

TAQA MOROCCO

RESULTS AS OF JUNE 30TH, 2019

IMPROVED OPERATIONAL PERFORMANCES

- 8% increase of the consolidated turnover compared to June 30th, 2018,
- Strong Operational performance of Units 1 to 6 with an availability rate rising to 96.1%, compared to 93.4% as of June 30th, 2018,
- Adverse trend in international coal price compared to the purchase price,
- Improvement of the consolidated net debt and the consolidated net working capital,
- Dividend distribution of MAD 40 per share on July 25th, 2019 representing a dividend yield of 4.7%.

TAQA Morocco’s Board of Directors meeting held on September 13th, 2019, under the chairmanship of Mr. Abdelmajid Iraqui Houssaini, approved the statutory and consolidated accounts as of June 30th, 2019:

Consolidated Accounts

In MDH	June 30 th , 2019	June 30 th , 2018	Variance	Variance in %
Consolidated Turnover	4,512	4,172	340	8.2%
Consolidated EBITDA	1,718	1,787	(68)	(3.8%)
Consolidated Operating Profit	1,243	1,316	(73)	(5.5%)
Financial Result	(257)	(287)	29	10.3%
Consolidated Net Profit (*)	659	702	(44)	(6.2%)
Including Net Income Group Share	507	543	(35)	(6.5%)
Including Minority Interest	151	159	(8)	(5.1%)

(*) As of June 30th, 2019, the JLEC 5&6 accounts taken into account in the consolidation process are in line with the book closing dated October 1st, 2018 to March 31st, 2019, in accordance with the consolidation methods of the TAQA Morocco Group.

As of June 30th, 2019 Operational performances improved as follows:

- An **availability rate** of Units 1 to 4 increasing to **97%** compared to **92.5%** as of June 30th, 2018 driven by higher operating performances and the execution of Unit 4 minor overhaul on the first semester of 2018, as part of the maintenance plan,
- An **availability rate** of Units 5&6 of **94.4 %** compared to **95.2 %** as of June 30th, 2018.
- An increased **consolidated turnover**, rising from MAD 4,172 million to MAD 4,512 million, mainly due to :
 - Strong operational performance of Units 1 to 6,
 - Higher energy payments in line with the trend of global coal market.

- A **Consolidated Operating Profit** of MAD 1,243 million due to adverse change in global coal price trends compared to the purchase price.

Consequently, the **Consolidated net profit margin** goes from **31.5%** as of June 30th, 2018 to **27.5%** as of June 30th, 2019.

- A **Net Income Group Share** going from MAD 543 million to MAD 507 million as of June 30th, 2019 explained by the operating profit evolution and financial result improvement due to lower debt interest expenses on loans, further to the reimbursements over the period.

This leads to a consolidated net profit margin reaching **14.6%** as of June 30th, 2019 against **16.8%** as of June 30th, 2018.

Balance sheet indicators – Consolidated financial statements

• Equity capital of MAD 6 ,037 million

• Gearing of 50%

• Working capital needs of MAD 809 million

• Balanced capital structure

• Improving debt capacity compared to 2018

• Controlled working capital needs, lower than 2018

Outlooks

Thanks to its operational expertise, TAQA Morocco will execute its strategic orientations to achieve 2019 forecasted results. TAQA Morocco Group confirms also its ambition for sustainable development by considering opportunities in Morocco and Africa.

