocco, to present their actions and projects developed with the aim of protecting the environment, while also allowing them to develop new initiatives together.



STORAGE AND RECYCLING OF ASH

In order to limit its environmental footprint, TAQA Morocco has a sophisticated ash storage and recycling system. Thanks to the use of the most advanced technology, TAQA Morocco manages to recycle almost 80% of fly ash.



TREATMENT OF SOLID WASTE

The company has implemented a treatment process to ensure its solid waste is recovered. The treatment is carried out in two stages: solid waste is sorted on the site, then sent to recycling companies in different formats (industrial waste, domestic waste and ordinary waste).



AIR QUALITY CONTROL

In order to control its atmospheric emissions and comply with the strict standards of the World Bank, TAQA Morocco has invested more than 200 million USD in liquid waste and smoke emission treatment facilities.

- Implementation of a desulphurisation system to treat 95% of sulphur dioxide emissions.
- Installation of low-nitrogen-oxide burners
- Injection of SO₃ to reduce the level of dust
- Use of electrostatic precipitators, which collect over 99% of particles



MONITORING OF WATER QUALITY

Regular monitoring of the quality of groundwater, waste water, and cooling water is carried out in accordance with the international standards of the World Bank.

GOVERNANCE

In accordance with the Group policy, TAQA Morocco endeavours to implement the best company governance practices. Indeed, the desire of TAQA Morocco is to establish transparent and responsible governance, as part of the company's performance strategy.

TAQA Morocco is a dual-structure company, organised around a Supervisory Board and a Managing Board.

SUPERVISORY BOARD	
Abdulaziz Abdulrahman Al-Hemaidi	Chairman of the Supervisory Board
Saeed Hamad Al Dhaheri	Vice-Chairman of the Supervisory Board
TAQA PJSC représentée par Awad Al Ketbi	Member of the Supervisory Board
Mohammed Al Ahbabi	Member of the Supervisory Board
Khaled Al Sayari	Member of the Supervisory Board

Two Committees report to the Supervisory Board: an Audit Committee and a Director Appointment and Remuneration Committee

Audit Committee

- Monitoring of the drafting of information intended for shareholders, the public, and the Moroccan Financial Markets Authority.
- Monitoring of the effectiveness of internal control and internal audit systems.
- Management of risks linked to TAQA Morocco and monitoring of the legal audit of the corporate accounts and consolidated accounts of TAQA Morocco.
- Examination and monitoring of the independence of statutory auditors.
- Monitoring of adherence to the TAQA Morocco Code of Ethics.

Director Appointment and Remuneration Committee

- Management of director appointments.
- Director remuneration policy.
- Succession plans.
- Proposals of action plans and objectives of the directors.

The Managing Board is responsible for the Executive Management of TAQA Morocco. It assists with developing and implementing the strategy, drawn up in accordance with the long-term direction set out by the Supervisory Board.
The Managing Board is composed of the following members:

MANAGING BOARD	
Abdelmajid Iraqui Houssaini	Chairman of the Managing Board
Omar Alaoui M'Hamdi	Member of the Board
Abdelkader Hilmi	Member of the Board
David O'Hanian II	Member of the Board
Khalid Benghanem	Member of the Board

The Managing Board has created a certain number of Committees to guarantee appropriate and effective organisation. The day-to-day management of TAQA Morocco is provided by the Management Committee, which makes all the decisions necessary for the fulfilment of the operational and financial objectives.

Abdelmajid Iraqui Houssaini : Chairman of the Managing Board
Omar Alaoui M'hamdi : Deputy Director of the Finance and Development Division
Mehdi Belghiti : Director of the Support Division
Abdelkader Hilmi : Director of Operations, Africa
Said El Mamouni : Legal Director
Karim Benjelloun : Director of Strategy and Planning
Khalid Benghanem : Director of Human Resources
Fadoua Moutaouakil : Director of Synergy and Equity Development
Fatima Bendahbia : Managing Director of the Jorf Lasfar Thermal Power Plant

Organisation and Remuneration Committee	Corporate Dialogue Committee	Health and Safety Committee	Works Council	Safety Committee
• Guidance of the Board regarding remuneration, organisation plans, succession and training planning	• Management of the complaints book presented by the union executive • Management of conflict situations • Drafting of agreements • Review of the social consultation charter • Implementation of work sub-committees • Meetings with social partners for the organisation of social relations	• Assessment of occupational risks linked to the business • Implementation of legal and regulatory provisions relating to health, safety and the protection of health in the workplace • Monitoring and control of safety equipment and systems. • Risk-prevention and safety adherence culture	Advisory body regarding: • Structural and technological transformations carried out within the company • TAQA Morocco production strategy and means of improving its profitability • TAQA Morocco production strategy and means of improving its profitability • Drafting of social projects for the benefit of staff and monitoring its implementation • Social audit • Training programmes • Integration training and continuous training	• Coordination of safety measures within TAQA Morocco • Monitoring, implementation, and control of safety procedures • Study and management of assignments and projects proposed by the Safety Department

Two committees were created to assist the Managing Board in the efforts deployed by the company regarding CSR.

Corporate Social Responsibility (CSR) Committee

- Definition, formalisation and monitoring of the company's CSR procedure.
- Collection and approval of development proposals for the CSR procedure within each Division concerned.
- Management of all the actions and monitoring of the dashboard.
- Creation of the action plan.
- Regular evaluation of the CSR procedure and its contribution to the company's performance.
- Communication of results to the Supervisory Board and the Board of Directors.

Sponsorship and Civic Actions Committee

- Definition and implementation of the Management's policy regarding sponsorship and civic actions.
- Examination and approval of requests, to submit them for final approval by the Senior Management.
- Ensure the strict completion of actions and their compliance with the contractual provisions.
- Regular monitoring and evaluation of actions undertaken, by measuring their impacts in specific areas.

ETHICS

TAQA Morocco is governed by a Code of Ethics, the purpose of which is to set out the ethical rules that ensure the principles of fairness, transparency and integrity are adhered to, in accordance with the values of TAQA Morocco, and more generally, those of the TAQA Group.

In addition to the specific ethical rules relating to the particular activities of TAQA Morocco, and the code of conduct set out by the TAQA Group "Code of Business Ethics", the Code of Ethics sets out the rules that govern the use and communication of Inside Information by the Company, and situations of Conflict of Interest. This Code therefore sets out the guidelines and rules within TAQA Morocco to ensure that all the employees have a shared view of the ethical standards, and that they carry out their activities in accordance with these standards.



TAQA MOROCCO ON THE STOCK EXCHANGE

The financial market saw moderate growth in 2017. The MASI index ended the year with a slight increase of 6.39%, while the MSCI Morocco index saw a slight drop of -0.99%.

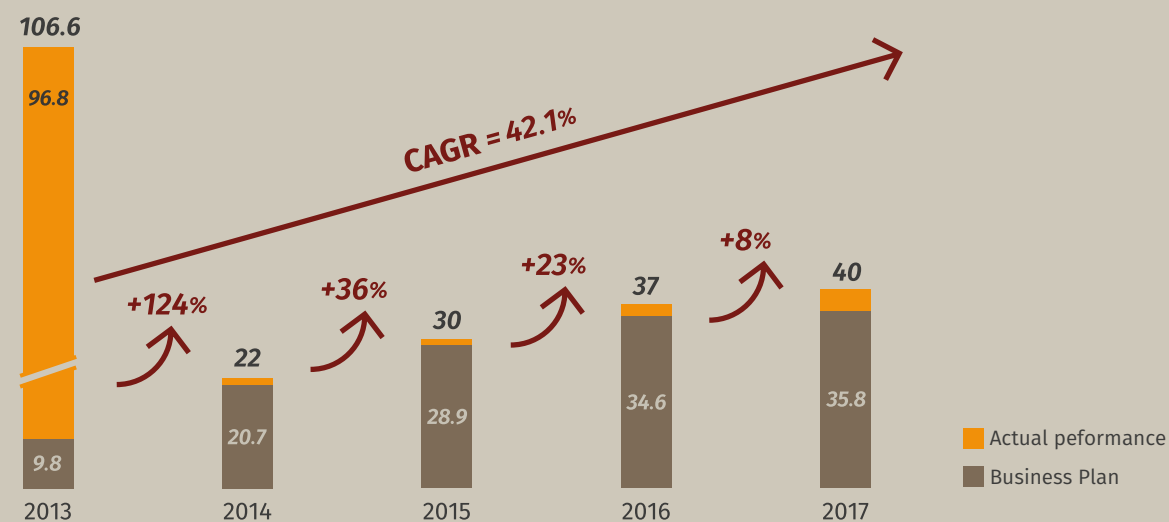
Despite this context, the price of the TAQA Morocco share ended 2017 with a historic value of 920 MAD, and market capitalisation of 21.2 billion MAD, an increase of 17.95%. This performance places TAQA Morocco as the 7th-ranked market capitalisation in Morocco, and the 3rd-ranked industrial group listed on the Casablanca stock exchange.

PERFORMANCE CONTINUOUSLY IMPROVING FOR THE SHAREHOLDER

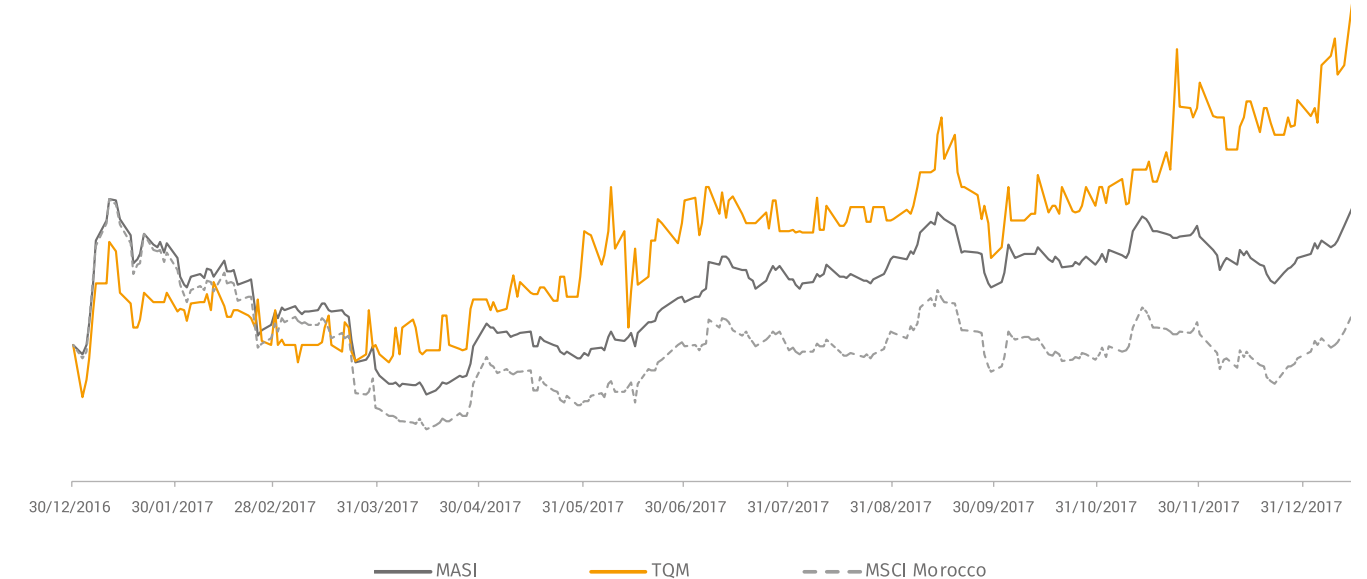
The overall performance of the share (dividend plus increased price) between the initial listing and 28 February 2018 totals 32%, compared to the MASI's 13% performance.

DIVIDEND UP 8%

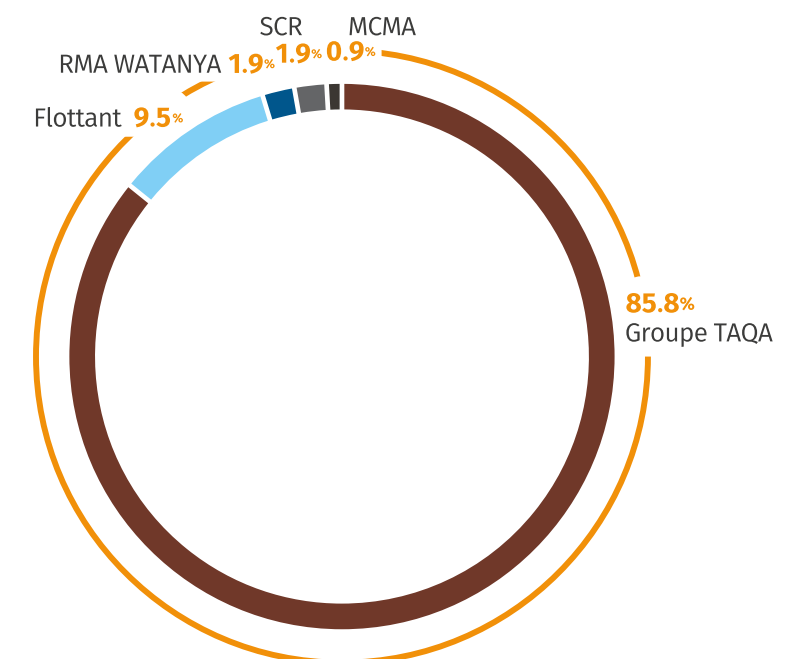
During the Annual General Assembly of TAQA Morocco held on 16 April 2018, the shareholders approved a dividend of 40 MAD, up 8% on 2016. This dividend will be paid on 25 July 2018.



CHANGE OF THE MARKET PRICE IN 2017



SHAREHOLDING



CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31st, 2017

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31st

(in thousands of MAD)

ASSETS	Notes	2017	2016
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
Net income, Group share		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 debts	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 31st

(in thousands of MAD)

REVENUES	Notes	2017	2016
Revenues	13	8 082 066	8 049 378
Other operating income		3 251	905
Operating reversals and operating charges income transfers		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
Amortization 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 income		1 932 701	1 867 535
Non-recurring income	18	-6 227	2 670
Income before tax		1 926 475	1 870 205
Income tax	19	605 248	572 502
Net consolidated income		1 321 227	1 297 703
Net income, Group share		1 013 813	978 488
Minority interests		307 413	319 215
Net consolidated income		1 321 227	1 297 703
Earnings per share (in MAD)		42.98	41.48

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

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31st , 2017

CONSOLIDATED CASH FLOW STATEMENT AS OF DECEMBER 31 ST		
(in thousands of MAD)		
Cash flow from operations	2017	2016
Net profit of consolidated companies	1 321 227	1 297 703
Elimination of non cash items		
Operating allowances and non-recurring allowances	956 220	936 135
Deferred tax variance	12 158	21 038
Net disposal gains	-896	84
Net Working Capital Needs variance	-72 099	68 380
Cashflow from operations	2 216 610	2 323 340
Investing cashflow		
Acquisitions of assets	-277 904	-385 185
Net asset disposals	1 184	1 715
Changes in scope of consolidation	0	0
Investing cashflows	-276 719	-383 470
Dividends paid (*)	-1 161 776	-996 656
Increase in capital	0	0
Issuance of loans	0	0
Repayment of loans	-1 085 468	-1 144 320
Financing cashflow	-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 consists of 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.

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. Scope 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.Accounts closing dates

TAQA MOROCCO and JLEC 5 & 6 close their accounts on December 31st and September 30th 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 Possession 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 February 2nd 2001, the right of use 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 financing

These were recognised in intangible fixed assets and amortised over a period of five years. The periodic amortisation of these expenses is recorded in operating allowances in compliance with the provisions of the CGNC.

- Other project development costs

As of the financing closing, TAQA MOROCCO has recorded, as intangible fixed assets, certain expenses paid during the project's development period. These capitalised expenses are amortized over the concession period, i.e. 30 years starting from the date of the closing of the financing.

1.2.2 Tangible fixed assets

This item includes tangible fixed assets for which the estimated useful life is less than the contract duration. These fixed assets are recorded at their acquisition or production cost. Amortisation i 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 incidental purchase expenses. At the end of the year, inventories are valued using the Weighted Average Cost Method (WACM), except for inventories of spare parts that are valued using First In First Out (FIFO).

1.2.4 Receivables and debts 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 31ST 2017, the provisions for liabilities and charges consist of the provisions for employee pensions for which an independent firm provided an actuarial evaluation.

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

1.2.6 Deferred taxes

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

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31st , 2017

2. FIXED ASSETS

2.1. Net fixed assets

in thousands of 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 fixed assets primarily include the TAQA Morocco right of use for a net amount of DH 14 601 096

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

2.2. Financial assets

in thousands of 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 of 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 of MAD	December 31, 2017			December 31, 2016		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Accounts receivables	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 of 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 and bond funds, and fixed term deposits.

7. Cash

in thousands of MAD	December 31, 2017	December 31, 2016
Cash	309 648	591 350
Short term forward 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 in Group Equity can be analysed as follows:

CONSOLIDATED TABLE OF CHANGES OF SHAREHOLDER'S EQUITY (GROUP SHARE)					
in thousands of MAD	Capital	Share premium	Consolidated reserves	Net profit for the year	Consolidated shareholders equity
Situation at close of 2015	2 358 854	1 135 409	450 898	965 994	4 911 155
Income allocation			258 333	-965 994	-707 661
Income as of December 31 st 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
Income as of December 31 st 2017				1 013 813	1 013 813
Situation at close of 2017	2 358 854	1 135 409	814 938	1 013 813	5 323 014

9. Provisions for liabilities & charges contingencies

in thousands of MAD	December 31, 2017	December 31, 2016
Provisions for liabilities		
Provisions for charges	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 independant firm. These social commitments include free electricity that Taqa Morocco statutory staff benefited from

10. Financial debts

in thousands of 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

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31st , 2017

- 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 March 24th 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 of 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, 31st 2017.

12. Other debts

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

Debt to the State primarily includes debt for corporation tax and invoiced VAT accounts. Other creditors primarily includes the invoiced payments 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 of 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 of MAD	December 31, 2017	December 31, 2016
Coal consumption	3 689 183	3 659 794
Fuel consumption	23 726	23 453
Other consumption	349 125	307 378
Other expenses	227 061	295 974
TOTAL	4 289 095	4 286 599

15. Staff expenses

in thousands of 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 of dirhams	December 31, 2017	December 31, 2016
Amortisation allowances	956 220	936,136
Provision 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 of 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 interest on the loans obtained by the companies TAQA Morocco and JLEC 5&6.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31st , 2017

18. Non-recurring income

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

Other non-recurring 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 of MAD	December 31, 2017	December 31, 2016
Current tax	593 090	551 464
Deferred tax	12 158	21 038
TOTAL	605 248	572 502

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

in thousands of MAD	2017	2016
Profit before tax	1 926 475	1 870 205
Neutralisation of profit on equity affiliates		
Income before tax of integrated companies	1 926 475	1 870 205
Tax rate (*)	31%	31%
Theoretical tax	597 207	579 764
Depreciation allowances - not tax deductible	7 507	7 277
Donations and gifts - not 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 of MAD	December 31, 2017	December 31, 2016
Commitments made (agreements & guarantees)	846 266	831 506
Commitments received (agreements & guarantees)	1 164 703	538 749

The list of JLEC 5&6 assets subject to a real collateral security as part of financing the construction and operation of Units 5 and 6 of the Jorf Lasfar Thermal Power station (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;

- a 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 2016 are summarized below:

Agreement	Related party	Transaction type	Amount recorded in the income statement (in kMAD)
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

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. Post closing events

No significant event likely to have an impact on the Company's financial situation has occurred since the closing of the full year to December 31st 2017.

24. Scope of consolidation

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

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31st , 2017



EY
Building a better
working world

Ernst & Young Sarl
37, Bd Abdellatif Ben Kaddour
Casablanca



BENJELLOUN TOUIMI
CONSULTING

Espace Bureaux Clarence
13, rue Al Kasr
Ernst & Young Sarl Casablanca

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 28th 2018

The Statutory auditors



STATUTORY ACCOUNTS
AS OF DECEMBER 31ST , 2017

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BALANCE SHEET AS OF DECEMBER 31 ST				
ASSETS	CURRENT YEAR		PREVIOUS YEAR	
	GROSS	Dep/Amort. and provisions	Net	Net
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

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BALANCE SHEET - As at December 31 st 2017				
ASSETS	CURRENT YEAR		PREVIOUS YEAR	
	GROSS	Dep/Amort. and provisions	Net	Net
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				
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 & 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 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
TOTAL GENERAL I+II+III	18 400 597 589.95	8 481 068 835.11	9 919 528 754.84	10 209 510 590.48

STATUTORY ACCOUNTS
AS OF DECEMBER 31ST , 2017

BALANCE SHEET AS AT DECEMBER 31 ST			
LONG TERM LIABILITIES	LIABILITIES	CURRENT YEAR	PREVIOUS YEAR
	SHAREHOLDER 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)		
CURRENT ASSETS	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
	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		
CASH	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
	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
	BANK-OVERDRAFTS		
	Discounted bills		
	Overdrafts		
	Banks (Credit balance)		
	Total II		
	TOTAL GENERAL I+II+III	9 919 528 754.84	10 209 510 590.48

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

INCOME STATEMENT AS AT DECEMBER 31 ST				
OPERATIONS	OPERATIONS		CURRENT YEAR 3=1+2	PREVIOUS YEAR 4
	Related to this year 1	Related to Previous year 2		
	I	OPERATING REVENUES		
		Sales of goods		
		Sales of services and produced goods	4 398 631 059.55	4 398 631 059.55
		Inventory variation (+/-) (1)		
		Self-constructed fixed asset		
		Operating subsidy		
		Operating expense adjustments; Other revenues	3 251 228.52	904 764.58
		Operating expense transfers	29 248 089.50	17 396 496.40
	TOTAL I	4 431 130 377.57	4 431 130 377.57	4 524 070 717.91
	II	OPERATING EXPENSES		
		Sales purchase value		
		Raw materials and consumables consumption	2 684 873 707.89	2 820 836 532.30
		Other external expenses	161 462 805.40	164 912 462.30
		Taxes	23 346 424.89	23 516 745.27
		Labour costs	197 969 039.15	186 460 066.72
		Other operating expenses		
		Operating depreciation and provisions	592 767 645.36	564 930 449.47
	TOTAL II	3 660 419 622.69	3 660 419 622.69	3 760 656 256.06
	III	OPERATING RESULT (I-II)	770 710 754.88	763 414 461.85
	IV	FINANCIAL REVENUES		
		Revenues from investments	560 994 249.81	560 994 249.81
		Exchange gains	4 129 986.73	6 571 007.20
		Interest & other financial income	32 846 447.45	22 785 013.28
		Financial reversals;	2 056 314.93	85 860.63
	TOTAL IV	600 026 998.92	600 026 998.92	590 436 130.92
	V	FINANCIAL CHARGES		
		Interest expenses	192 177 133.24	232 980 850.52
		Exchange losses	8 162 939.32	3 868 400.15
		Other financial costs		
		Financial depreciation and provisions	55 721.63	2 056 314.93
	TOTAL V	200 395 794.19	200 395 794.19	238 905 565.60
	VI	FINANCIAL INCOME (IV - V)	399 631 204.73	351 530 565.32
	VII	CURRENT INCOME (III + VI)	1 170 341 959.61	1 114 945 027.17

STATUTORY ACCOUNTS
AS OF DECEMBER 31ST , 2017

INCOME STATEMENT as at December 31st 2017

NON RECURRING	OPERATIONS				
		Related to the financial year 1	Related to previous FYs 2	CURRENT YEAR TOTALS 3 = 1 + 2	PREVIOUS CURRENT YEAR TOTALS
	VII	CURRENT INCOME	1 170 341 959.61	1 170 341 959.61	1 114 945 027.17
	VIII	NON RECURRING REVENUES			
		Proceeds from fixed assets disposals			174 100.00
		Balance subsidy			
		Investment subsidy / Current year			
		Other non recurring revenues	7 333 505.57	7 333 505.57	946 825.93
		Non recurring expenses reductions & expenses transfer	31 123 406.51	31 123 406.51	19 068 658.39
		TOTAL VIII	38 456 912.08	38 456 912.08	20 189 584.32
IX	Non recurring expenses				
	Sold fixed assets net book value			49 677.95	
	Subsidies awarded				
	Other non recurring expenses	31 533 198.81	31 533 198.81	3 556 946.29	
	Non recurring allocation of current year depreciations and provisions	19 227 389.00	19 227 389.00	28 855 754.14	
	TOTAL IX	50 760 587.81	50 760 587.81	32 462 378.38	
X	NON RECURRING INCOME (VIII - IX)	(12 303 675.73)	(12 303 675.73)	(12 272 794.06)	
XI	PRETAX INCOME (VII + X)	1 158 038 283.88	1 158 038 283.88	1 102 672 233.11	
XII	INCOME TAX	185 638 979.41	185 638 979.41	163 966 613.22	
XIII	NET EARNINGS (XI - XII)	972 399 304.47	972 399 304.47	938 705 619.89	
XIV	TOTAL REVENUES (I + IV + VIII)	5 069 614 288.57	5 069 614 288.57	5 134 696 433.15	
XV	TOTAL EXPENSES (II + V + IX + XII)	4 097 214 984.10	4 097 214 984.10	4 195 990 813.26	
XVI	NET INCOME (TOTAL REVENUES - TOTAL EXPENSES)	972 399 304.47	972 399 304.47	938 705 619.89	

STATEMENT OF MANAGEMENT BALANCES (SMB) AS OF DECEMBER 31ST

I. SUMMARY OF RESULT FORMATION (TFR)

			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	- CONSUMPTION (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	= CURRENT INCOME (+ or -)		1 170 341 959.61	1 114 945 027.17
IX	+/- NON RECURRING 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

			EXERCICE	EXE. PRÉCÉDENT
1	Current year net income			
	= 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 recurring depreciation		19 227 389.00	17 338 168.00
5	- Operating costs reductions		13 006 668.19	
6	- Financial costs reductions			
7	- Non recurring 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

STATUTORY ACCOUNTS
AS OF DECEMBER 31ST , 2017

CASH FLOW STATEMENT AS OF DECEMBER 31ST

I. SUMMARY BALANCE SHEET

AGGREGATES	YEAR N	YEAR N-1	VARIATION 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)	32 022 209.60		46 036 092.09	
• 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			22 865 630.96
TOTAL	669 918 377.72	669 918 377.72	806 605 819.71	806 605 819.71



STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2017

TAQA MOROCCO

NOTES TO MOROCCAN GAAP FINANCIAL STATEMENTS AS OF DECEMBER 31ST 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 Alsthom 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 1994, the ONE issued a public tender for international companies to expand the power station at Jorf Lasfar. In February 1995, the ONE selected the "Consortium" of ABB Energy Ventures and CMS Generation as the preferred bidder and exclusive partner for negotiation.

In April 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 20th 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 12th 1997.

A.1.3 DEVELOPMENT STAGE ACTIVITIES

On September 12th, 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 13th 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 1997.

A.1.4 CONSTRUCTION PERIOD OF UNITS 3 & 4

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

A.0.5 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 22nd 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 higher than 2056 MW. As of December 31th 2014, TAQA Morocco owns 66% of the shares of JLEC 5&6.

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

A.0.9 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 amortization 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 Use Agreement (TUA) and in counter part of the payment of the TUA 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 2nd 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 2nd 2001.

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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 fluctuation provisions.

The unrealized gains are not recorded in the income statement.

A.2 EXCEPTIONAL STATEMENT

A. 2 .1 EXCEPTIONS TO THE FUNDAMENTAL ACCOUNTING PRINCIPLES

- None

A.2.2 EXCEPTIONS TO THE VALUATION METHODS

- None.

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

- None.

A.3.2 CHANGES AFFECTING THE PRESENTATION RULES

- None.

APPENDIX B-1 - PRE OPENING COSTS STATEMENT AS OF DECEMBER 31 ST			
Moroccan Dirhams			
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	



STATUTORY ACCOUNTS
AS OF DECEMBER 31ST , 2017

APPENDIX B-2 - SUMMARY OF FIXED ASSETS (GROSS) AS OF DECEMBER 31ST

DESCRIPTION	GROSS VALUE OPENING BALANCE	INCREASE	
		Acquisition	Transfer
CAPITALIZED COSTS	406 281 075.31	122 860 444.00	
Pre - Opening			
Deferred Expenses	406 281 075.31	122 860 444.00	
Bonds premiums			
INTANGIBLE FIXED ASSETS	11 883 595 455.48		
Research and development			
Right, License, similar values	11 096 260 316.18		
Goodwill			
Other intangible assets	787 335 139.30		
FIXED ASSET	800 847 984.97	32 022 209.60	33 882 089.25
Land			
Constructions	2 104 303.57		
Technical installation, equipment	426 151 081.51	21 722 869.82	29 764 833.97
Vehicles	2 214 265.53		
Office furniture	260 267 653.63	2 199 572.50	4 117 255.28
Other fixed assets	313 970.50		
Fixed assets in progress	109 796 710.23	8 099 767.28	

DECREASE		GROSS VALUE CLOSING BALANCE
Reduction	Transfer	
98 628 779.11		430 512 740.20
98 628 779.11		430 512 740.20
		11 883 595 455.48
		11 096 260 316.18
		787 335 139.30
1 466 708.21	33 882 089.25	831 403 486.36
		2 104 303.57
		477 638 785.30
		2 214 265.53
		266 584 481.41
		313 970.50
1 466 708.21	33 882 089.25	82 547 680.05



STATUTORY ACCOUNTS
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APPENDIX B-2 BIS SUMMARY OF DEPRECIATIONS AS OF DECEMBER 31ST

NATURE	Cumulated Opening Balance 1	Current year Depreciation 2	Cumulated Adjustments 3	Cumulated Depreciation Closing 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 AS OF DECEMBER 31ST

Date of disposal or retirement	Principal Account	Gross amount	Cumulated Depreciations	Net Book Value	Sale Value	Capital gains	Capital losses	Sale/ Withdrawal
30 Nov 2017	2393000228	728 238.72	0.00	0.00	0.00	0.00		Withdrawn
30 Nov 2017	2393000228	707 830.50	0.00	0.00	0.00	0.00		Withdrawn
30 Nov 2017	2393000228	30 638.99	0.00	0.00				Withdrawn
31 Déc 2017	2128200000	628 349.54	628 349.54	0.00	0.00	0.00		Withdrawn
31 Déc 2017	2128200000	1 767 056.27	1 767 056.27	0.00	0.00	0.00		Withdrawn
31 Déc 2017	2128200000	26 930 825.00	26 930 825.00	0.00	0.00	0.00		Withdrawn
31 Déc 2017	2128200000	870 928.50	870 928.50	0.00	0.00	0.00		Withdrawn
31 Déc 2017	2128200000	564 557.47	564 557.47	0.00	0.00	0.00		Withdrawn
31 Déc 2017	2128200000	2 166 888.89	2 166 888.89	0.00	0.00	0.00		Withdrawn
31 Déc 2017	2128200000	1 093 124.56	1 093 124.56	0.00	0.00	0.00		Withdrawn
31 Déc 2017	2128200000	7 392 685.91	7 392 685.91	0.00	0.00	0.00		Withdrawn
31 Déc 2017	2128200000	6 564 216.20	6 564 216.20	0.00	0.00	0.00		Withdrawn
31 Déc 2017	2128200000	41 994 119.86	41 994 119.86	0.00	0.00	0.00		Withdrawn
31 Déc 2017	2128200000	8 656 026.91	8 656 026.91	0.00	0.00	0.00		Withdrawn
TOTAL		100 095 487.32	98 628 779.11					



STATUTORY ACCOUNTS
AS OF DECEMBER 31ST , 2017

APPENDIX B-4 SUMMARY OF INVESTMENTS AS OF DECEMBER 31 ST									
Company Name	Activity Sector 1	Share Capital 2	% of detention 3	Acquisition Price 4	Extract from the last statement reports of the company				
					Net Book Value 5	Closing date 6	Net Equity 7	Net income 8	Dividends paid to Taqa Morocco 9
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-2017	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 AS OF DECEMBER 31 ST									
DESCRIPTION	Opening Balance	CURRENT YEAR PROVISIONS			PROVISIONS DEDUCTIONS			Amount closing balance	
		Operating	Financial	Non recurring	Operating	Financial	Non recurring		
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 AS OF DECEMBER 31 ST									
Moroccan Dirhams									
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		
- Prepayments	12 586 899.99		12 586 899.99						

STATUTORY ACCOUNTS
AS OF DECEMBER 31ST , 2017

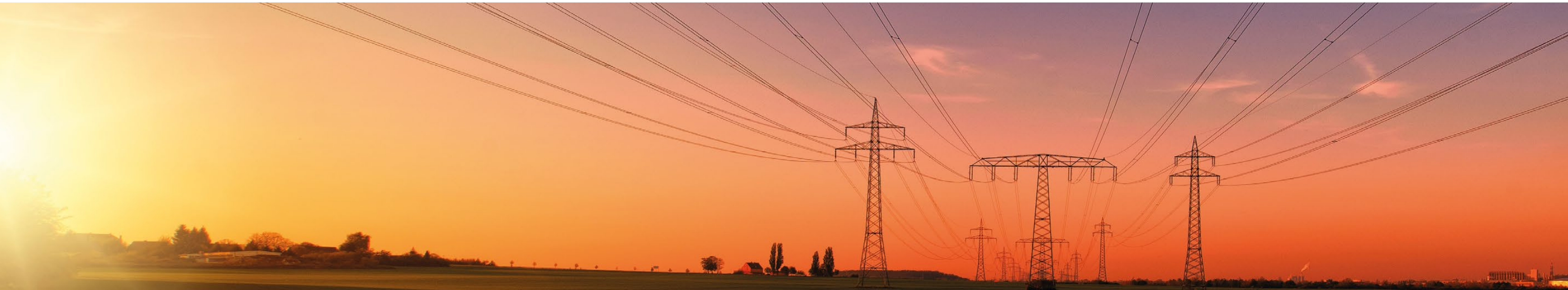
APPENDIX B-7 - SUMMARY OF LIABILITIES AS OF DECEMBER 31ST

In Moroccan Dirhams								
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 AS OF DECEMBER 31ST

CREDITORS/DEBTORS	Amount covered by guarantee	Nature (1)	Date and registration location	Purpose (2) (3)	Net booking value of the Gua- rantee 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)



STATUTORY ACCOUNTS
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APPENDIX B-9 - FINANCIAL COMMITMENTS OTHER THAN LEASING OPERATINGS AS OF DECEMBER 31ST

GIVEN COMMITMENTS	Current year amounts	Previous year amounts
Avalizes and guarantees		
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 imports		
ALSTOM France	26 789.00	26 789.00
CENTRACOM	4 650.00	4 650.00
LAMBLIN Voies Ferrées	133 688.00	133 688.00
Temporary exports		
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 AS OF DECEMBER 31ST

RECEIVED COMMITMENTS	Current year Amounts	Previous year Amounts
Endorsements and guarantees		
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

ÉTAT : B10 - SUMMARY OF LEASING CONTRACTS AS OF DECEMBER 31ST

Designation 1	first maturity	Length of	Estimated value at	Theoretical deprecia-	Cumulated leasing	yearly leasing	Remaining balance		End of contract residual price	Comments 11
	Date	contract 3	contract date	tion period	expenses 6	expenses 7			10	
	2		4	5			< 1	> 1		
							year 8	year 9		
NONE							NONE			

STATUTORY ACCOUNTS
AS OF DECEMBER 31ST , 2017

APPENDIX B-11 - INCOME STATEMENT DETAILS AS OF DECEMBER 31ST

POSTE	CURRENT YEAR	PREVIOUS YEAR
OPERATING EXPENSES		
Cost of sales		
611	- purchases	
	- Inventory variation (+/-)	
	Total	-
Cost of sales (production)		
612	- Raw material purchases	2 384 080 331.73
	- Raw material inventory variation	85 182 199.62
	- Consumables	117 514 763.49
	- Consumables inventory variation (+/-)	(36 893 705.31)
	- Non stored purchased raw and equipments	51 832 965.98
	- services and surveys	83 157 152.38
	Total	2 684 873 707.89
	2 820 836 532.30	
Other external expenses		
613/ 614	- Rentals	4 433 751.14
	- Repairs and maintenance	40 302 223.19
	- Insurance	25 998 019.98
	- Remuneration of external labor to the company	15 070 802.72
	- Fees and commissions	48 666 487.72
	- Royalties, rights...	-
	- Research and documentation	390 180.77
	- Transportation	3 810 159.90
	- Travel, assignments and reception	1 700 178.42
	- Other external expenses	21 091 001.56
	Total	161 462 805.40
	164 912 462.30	
616	Taxes	23 346 424.89
Payroll expenses		
617	- Remunerations	165 954 589.76
	- Social Charges	32 014 449.39
	Total	197 969 039.15
Other operating expenses		
618	- Directors' fees	
	- Loss on irrecoverable receivables	
	- Other	-
	Total	-
FINANCIAL EXPENSES		
OTHER FINANCIAL EXPENSES		
638	- Net investment sales costs	-
	- Other	-
	Total	-

APPENDIX B-11 - INCOME STATEMENT DETAILS (CONTINUED) AS OF DECEMBER 31ST

POSTE	CURRENT YEAR	PREVIOUS YEAR
NON RECURRING EXPENSES		
Other non recurring expenses		
658	- Penalties on contracts	
	- Taxes adjustments	
	- Tax penalties	5 608 374.26
	- Unrecoverable assets	-
	- Other	25 924 824.55
	Total	31 533 198.81
OPERATING REVENUES		
Sales of merchandise		
711	- Domestic	4 398 631 059.55
	- Export	
	- Other	
	Total	4 398 631 059.55
Sales of goods and services produced		
712	- Domestic	
	- Export	
	- Domestic	
	- Other	
	- Royalties, rights...	
	- Other	3 251 228.52
	Total	3 251 228.52
Inventory variation		
713	- Variation of inventories of goods produced (+/-)	-
	- Variation of inventories of services produced (+/-)	
	- Variation of stocks and work in progress (+/-)	
	Total	-
Other operating income		
718	- Directors' attendance fees received	29 248 089.50
	- Other	-
	Total	29 248 089.50
Cost transfers, provision reductions		
719	- Reversals	
	- Cost transfers	
	Total	
FINANCIAL REVENUES		
Interest and other financial revenues		
738	- Interest proceeds	1 257 763.46
	- Revenues from affiliated companies	
	- Net proceeds from fixed asset disposals	31 588 683.99
	- Other	-
	Total	32 846 447.45
	22 785 013.28	

STATUTORY ACCOUNTS
AS OF DECEMBER 31ST , 2017

APPENDIX B12 - TAXABLE INCOME CALCULATION AS OF DECEMBER 31ST

DESCRIPTION	Montant T1	Montant T2
I. NET RESULT (ACCOUNTING)		
Net Income	1 158 038 283.88	
Net Loss		
II. TAX ADDITIONS	243 329 406.85	
1. Current	5 938 143.99	
- Unrealized gain as of December 31,2016	5 398 812.30	
- Non deductible depreciation	483 209.69	
- Gifts	56 122.00	
2. Non-current	237 391 262.86	
- Other non recurring expenses	9 557 967.41	
- Provision for post employment obligation as of December 31 st 2017	19 227 389.00	
- Non deductible amortization	22 966 927.04	
- Income Tax	185 638 979.41	
III. FISCAL DEDUCTIONS		616 893 293.87
1. Current		
- Unrealized gains as of Decmber 31 st 2016		2 173 242.88
2. Non-recurring		
- Reversal on provisions for retirement commitments as of December 31 st 2016		17 338 168.00
- Reversal of non-current provisions		13 785 238.51
- Deduction of amortization on minor overhauls		22 602 394.67
- Dividends		560 994 249.81
Total	1 401 367 690.73	616 893 293.87
IV. FISCAL RESULT		
Gross Income if T1 > T2 (A)	784 474 396.86	
Gross fiscal deficit if T2 > T1 (B)		
V. DEFICIT CARRIED FORWARD (C) (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 fiscal loss (B)		
VII. CUMULATED DEFERRED DEPRECIATION		
VIII. TAX DEFICITS CARRIED FORWARD		
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)

APPENDIX B13 - CALCULATION OF NET OPERATING INCOME (AFTER TAXES) - As of December 31st

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 AS OF DECEMBER 31ST

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 Assets		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 st 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.

STATUTORY ACCOUNTS
AS OF DECEMBER 31ST , 2017

APPENDIX C-1 - SHARE CAPITAL ALLOCATION AS OF DECEMBER 31 ST							
Capital amount: 2,358,854,200.00 MAD							
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, UAE	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 Alhemaiddi	c/o Abu Dhabi National Energy Company PJSC Al Maria Island, Level 23,24,25 AL Maqam Tower Abu Dhabi, UAE	1	1	100.00	100	100	100
Saeed Hamad Obaid Abuqata AlMADaheri	c/o Abu Dhabi National Energy Company PJSC Al Maria Island, Level 23,24,25 AL Maqam Tower Abu Dhabi, UAE	1	1	100.00	100	100	100
Mohammed Abdulla Falah Jaber Al Ahababi	c/o Abu Dhabi National Energy Company PJSC Al Maria Island, Level 23,24,25 AL Maqam Tower Abu Dhabi, UAE	1	1	100.00	100	100	100
Khalid Al Sayari	Al Maria Island, Level 23,24,25 AL Maqam Tower, Abu Dhabi, UAE	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 AS OF DECEMBER 31 ST			
AMOUNT			
A. ORIGIN OF ALLOCATED RESULTS		B. ALLOCATED RESULTS	
		- Legal reserve	-
- Retained earnings	150 927 276.88	-Other reserve	216 856 842.77
- Income / Loss to be allocated	938 705 619.89	- Percentage of profit	
- Net income	-	- Dividends	872 776 054.00
- Deductions from reserves		- Other profit allocation	-
- Other deductions		- Retained earnings	-
TOTAL A	1 089 632 896.77	TOTAL B	1 089 632 896.77

Total A = Total B

APPENDIX: C3 - LAST THREE YEARS RESULTS			
INDICATIONS	Year N-2	Year N-1	Year N
	From 01/01/2014 To 31/12/2014	From 01/01/2015 To 31/12/2015	From 01/01/2016 To 31/12/2016
NET SHAREHOLDERS EQUITY			
• Shareholders equity plus assimilated equity minus capitalized cost	4 484 568 287.29	4 667 576 161.11	4 727 564 876.77
TRANSACTION AND RESULTS OF THE CURRENT YEAR			
1. Revenues	4 887 224 375.99	4 505 769 456.93	4 398 631 059.55
2. Income before tax	1 008 634 519.36	1 102 672 233.11	1 158 038 283.88
3. Corporate Tax	167 019 855.88	163 966 613.22	185 638 979.41
4. Dividends and related revenues distributed	518 947 924.00	707 656 260.00	872 776 054.00
5. Non distributed income	-	-	-
RESULT PER SHARE			
• Earning per share	35.68	39.79	41.22
• Dividend per share	22.00	30.00	37.00
PERSONNEL			
• Current year gross salary amount	167 302 956.34	160 154 120.95	165 954 589.76
• Average staff employed during the current year	332	322	326

APPENDIX: C4 - SUMMARY OF FOREIGN CURRENCIES TRANSACTIONS BOOKED DURING THE CURRENT YEAR		
DESIGNATION	Inflow dirham equivalent	Outflow equivalent in DH
- Permanent financing		
- Gross fixed assets		24 065 543.25
- 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		
	- Favorables	*****	NONE	*****
	- Unfavourables	*****	NONE	*****

STATUTORY ACCOUNTS
AS OF DECEMBER 31ST , 2017



EY
Building a better
working world

Ernst & Young Sarl
37, Bd Abdellatif Ben Kaddour
Casablanca



BENJELLOUN TOUIMI
CONSULTING

Espace Bureaux Clarence
13, rue Al Kasr
Ernst & Young Sarl Casablanca

STATUTORY AUDIT REPORT
PERIOD FROM JANUARY 1st TO DECEMBER 31st 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

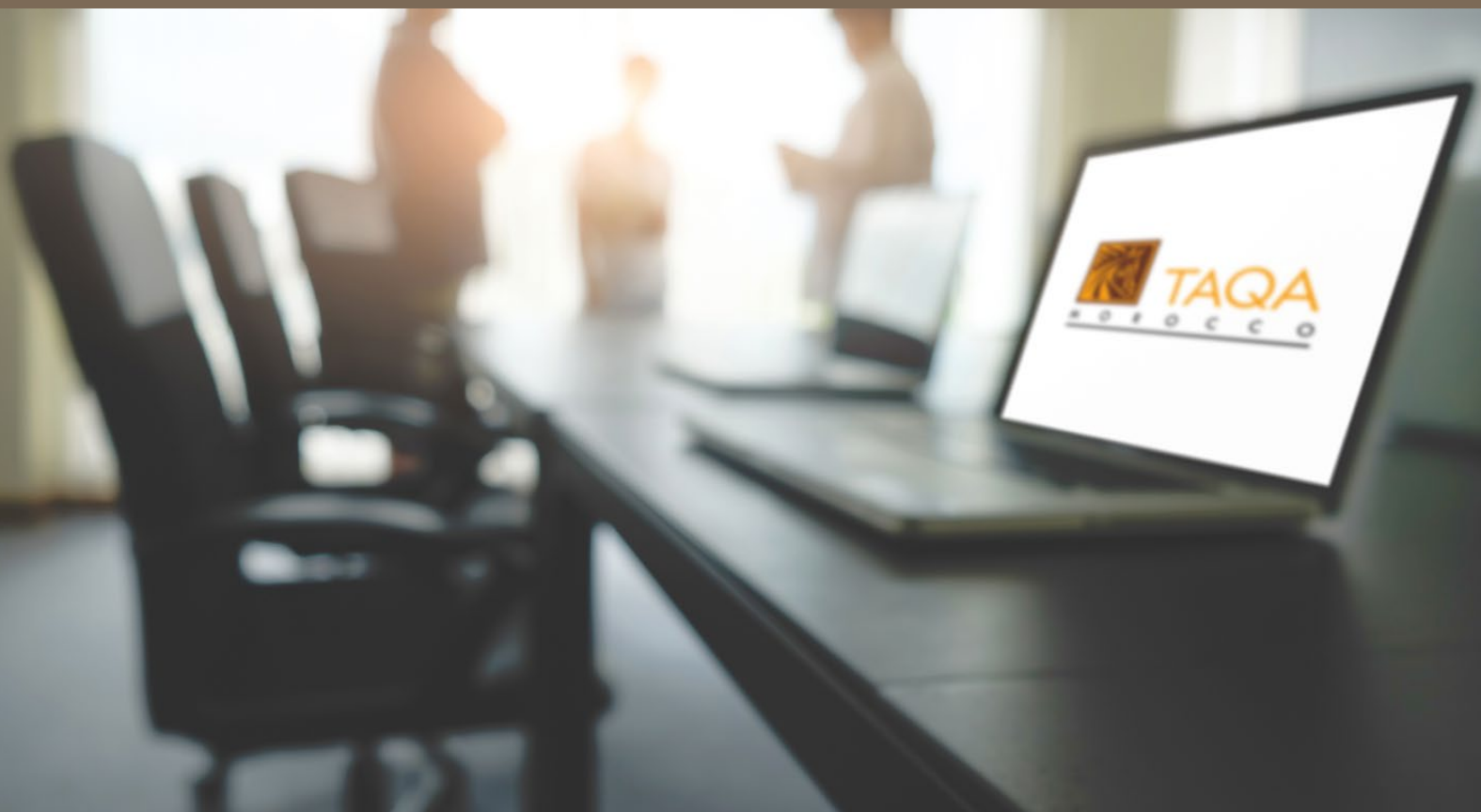
We have also performed the specific controls required by the law and made sure that the information provided in the management report to be presented to the shareholders are consistent with the financial statements of the company.

Casablanca, February 28th 2018

The Statutory auditors



RESOLUTIONS OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD ON APRIL 16TH 2018



The Annual General Meeting of Shareholders of TAQA MOROCCO met on 16 April 2018 at 10 a.m. at the Hyatt Regency Casablanca hotel, Place des Nations Unies Casablanca, and approved the corporate financial statements and the consolidated financial statements for the financial year ended 31 December 2017, as well as all the resolutions submitted to it.

RESOLUTIONS APPROVED DURING THE GENERAL MEETING

FIRST RESOLUTION

After the Board's management report and the observations of the Supervisory Board were presented to it, and after having acknowledged the general report of the Statutory Auditors, the Annual General Meeting approved the corporate financial statements for the financial year ended 31 December 2017, as they were presented, which resulted in a net profit of 972,399,304.47 MAD.

SECOND RESOLUTION

After the Board's management report and the observations of the Supervisory Board were presented to it, and after having acknowledged the report of the Statutory Auditors, the Annual General Meeting approved the consolidated financial statements for the financial year ended 31 December 2017, as they were presented, which resulted in a Net Income, Group Share, of 1,013,813,175.37 MAD.

THIRD RESOLUTION

On a proposal from the Board, the Annual General Meeting decided to allocate the profit from the financial year ended 31 December 2017 as follows:

1. Net profit as at 31 December 2017 972,399,304.47 MAD
2. Legal reserve 0.00 MAD
3. New balance: 972,399,304.47 MAD

To which the following is added:

4. Retained earnings 0.00 MAD
 5. Other reserves (optional reserves) 216,856,842.77 MAD
 6. Profit available for distribution 1,189,256,147.24 MAD
 7. Dividends 40 MAD X 23,588,542 shares = 943,541,680.00 MAD*
 8. Remainder to be allocated to optional reserve funds 245,714,467.24 MAD
- * Dividends to be paid by 25 July 2018.

FOURTH RESOLUTION

The Annual General Meeting granted all members of the Board and the Supervisory Board full discharge, without reservations, from the performance of their duties during the 2017 financial year.

In addition, it decided to grant discharge to the Statutory Auditors for the fulfilment of their assignment during the past financial year.

FIFTH RESOLUTION

After having heard the special report of the Statutory Auditors on the agreements cited in article 95 et seq of the law n° 17-95 relating to limited liability companies, as amended and supplemented, the Annual General Meeting successively approved each of the agreements mentioned.

SIXTH RESOLUTION

After having acknowledged that the term of office of the Ernst & Young firm, represented by Mr Bachir Tazi, Company Statutory Auditor, was due to expire at the end of this meeting, the Annual General Meeting decided to renew the aforementioned mandate for a term of three financial years, i.e. until the end of the Annual General Meeting called to rule on the financial statements for the year ended 31 December 2020.

SEVENTH RESOLUTION

The Annual General Meeting granted all powers to the holder of a counterpart, copy or extract of these minutes for the fulfilment of the legal submission and publication formalities.

TAQA MOROCCO

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