



STRONG INDUSTRIAL PERFORMANCE

DIVERSIFICATION OF TAQA MOROCCO'S ENERGY PORTFOLIO

- ▶ Launch of the diversification strategy and adoption of a new brand identity to reflect TAQA Morocco's low carbon commitments
- ▶ Ongoing development of a diversified portfolio focusing on additional capacity in low carbon energy and a minimum 25% reduction in carbon footprint by 2030
- ▶ Exceptional overall availability rate of 93.9%
- ▶ Secure coal supplies and costs optimised by more than 40% compared to the benchmark, allowing for mitigation of energy payment increase
- ▶ Consolidated net income up 30.9%
- ▶ Dividend per share recommendation of MAD 35
- ▶ Reduced consolidated net debt and improved net debt/EBITDA ratio to 1.7x

« As a partner in Morocco's economic development for 25 years, TAQA Morocco has continued to improve its industrial performance to serve the national energy mix and to achieve solid growth in its operational and financial indicators. Building on this momentum, 2022 marks a major turning point for TAQA Morocco, with the adoption of a new brand identity and a strategic plan to 2030. This aims to create a new low-carbon and inclusive energy model based on the complementarity of thermal production and renewable energies (solar PV & wind), while drawing on TAQA group's expertise in the development of low-carbon energy and seawater desalination. »

Abdelmajid Iraqui Houssaini

Chairman of the Management Board of TAQA Morocco

The Management Board of TAQA Morocco, meeting on February, 21st 2023, under the chairmanship of Mr. Abdelmajid Iraqui Houssaini, approved the corporate and consolidated accounts as at December, 31st 2022.

DEVELOPMENT STRATEGY

TAQA Morocco has adopted a development strategy for 2030 with the ambition of diversifying its asset portfolio and transitioning its energy mix in favour of low-carbon sources, enabling a minimum 25% reduction in its carbon footprint.

This strategy focuses on the development of several renewable energy projects (wind & solar PV). The aim is also to position TAQA Morocco in water desalination projects and to support the country's ambition for the development of combined cycle gas power plants.

As part of this strategy, during 2022 TAQA Morocco was granted 5 lots on the multi-site solar program Noor PV II located in Sidi Bennour and El Kelaâ des Sghrana with a potential of 96 megawatts (MW) of solar energy. CO₂

During this year, TAQA Morocco has initiated preliminary studies for the development of these new sites which should enable TAQA Morocco to reduce its carbon footprint by 130,000 tonnes of CO₂ per year.

2022, A YEAR MARKED BY THE SHARP RISE IN COAL PRICES

2022 was marked by an unprecedented geopolitical environment, significantly impacting the price and availability of coal internationally. During the year, the reference index reached an average of 290 USD/T against an average purchase price of 170 USD/T. In this context, TAQA Morocco secured coal supplies and optimized the production of electricity to contribute to the country's base load.

CONTINUOUS IMPROVEMENT IN PRODUCTION EFFICIENCY

TAQA Morocco continues to improve the technical performance of its units with the completion of minor overhauls of 25 days for Units 3 and 4 during 2022. Previously, 2021 had been affected by the completion of a major overhaul of Unit 6 of 61 days.

At the end of 2022, the overall availability rate for units 1 to 6 reached 93.9% compared to 92.8% at 31 December 2021, as a result of TAQA's human capital expertise and the digitisation policy put in place as well as the rigorous predictive maintenance process. In the fourth quarter 2022, the availability rate was 92.1% compared to 95.4% in 2021, taking into account the completion of the minor overhaul of Unit 4 as scheduled in the maintenance plan.



CONSOLIDATED KEY FIGURES IN MMAD

Full year figures	12/31/2022	12/31/2021	Variance (%)
Revenue	13,604	7,812	74.1%
EBITDA	3,730	3,234	15.3%
Operating income	2,913	2,431	19.8%
Net income	1,677	1,281	30.9%
Net income, Group share	1,303	1,005	29.6%
Investments	242	213	13.6%
Net debt	6,171	6,932	-11%
Net debt/EBITDA	1.7x	2.1x	-0.4 point
Quarterly figures	Q4 2022	Q4 2021	Variance (%)
Revenue	3,859	2,334	65.3%
Investments	123	19	> 100%

(* as of December, 31st 2022, the financial statements of JLEC 5 & 6 taken into account for consolidation correspond to the period from October, 1st 2021 to September, 30th 2022, in accordance with the consolidation methods adopted by the TAQA Morocco Group.

STRONG INCREASE IN REVENUE AND OPERATING INCOME ON THE RISE

The good operating performance of Units 1 to 6 and the sharp rise in energy costs due to the increase in coal prices coupled with the positive effect of dollar appreciation against the Moroccan Dirham, contributed to the increase in consolidated revenue.

Turnover increase combined with operating costs control and lower interest charges lead to a consolidated net result of MAD 1,677 million, up by 30.9% compared to 2021. The agreement reached with the Morocco Tax Authorities following their audit of TAQA Morocco did not have a significant impact on the company's net income or liquidity.

In a context of rising coal prices, the consolidated operating margin stood at 21.4% in 2022 compared to 31.1% in 2021, and the consolidated net margin at 12.3% compared to 16.4% in 2021.

MAINTAINING INVESTMENTS AND STRENGTHENING THE FINANCIAL STRUCTURE

TAQA Morocco's capital expenditure in 2022 totaled MAD 242 million, up 13.6% compared to 2021.

The Group's net debt decreased by 11%, taking into account the evolution in working capital and debt repayments during the year, with a Net debt/EBITDA ratio improving from 2.1x in 2021 to 1.7x in 2022.

CHANGES IN THE SCOPE OF CONSOLIDATION

The scope of consolidation of TAQA Morocco did not change during the year compared to 2021.

CSR PERFORMANCE

TAQA Morocco has joined the MASI-ESG index, which includes the fifteen stocks on the Casablanca Stock Exchange with the best performance in terms of ESG indicators, as assessed by the ESG rating agency Moody's.

The Group's integrated QSE management system was also subject to a follow-up audit, which resulted in the certification being maintained for the year.

STATUTORY ACCOUNTS INCREASE SHARPLY

The performance of Units 1 to 4 during the year 2022 resulted in a turnover of MAD 7,999 million, up 78.3% for a net statutory income of MAD 940 million, up 12.1% compared to 2021. This performance reflects operational efficiency in a context marked by rising coal prices and the appreciation of the USD/MAD exchange rate.

DIVIDEND RECOMMENDATION

The Management Board will recommend a dividend of MAD 35 per share to shareholders for approval at the AGM. This dividend will be paid no later than September, 23rd 2023.

2023 OUTLOOK

TAQA Morocco plans to launch in 2023 two renewable energy projects of 200 MW, one desalination project and two other low carbon projects.

About TAQA Morocco

TAQA Morocco is the first private electricity producer in Morocco. Created in 1997, the company is the result of the Kingdom of Morocco's desire to strengthen its energy mix in order to provide the resources necessary for its industrialization and economic development.

TAQA Morocco operates the largest independent coal-fired power plant in the Africa and Middle East region. An industrial infrastructure of 6 Units totalling 2,056 MW and ranked in the top quartile of the best power plants in the world according to a global benchmark of thermal power plants of equivalent size.

Listed on the Casablanca Stock Exchange since December 2013, TAQA Morocco contributes to nearly 40% of the national electricity demand for 19% of the installed capacity, and is positioned as a reference energy operator in Morocco in terms of know-how and business expertise

Subsidiary of Abu Dhabi National Energy Company «TAQA»

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Consolidated and statutory accounts of TAQA Morocco are available on
<https://www.taqamorocco.ma/fr/investisseurs/communiqués-et-comptes>