

**ALL OUR  
ENERGY TO  
BRIGHTEN THE  
MOROCCO OF  
TOMORROW**

**ANNUAL FINANCIAL  
REPORT 2022**



# CONTENTS



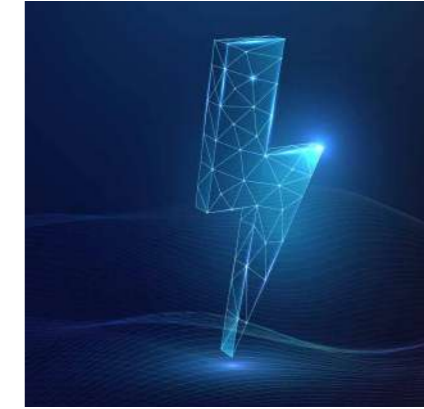
## INTRODUCTION TO TAQA MOROCCO

- ▶ TAQA Morocco in a nutshell
- ▶ Contributor to Morocco's economic development
- ▶ TAQA group, a global benchmark in the field of energy transition
- ▶ A responsible operator committed to sustainable energy
- ▶ A value-creating model serving Morocco's energy mix
- ▶ A new strategic 2030 roadmap



## BUSINESS REPORT

- ▶ Asset diversification towards low-carbon energy
- ▶ TAQA Morocco, producer of energy 4.0
- ▶ A continuously improving maintenance policy
- ▶ Strong improvement in industrial performance



## ESG REPORT

- ▶ A transformation blueprint focused on sustainable development
- ▶ An ESG policy embedded in TAQA Morocco's DNA
- ▶ Aligning with the priorities of our stakeholders
- ▶ Reducing environmental impact as a priority
- ▶ Our employees, at the core of TAQA Morocco's development
- ▶ A firm commitment towards the community
- ▶ Solid governance underwriting the company's development



## Annual Accounts & REPORTS

- ▶ Management report
- ▶ Statutory accounts
- ▶ Consolidated accounts



## CHAIRMAN'S MESSAGE TAQA MOROCCO

**M. ABDELMAJID  
IRAQUI HOUSSAINI**



## STRENGTHENING OUR POSITION AS THE LEADING PRIVATE ELECTRICITY PRODUCER IN MOROCCO WITH A DIVERSIFIED ENERGY MIX

### DELIVERING OPERATIONAL EXCELLENCE AND INDUSTRIAL PERFORMANCE IN 2022

For TAQA Morocco, 2022 was a notable year in a number of ways with the exceptional performance of our activities and the many success stories to meet the challenges faced. We achieved a record level of overall availability of 93.9%, generating 15,309 GWH of energy, or 38% of the national demand national demand, thus illustrating TAQA Morocco's central role in meeting the country's current and growing electricity needs.

This performance underscores TAQA Morocco's continuous improvement in operational efficiency and the proven expertise of our human capital.

The year was also marked by geopolitical tensions in Europe resulting in difficulties in the supply of key raw materials, which had a direct impact on their prices on the international markets. Against this backdrop, we met successfully the challenge of securing a steady supply of coal at competitive prices, thereby limiting the impact of rising coal prices on our institutional partners, at the same time as keeping pace with the increase in the demand for energy.

### A LOW-CARBON ENERGY PRODUCTION MODEL TO CONTINUE TO SERVE MOROCCO.

In line with Morocco's strategic ambitions, we launched in 2022 a new development cycle with our 2030 diversification strategy. Our recognized expertise in the development of strategic projects, our ability to bring together institutional players, and national and international financing are all factors that support our strategic choices and will contribute to the success of our strategic shift.

As part of this new strategy, TAQA Morocco aims to develop several high-impact projects aimed at the production of 1,000 MW of low-carbon energy allowing a 25% reduction of our carbon footprint. This will strengthen our position as leading IPP in Morocco with a diversified energy mix and by leveraging the multiple expertise of the TAQA Group.

Indeed, in 2022 TAQA Group joined ADNOC and Mubadala to acquire a stake in Masdar (the UAE's national champion of renewable energy), to make it a global reference in the production of renewable energies, green hydrogen and other technologies related to energy transition. In addition, the

ongoing development of the Noor PV II project with a capacity of 96 MW of solar energy and a wind farm capacity of 95 MW (extendable to 200 MW) in the north of the country, illustrates TAQA Morocco's agility in deploying its diversification strategy.

Reflecting our commitment to succeeding in this strategic shift, TAQA Morocco has adopted a new visual identity that underlines our determination to accompany the evolution of the national energy mix. It highlights our positioning in the different sources of low-carbon energy and our motivation to contribute to the development of seawater desalination in Morocco.

### A PLATFORM FOR INCLUSIVE DEVELOPMENT WITH OUR STAKEHOLDERS.

TAQA Morocco plays a key role in Morocco's economic landscape and as such, sharing our value creation is an inherent part of our development model. To give this a high profile, we have adopted a CSR charter aligned with the Sustainable Development Goals to respond to national and international challenges. As a committed economic player, TAQA Morocco acts as a true champion of the national IPP industry, mobilizing more than 500 Moroccan companies with a direct impact on job creation, especially among SMEs.

Given the importance of expertise in our business, we pay particular attention to developing the skills of our employees. We are proud of the level of know-how developed locally and the corporate culture that we have built around operational excellence and safety.

We are also committed to promoting diversity within our business, ensuring that recruitment processes are fair and open to all, as well as adopting diversity policies that foster a respectful and inclusive work environment for all employees.

Our non-financial performance and the continuous improvement of our stakeholder involvement has been recognized with the renewal of our CGEM accreditation and the inclusion of TAQA Morocco in Casablanca Stock Exchange's MASI ESG index, which brings together the best performing stocks in terms of extra-financial performance.

Today, more than ever, TAQA Morocco is determined to brighten the Morocco of tomorrow.

# 01 INTRODUCTION TO TAQA MOROCCO

- ▶ TAQA MOROCCO IN A NUTSHELL
- ▶ CONTRIBUTOR TO MOROCCO'S ECONOMIC DEVELOPMENT
- ▶ TAQA GROUP, A GLOBAL BENCHMARK IN THE FIELD OF ENERGY TRANSITION
- ▶ A RESPONSIBLE OPERATOR COMMITTED TO SUSTAINABLE ENERGY
- ▶ A VALUE-CREATING MODEL SERVING MOROCCO'S ENERGY MIX
- ▶ A NEW STRATEGIC 2030 ROADMAP



# TAQA MOROCCO IN A NUTSHELL

TAQA Morocco was founded in 1997 and has since become a frontrunner in the country's effort to meet its energy production targets.

Being a forerunner in Morocco's power generation sector, TAQA Morocco aspires to assist Morocco's switch to low-carbon energy sources.

TAQA Morocco draws on its unique know-how as a longstanding energy producer in the country, its solid financial profile, as well as being part of TAQA Group, a world leader in the generation, transmission, and distribution of both electricity and water.



## VISION

Reinforce our IPP leadership position in Morocco by diversifying our business portfolio and becoming a reference in the water industry by leveraging off TAQA Group's expertise.



## MISSION

Capitalise off our expertise as a historic energy producer and our financial strength to assist the whole Moroccan economy in its energy transition.



## AMBITION

Play a key role in the change in Morocco's energy mix.



## VALUES AT THE HEART OF OUR ORGANIZATION



Security



Sustainability



Excellence



Collaboration

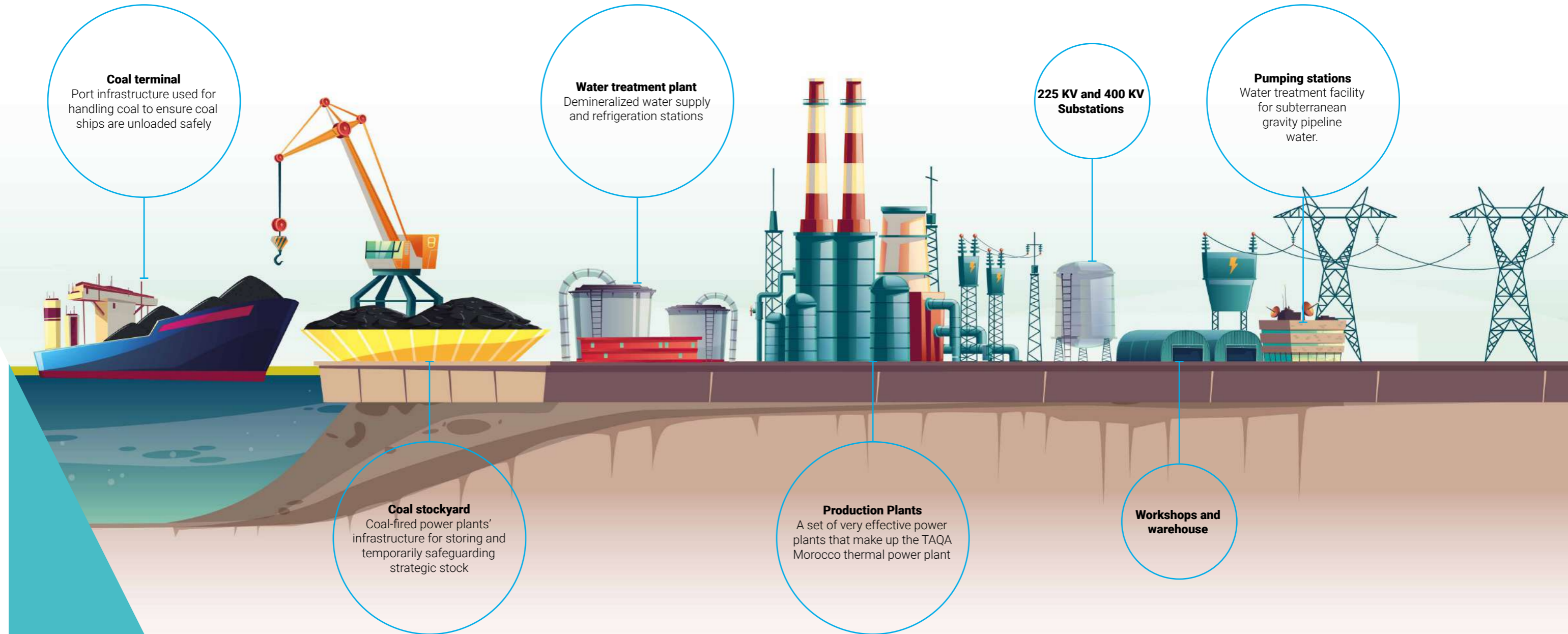


Innovation

TAQA Morocco represents 19% of Morocco's energy capacity and generates 38% of the country's electricity needs with its industrial infrastructure of 6 production units totaling 2,056 MW, placing it among the best power plants in the world according to a global benchmark of thermal power plants of equivalent size.

TAQA Morocco has the objective of playing a key role in the country's low carbon energy strategy and to support the national water programme by leveraging of TAQA Group's know-how. At the same time, it will protect the environment and generate shared sustainable value for all stakeholders. TAQA Morocco's current activity relies on a full industrial infrastructure ranging from coal unloading to energy production.

## ESTABLISHED IN 1997, TAQA MOROCCO IS NOW THE COUNTRY'S LEADING IPP



**2 056<sup>MW</sup>**

Installed Capacity

**+30<sup>Md</sup> MAD**

Investments since 1997

**38%**

Share of national electricity supply

**93,9%**

Availability rate

**462**

Employees

# A KEY PARTNER IN MOROCCO'S ECONOMIC GROWTH

Since 1997, TAQA Morocco has been supporting Morocco's growth by developing an infrastructure capable of continuously supplying electrical energy at the best cost, while ensuring the protection of the environment and being responsive to its stakeholders. After the commissioning of units 1 & 2 in 1997, with an initial capacity of 660 MW, and the construction of units 3 & 4, commissioned in 2000 and 2001 respectively, bringing the overall capacity to 1,356 MW, TAQA Morocco has undertaken the development of units 5 & 6. This last investment required a multi-currency financing of USD 1.6 billion to bring the installed capacity to 2,056 MW. In 2022, TAQA Morocco started the roll-out of its diversification strategy towards low-carbon energies, as part of its 2030 strategy.

## 1997

TAQA Morocco (formerly Jorf Lasfar Energy Company) was created

Transfer of Units 1&2

Launch of Units 3&4 construction

First financial IPP in Morocco for an amount of MAD 1.48 billion



## 2001

Commercial launch of Unit 4



## 2009-2011

Founding the Jorf Lasfar Energy 5&6 subsidiary with a capacity of 350 MW each



## 2014

Commercial launch of Units 5&6

Quality ISO 9001, Health & Safety OHSAS 18001, Environment ISO 14001

Certification for all TAQA Morocco activities



## 2020

Extend the power supply agreement (PPA) for Units 1 to 4 to 2044 to align with Units 5 & 6

Bond issue of MAD 2.7 billion



## 2022

Award of two solar projects with a capacity of 48 MW each to TAQA Morocco under the Noor PV II Solar Photovoltaic Program



## 2000

Commercial launch of Unit 3



## 2007

Occupational Health and Safety Management System certification in accordance with OHSAS 18001 standards



## 2012-2013

«African Power Deal of the Year 2012» award for the \$1.4 billion financing of the Jorf Lasfar JLEC 5 & 6 Thermal Power Plant extension project by Project Finance magazine in London.

«Best Partnership Award 2012» from the World Investment Conference North Africa in Marrakech.

IPO on the Casablanca Stock Exchange.



## 2015

Obtaining the Corporate Social Responsibility Label from the CGEM.

## 2021

TAQA Morocco QSE certification renewal with the transition to the new ISO 45001 V2018 standard.

Top CSR Performer by Vigeo Moody's



45001 : 2018

Launch of the 2030 strategy and fixing of renewable energy objectives.



Adoption of a new visual identity in line with the new strategy.

Renewal of the CGEM corporate & social responsible accreditation.\*

Inclusion in the Casablanca Stock Exchange MASI-ESG index of best performing listed corporations.\*

\*Events occurred in the first quarter 2023

# TAQA GROUP A GLOBAL LEADER IN ENERGY TRANSITION

TAQA was founded back in 2005 and is headquartered in Abu Dhabi, United Arab Emirates. It is a diversified energy and utilities operator and one of the top 10 integrated utilities players in the Europe, Middle East, and Africa region. It operates in eleven countries, including Canada, Ghana, India, Iraq, Morocco, the Netherlands, the United Kingdom, and the United States, in the electricity, water, oil, and gas sectors. Iraq, Morocco, the Netherlands, Oman, Saudi Arabia, the United Kingdom, and the United States are all members of the coalition.



**24.15 GW\***

Gross operating power generation capacity (including 5.0 GW under construction)

**1.4 GW**

Capacity from Renewable Resources

**+6,911**

Total Workforce

**1,060 MIGD**

Water desalination capacity (including 200 MIGD under construction)

**+100,000 km**

of water pipelines and power networks

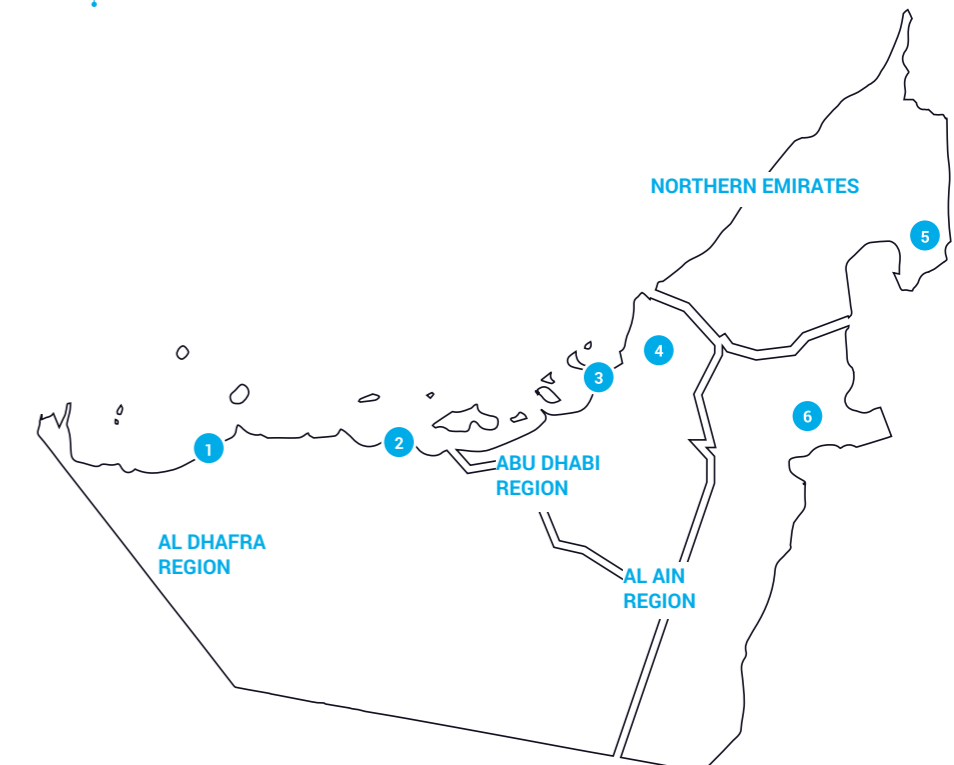
**11**

countries of presence

\*Includes Taweelah A2, AMPC and Sohar Aluminium plants

## ACTIVITIES IN THE UNITED ARAB EMIRATES

- SHUWEIHAT S1**
  - Combined-cycle gas fired power plant and water desalination
  - 1.6 GW of electricity
  - 101 MIGD of desalinated water
- MIRFA INTERNATIONAL POWER AND WATER**
  - Combined-cycle gas fired power plant and water desalination
  - 1.7 GW of electricity
  - 53 MIGD of desalinated water
- UMM AL NAR**
  - Combined-cycle gas fired power plant and water desalination
  - 1.6 GW of electricity
  - 96 MIGD of desalinated water
- TAWEELAH A1**
  - Combined-cycle power plant and thermal-based water desalination facility
  - Gross power capacity of 1.7 GW
  - Gross water desalination capacity of 84 MIGD
- FUJAIRAH F1**
  - Combined-cycle power plant and hybrid multi-stage flash and reverse osmosis desalination plant
  - Gross power capacity of 882 MW
  - Gross water desalination capacity of 131 MIGD
- NOOR AD**
  - Currently the world's largest single site solar photovoltaic (PV) plant
  - Gross power capacity of 940 MW (AC)
- SHUWEIHAT S2**
  - Combined-cycle gas fired power plant and water desalination
  - 1.6 GW of electricity
  - 101 MIGD of desalinated water
- TAWEELAH B**
  - Three distinct power generation and desalination facilities, including simple, open and combined-cycle gas turbines and multi-stage flash distillation
  - Gross power capacity of 2.2 GW
  - Gross water desalination capacity of 162 MIGD
- FUJAIRAH F2**
  - Combined-cycle power plant and reverse osmosis desalination plant
  - Gross power capacity of 2.1 GW
  - Gross water desalination capacity of 132 MIGD



### Abu Dhabi Future Energy Company (Masdar)

In December 2022, TAQA, ADNOC, and Mubadala announced a partnership through which they will invest in Abu Dhabi Future Energy Company's equity (Masdar). This transaction will provide TAQA with unprecedented exposure to a diversified portfolio of low-carbon energy assets. Masdar is a leading global clean energy company promoting renewable

energy and green hydrogen to address sustainability challenges. Established in 2006, jointly owned by ADNOC, Mubadala and TAQA, and active in over 13 countries, Masdar helps them to achieve clean energy objectives and sustainable development with over 7 GW of gross power capacity, including more than 2.8 GW under construction.

# A COMMITTED & RESPONSIBLE OPERATOR FOR SUSTAINABLE ENERGY

TAQA Morocco, the Kingdom's partner in its low-carbon strategy and the country's largest IPP, is committed to stakeholders and adheres to strict environmental protection regulations.

TAQA Morocco has been dedicated to its high-impact mission since the company's inception, and this dedication is reflected in a CSR charter that is in line with the sustainable development goals related to the company's activities.



## HEALTH & SAFETY AT WORK

Employee health and safety is a cornerstone of TAQA Morocco's corporate culture. In this regard, programs for skill development and a policy aimed at preventing work-related accidents have been implemented, along with measures for employee well-being.



## PROTECT THE ENVIRONMENT

TAQA Morocco has developed a state-of-the-art infrastructure that complies with international standards and enables it to reduce its atmospheric emissions by utilizing desulfurization technology and low-sulfur coal.



## ECONOMIC & SOCIAL DEVELOPMENT

Through the deployment of medical caravans across several regions of Morocco and the promotion of access to education through a variety of actions, TAQA Morocco is dedicated to the development of health, education, and the environment in its surrounding communities.

# A VALUE-CREATING MODEL SERVING MOROCCO'S ENERGY MIX

By providing the Kingdom of Morocco with access to its resources, industrial know-how, and human capital expertise, TAQA has developed a value creation model to aid in the country's economic and social development as well as the diversification of its energy supply.

TAQA Morocco values non-financial performance just as highly as industrial ones. It ensures that it is meeting all of its sustainable development commitments through a close monitoring of its CSR indicators.

## OUR RESOURCES

### Our human capital

462 employees  
36% executives

### Our material resources

Production site of **68 Ha**  
Thermal power plant with **6 units** and a capacity of **2,056 MW**  
Coal terminal  
Coal storage yard  
Water treatment plant  
EHV/HV transformer station  
Ash storage quarry  
Noor PV II project with a capacity of **96 MW** of solar energy  
Wind farm with a capacity of **95 MW** expandable to **200 MW**

### Our intangible assets

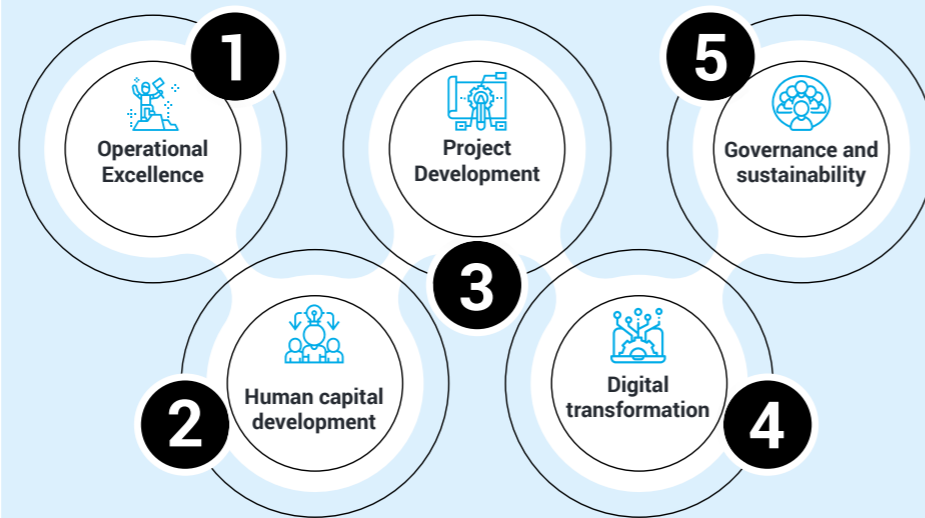
Operation and maintenance contract for units 1 to 6  
Power purchase agreement (PPA)  
Licence to exploit quays 3 and 3 bis of the port of Jorf Lasfar

### Our financial resources

Total assets: **MAD 22,534 million**  
Equity: **MAD 7,553 million**  
Operating cash flow: **MAD 2,261 billion**  
Gearing: **41%**

## OUR APPROACH AND STRATEGIC PILLARS

To help citizens, businesses, and public actors secure their day-to-day growth, we generate energy efficiently and affordably. By leveraging our resources, knowledge, and the dedication of our staff, we have become a leading organization in Morocco and the region.



**Vision**  
Strengthen its position as Morocco's leading IPP by diversifying its business portfolio and developing expertise in the water sector by leveraging TAQA's capabilities..

**Mission**  
To capitalize on our knowledge as Morocco's current and longstanding energy provider and our solid financial standing to aid the country's entire economic ecosystem in its shift to renewable energy sources.

**Ambition**  
Play a key role in the change in Morocco's energy mix.

## OUR PILLARS FOR RESPONSIBLE DEVELOPMENT



## OUR MONITORING AND CONTROL TOOLS



## OUR ESG ROADMAP

Contributing to the energy transition  
Developing a common culture and anticipating change  
Promoting a responsible value chain  
Contributing to the development of society

## VALUE CREATION

### For the community

Supply of electricity to **15 million** citizens  
**93.9%** availability rate of our Units  
**2,200** direct jobs created  
**2** medical caravans organized for **750 people** (including **500** ophthalmological consultations, **356** cataract operations, **300** explorations and **303** pharmacy vouchers)  
**5** students from underprivileged backgrounds sponsored during the 5 years of their higher education

### For our employees

**31,758** hours of training  
Charter of commitment to employee health and safety  
Policy for career and skills management  
CSR Charter for diversity and discrimination prevention  
« eTaqaMorocco Academy » e-learning platform

### For the environment

Share of low-sulfur coal: **100%**  
Waste produced & recycled: **55%**  
Removal and treatment of **142 tons** of hazardous waste  
**55%** of ash recycled as part of the waste revalorization plan

### For our shareholders

Group net income: **MAD 1,303 million**  
Dividend yield: **3.6%**  
Return on equity: **17.2%**

## SUSTAINABLE DEVELOPMENT FOOTPRINT

The contribution of TAQA Morocco to the objectives of sustainable development has been translated into a policy of social responsibility which has become an integral part of the company's identity. TAQA Morocco focuses currently on the following 3 SDGs

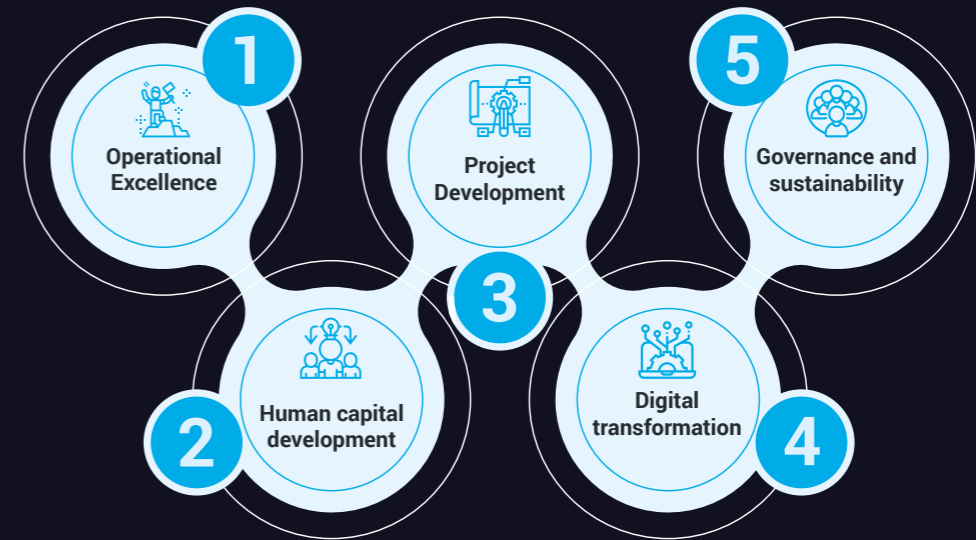


TAQA Morocco also contributes indirectly to the 14 other objectives.



# THE 2030 STRATEGY

In 2022, TAQA Morocco set up a new strategic plan for 2030. The goal of this plan is to strengthen its operational excellence and develop its expertise, as well as to diversify its portfolio by helping the Kingdom of Morocco in its energy transition. The strategic plan has 5 strategic goals that are broken down into a number of operational goals. This new plan also aims to include TAQA's development in a sustainable way to deal with the challenges of sustainable development around the world and in Morocco in particular.



## PILLAR 1: OPERATIONAL EXCELLENCE

Keeping our technical performance, Safety & Process Safety, Maintenance Activity Optimization, Coal Consumption Optimization, Production Cost Optimization, and Production Process Improvement in the Top Decile / Quartile of the Industry will help us meet our functional requirements.



## PILLAR 4: DIGITAL TRANSFORMATION

Maintaining peak performance necessitates drawing on the knowledge and experience of energy operators, creating synergies across the company's various divisions, and shifting towards truly predictive and preventive maintenance. This will be completed through innovation, digitization, and the realization of synergies in operational processes.



## PILLAR 2: HUMAN CAPITAL DEVELOPMENT

To ensure a strong human ambition that revolves around employee commitment, it is necessary to strengthen the corporate culture, capitalize on know-how, support training, career management, and transform the way people work.



## PILLAR 5: GOVERNANCE AND SUSTAINABILITY

To ensure a sustainable development that accounts for the integration of governance objectives, it is necessary to consolidate best practices in corporate governance, perpetuate the risk control system, strengthen the decision-making process by consolidating the steering functions, and management of the ESG strategy.



## PILLAR 3: PROJECT DEVELOPMENT

To meet the goals established by the company's new climate plan and to continue to serve the Moroccan energy mix transition by 2025 and 2030, the company is developing projects and portfolio of cross-cutting projects. One such project is the implementation of the program to refurbish units 1 through 4.

## 2030 AMBITIONS

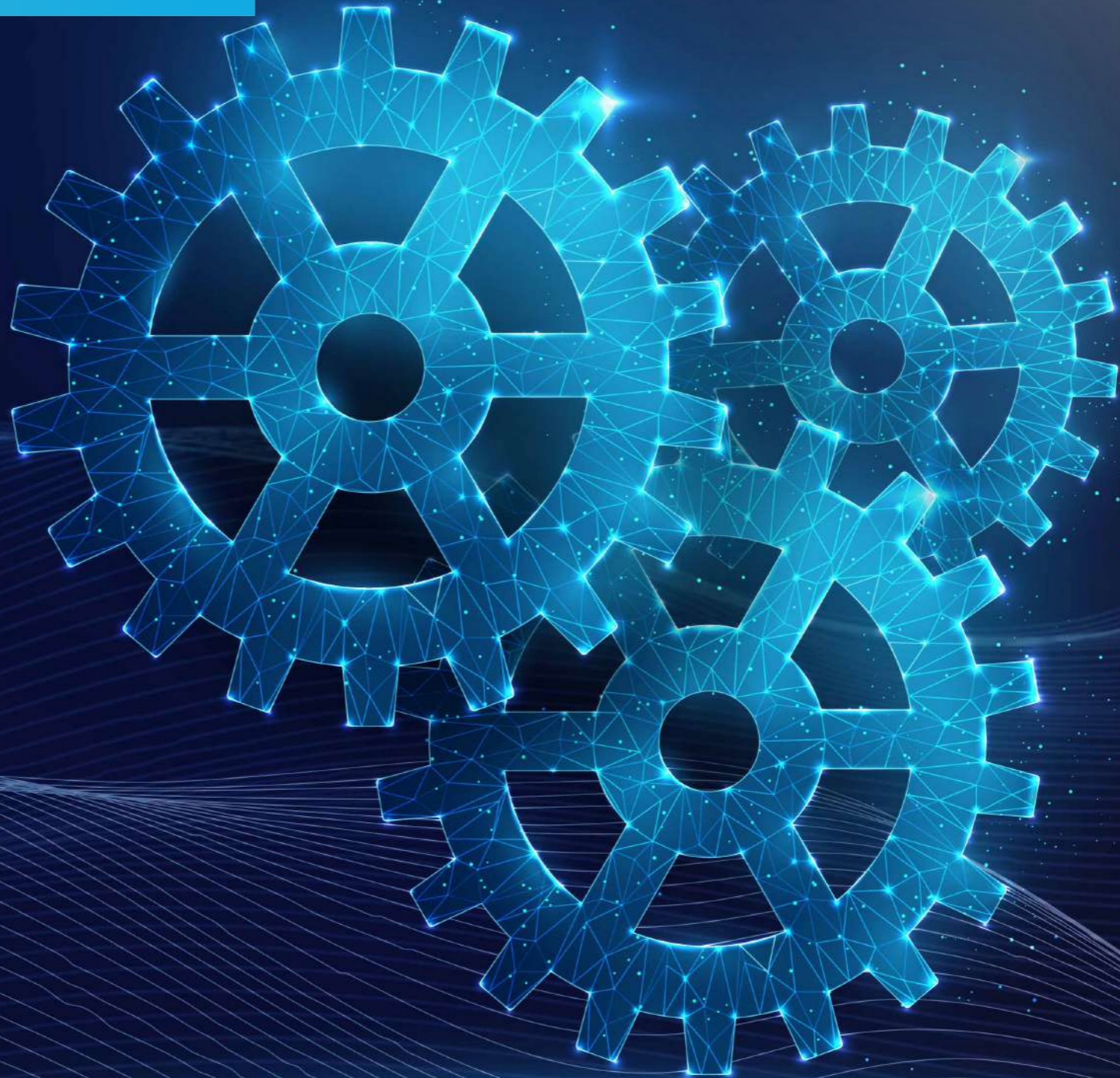
**1 000<sup>MW</sup>**  
Additional renewable energy

**25%**  
Carbon footprint reduction



## 02 BUSINESS REPORT

- ▶ ASSET DIVERSIFICATION TOWARDS LOW-CARBON ENERGY
- ▶ TAQA MOROCCO, PRODUCER OF ENERGY 4.0
- ▶ A CONTINUOUSLY IMPROVING MAINTENANCE POLICY
- ▶ STRONG IMPROVEMENT IN INDUSTRIAL PERFORMANCE





## ASSET DIVERSIFICATION TOWARDS LOW-CARBON ENERGY

TAQA Morocco has been awarded 5 lots for the development of solar sites by the Moroccan Agency for Sustainable Energy (MASEN), as part of an RFP for the design, financing, construction, operation, maintenance, and marketing of the Noor PV II solar program, as outlined in Law No. 13-09. It represents a strategic shift in TAQA Morocco's portfolio greening, with a potential carbon avoidance of 130,000 tons of CO2 per year.

This award is the first step in the process of developing a potential 96 MW of solar energy, and the lots are located in Sidi Bennour and Kelaat des Sraghna. The second phase involves TAQA Morocco completing the technical and commercial development of the solar sites.

This is the first step towards TAQA Morocco's ultimate goal of using its strong financial performance and experience as an energy operator to aid the Kingdom of Morocco in its pursuit of a more balanced and environmentally friendly (low-carbon) energy-mix.

### KHADIJA BERRADA TECHNICAL BUSINESS DEVELOPER

"As a result of its efforts in the field of renewable energy, Morocco has developed a competent workforce that is both internationally competitive and dedicated to the country's long-term sustainability. As a result, TAQA Morocco has shifted its focus to renewable energies and is actively supporting the Kingdom's energy transition and contributing to the country's energy sovereignty."



For several years now, the Kingdom of Morocco has been working on energy sector reforms to increase the use of renewable energy and attract private investment. These changes are being implemented as part of a larger national energy strategy adopted in 2009, with the goal of helping Morocco meet the challenges of ensuring a reliable energy supply, protecting the environment, and achieving sustainable growth.

As such, the Noor PV II multi-site solar power program plans to provide green and competitive electricity to large industrial companies in Morocco, with a total capacity of 330 MW. It will help Morocco achieve its energy-mix target - 52% of renewable energies - by 2030.

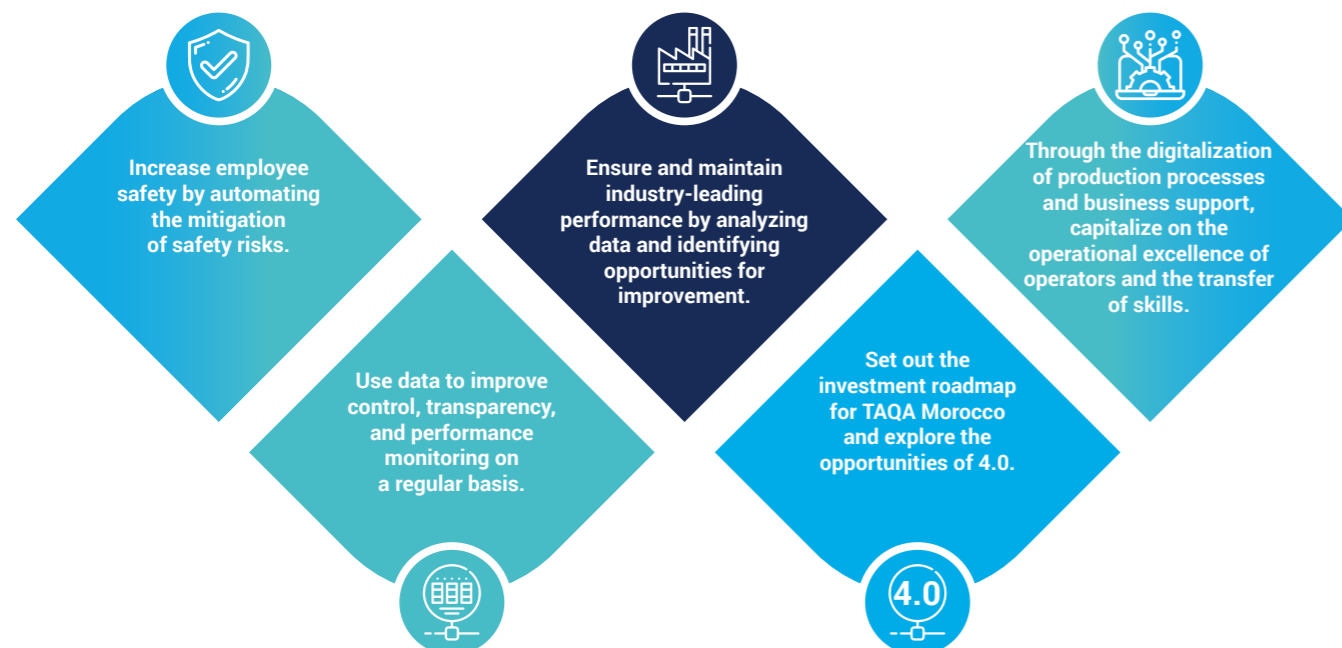


# TAQA MOROCCO, ENERGY PRODUCER 4.0

Starting in 2020, TAQA Morocco has made digital transformation a top strategic priority with the launch of over 30 major projects that will be rolled out by 2025 and that revolve around 5 key areas of focus.

The purpose of this strategy is to help TAQA Morocco strengthen its position as the country's preeminent energy operator and advance toward a higher standard of industrial excellence in the delivery of clean, reliable power.

## 5 KEY OBJECTIVES OF DIGITAL TRANSFORMATION



2022 was marked by the finalization of digitization projects in 3 essential trades within TAQA Morocco, the procedure of rounds and steps of verification and control, chimney sweeping and turbo-alternator generators..

### DIGITALIZATION OF ROUNDS

For the planning, execution, and dynamic management of rounds and walks to facilitate equipment maintenance and routine inspections.

### DIGITALIZED SOOT BLOWER SYSTEM

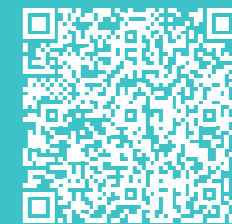
To enable chimney sweeps to tailor their interventions to the boiler's actual operating conditions. The goal being to maximize efficiency and use the data and results to optimize the soot blower system's automatic triggers.

### DIGITIZING THE MONITORING OF THE TURBO ALTERNATOR UNITS

To increase equipment reliability and availability, lengthen the time between scheduled maintenance, and cut down on the number of tests needed.

### IMANE ALAOUI CDO & CHIEF CYBER SECURITY OFFICER

« At TAQA Morocco, we are in the midst of a major digital shift, which comes with numerous challenges. But for now, we need to adopt the right prioritisation scheme for the next 25 years that will be just as exceptional as the last 25. We will have a diverse energy portfolio, and we will continue to be a pioneer and an industry leader. Regardless of our contribution though, we shall always be proud to contribute to the development of Morocco, in any way, shape or form. »



Alongside the business processes, TAQA Morocco's transformation initiatives have focused on 8 advanced digitization projects that concern: investments, the management process of the Joint Facilities Management (« DIC »), the process of ash weighing and the IMC (Industrial Management Control) process.

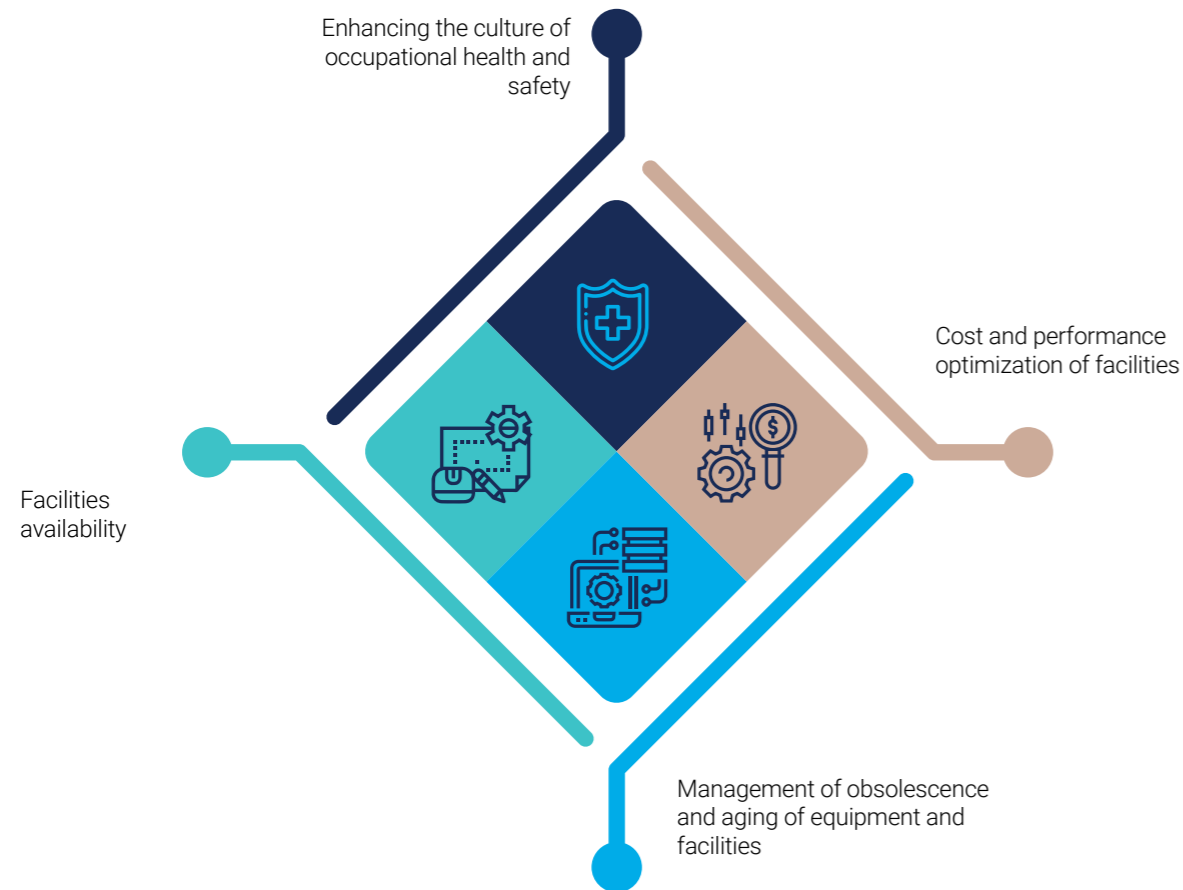
As an example, for investment management, TAQA Morocco has implemented a platform that covers the different stages related to an investment project, from planning to installation and commissioning, including the selection of suppliers and project management. The digital transformation has also involved the purchasing process, with the optimization of its various stages.

At the industrial level, the Joint Facilities Department has transformed its management processes, in parallel with the digitization of the ash weighing process, as well as the industrial management control process.

## A CONTINUOUSLY IMPROVING MAINTENANCE POLICY

For the purpose of optimizing long-term availability and satisfying energy needs, as well as adhering to environmental standards and ensuring the safety of the Group's personnel and equipment, minor overhauls of Unit 3 in March and Unit 4 in October 2022 were performed. More than a hundred foreign specialists, almost fifty local businesses and service providers, and eight hundred local workers were enlisted to carry out these renovations.

Moving from performance to excellence, TAQA Morocco is dedicated to enhancing its operational performance to sustain the high reliability and efficiency of the production process.



In order to meet its industrial performance targets, TAQA Morocco has launched a series of projects, such as the Heat Rate Initiatives project, which aims to find and execute fresh concepts and industry-leading techniques to reduce coal consumption and boost production unit productivity.

### MOHCINE BELAGHLEM ELECTRICAL IT MANAGER - STRATEGY AND MAINTENANCE PLANNING DEPARTMENT

Taqa Morocco's whole workforce understands the significance of our responsibility as a power supplier. We have a responsibility to ensure the dependability of our production equipment. We don't know where the electricity we generate will go, but what we know for sure is that it will power a house, a plant or a factory somewhere.



## STRONG IMPROVEMENT IN INDUSTRIAL PERFORMANCE

### 2022, A YEAR MARKED BY A SHARP RISE IN INTERNATIONAL COAL PRICES

The international price and availability of coal were profoundly affected by the unique geopolitical climate of 2022. The average purchase price for the year was around \$170/T, while the reference index averaged \$290/T. To help meet the needs of Morocco's base load, TAQA Morocco has ensured an optimal energy supply and production.

### STEADY EFFICIENCY IMPROVEMENT OF THE INDUSTRIAL OPERATIONS

TAQA Morocco continues to improve the technical performance of its units in 2022, having completed 25-day minor overhauls on Units 3 and 4. As a reminder, 2021 saw the completion of a 61-day major overhaul of Unit 6.

The availability rate for Units 1-6 reached 93.9% at the end of 2022, up from 92.8% on December 31, 2021. This outcome is the product of human capital expertise, an applied digitalization policy, and rigorous predictive maintenance.

### SHARP INCREASE IN REVENUE AND OPERATING INCOME GROWTH

The good operating performance of Units 1-6, the significant increase in energy costs due to the increase in coal prices, and the beneficial effect of the dollar's appreciation against the dirham all contributed to the growth in consolidated revenues.

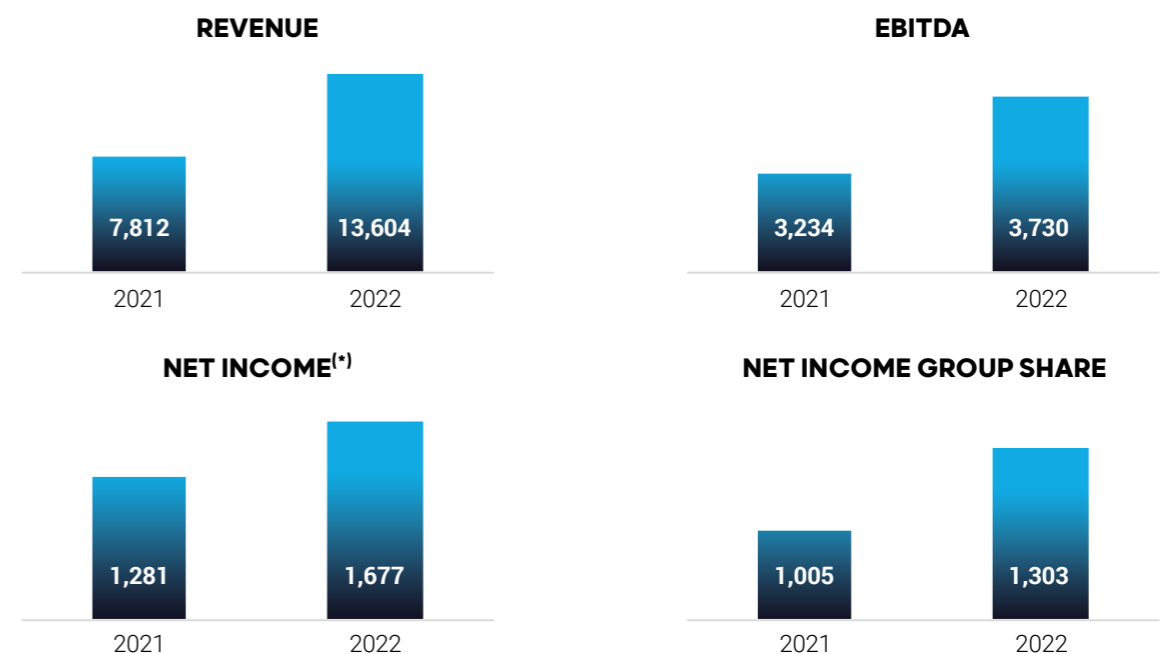
The increase in revenue, combined with cost discipline and a reduction in interest charges, resulted in a consolidated net income of MAD 1,677 million, a 30.9% increase over 2021.

In the face of increased coal prices, the consolidated operational margin rate in 2022 was 21.4%, down from 31.1% in 2021, resulting in a consolidated net margin rate of 12.3% in the year, down from 16.4% in 2021.

### CONTINUED INVESTMENTS AND IMPROVED FINANCIAL STABILITY

With a total of MAD 242 million, TAQA Morocco's investments are up 13.6% from 2021. As a result of the year-over-year change in cash flow and repayments, the Group's net debt fell by 11%, with the net debt/EBITDA ratio dropping to 1.7x from 2.1x in 2021.

### CONSOLIDATED FIGURES IN MMAD



(\*) As of December 31, 2022, in accordance with the consolidation techniques employed by the TAQA Morocco Group, the accounts of JLEC 5&6 taken into account for the consolidation correspond to the period from October 1, 2021 to September 30, 2022.

# 03 ESG REPORT

- ▶ A TRANSFORMATION BLUEPRINT FOCUSED ON SUSTAINABLE DEVELOPMENT
- ▶ AN ESG POLICY EMBEDDED IN TAQA MOROCCO'S DNA
- ▶ ALIGNING WITH THE PRIORITIES OF OUR STAKEHOLDERS
- ▶ REDUCING ENVIRONMENTAL IMPACT AS A PRIORITY
- ▶ OUR EMPLOYEES, AT THE CORE OF TAQA MOROCCO'S DEVELOPMENT
- ▶ A FIRM COMMITMENT TOWARDS THE COMMUNITY
- ▶ SOLID GOVERNANCE UNDERWRITING THE COMPANY'S DEVELOPMENT



## A TRANSFORMATION BLUEPRINT FOCUSED ON SUSTAINABLE DEVELOPMENT

TAQA Morocco is seeking to play a key role in the country's energy transition. Since 2014, the company has been diversifying towards renewable energy generation. TAQA Morocco is now firmly focused on low carbon energy production in line with the global strategy of its parent company TAQA.

TAQA Morocco understands the strategic importance of energy to the nation. Hence the obligation to ensure uninterrupted operations while minimizing its environmental impact.

TAQA, like its parent organization, contributes significantly to energy transition and sustainable development challenges. It is aligned with the 17 Sustainable Development Goals set in 2015 by the United Nations and which define the common roadmap for the world by 2030, especially those related to its core business.

Therefore, TAQA Morocco is not only committed to the universal

goals for all organizations, such as anti-discrimination, equal opportunities, and anti-corruption, but also focuses on addressing and responding to the Sustainable Development Goals where its efforts might have a major impact.

Today, all of the company's strategic decisions and activities are based on sustainability, first through the use of low-sulfur coal to reduce environmental impact, but more importantly, through the transformation of its business model to be more responsible, sustainable, and value-creating for all stakeholders. TAQA Morocco is dedicated to this cause so a CSR Policy has been implemented that now forms an integral part of the company's DNA.

### METHODOLOGY AND APPLICATION

For the fourth consecutive year, TAQA Morocco is publishing its progress in terms of extra-financial performance in accordance with Moroccan Capital Markets Authority guidelines.

Guided by the principles of the ISO 26000 standard on CSR, the Reporting Initiative (GRI) reference framework, and the United Nations Sustainable Development Goals, this ESG report covers the actions of TAQA Morocco and JLEC 5 & 6.

# A CSR POLICY EMBEDDED IN TAQA MOROCCO'S DNA

Since its inception, TAQA Morocco has been devoted to consistently developing its processes in order to achieve national and international standards of responsible management and integration of local environmental challenges. In order to confront global concerns such as well-being and providing health, safety, and education, TAQA Morocco adheres to the 14 Sustainable Development Goals, but chose to focus on three of them: clean and reliable energy, clean water and innovation.



- 6** **Eau propre et assainissement**
  - Save & recycle water
  - Develop plans to reduce pollution during operations
  - Monitor water use
- 7** **Énergie propre et d'un coût abordable**
  - Leverage economies of scale and supplier synergies for the benefit of ONEE
  - Support local energy initiatives
  - Share knowledge with government, communities and civil society on efficient energy production initiatives.
- 9** **Industrie, innovation et infrastructures**
  - Support predictive maintenance models for our equipment and infrastructures
  - Make the digitalization project a strategic lever for improving performance
  - Create a new industrial development through a partnership with the government, industrial companies and community
  - Build partnerships with the research and development world

Jorf Lasfar's thermal complex was built with cutting-edge technology and has earned a reputation for preventive maintenance expertise. This allows TAQA Morocco to constantly improve its operational performance while also enhancing its environmental performance.

TAQA Morocco mandated Global Safety in 2022 as part of a health, safety, and environment regulatory monitoring initiative that intends to provide a permanent regulatory watch with regard to current legal requirements and to track compliance using a digital tool accessible to all users.

**LRQA**  
**QSE CERTIFICATION RENEWAL**  
After a follow-up audit which did not reveal any non-conformity and which underlined the maturity of the integrated management system, LRQA has maintained the QSE certification of TAQA Morocco in 2022.



TAQA Morocco is listed in the MASI ESG index, which includes the best ESG rated companies listed on the Casablanca Stock Exchange.



Obtained in 2015, the CGEM label for Corporate Social Responsibility has been renewed, as a result of TAQA Morocco's continuous efforts to constantly create value, share it with its stakeholders and reflect its standards in terms of governance.



# ALIGNING WITH THE PRIORITIES OF OUR STAKEHOLDERS





To achieve its medium and long-term goals of responsible activity management and global integration of sustainable development challenges, TAQA Morocco views collaboration with stakeholders as crucial.

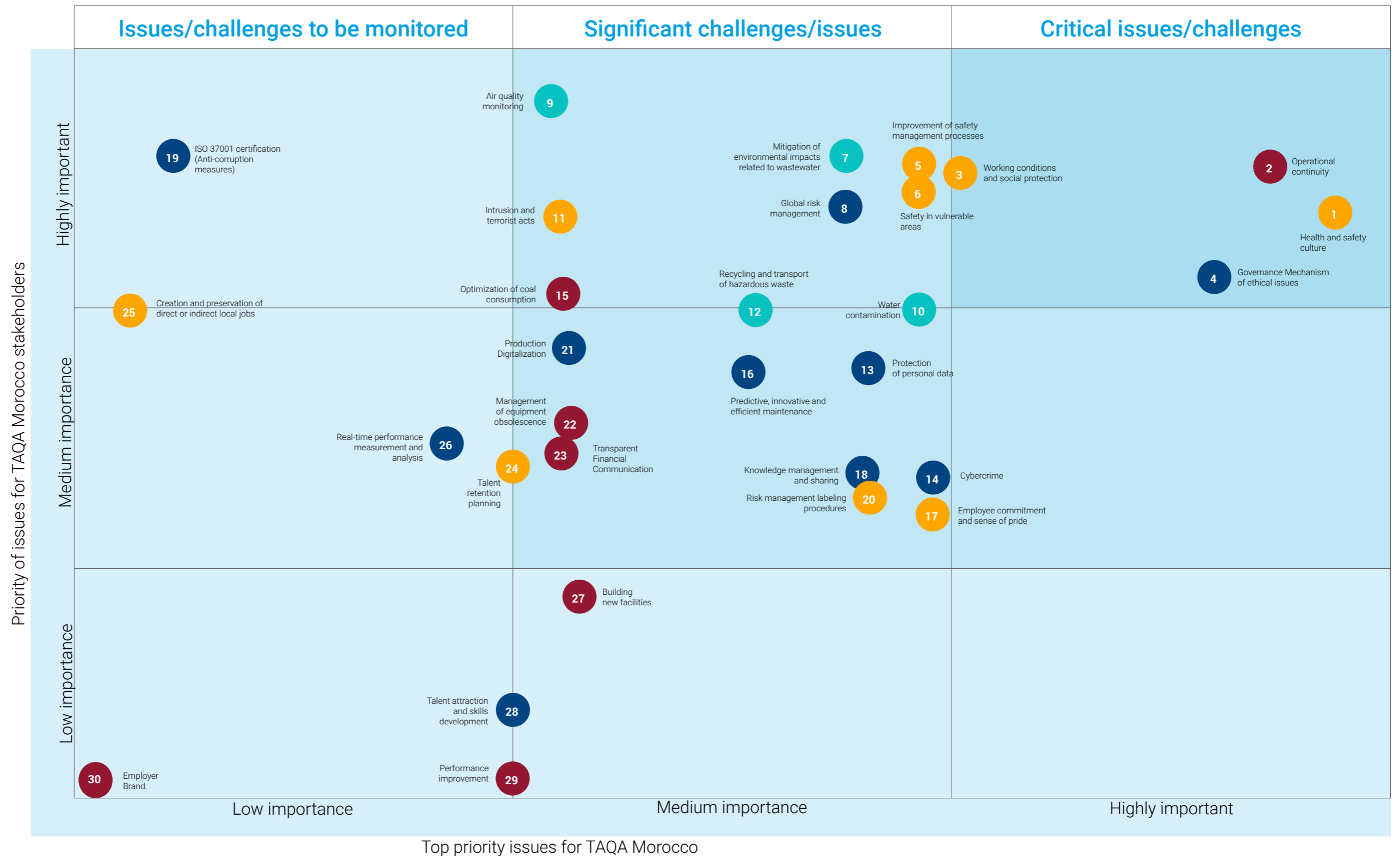
This method has allowed TAQA Morocco to both foresee potential risks from its operations and positively impact the ecosystem.

TAQA Morocco consulted 162 stakeholders to identify 30 priority issues and rank them by relevance and criticality to the stakeholders and the company in order to realize and define its non-financial challenges. Everyone from internal stakeholders to business partners to social influencers and government regulators were consulted. By pinpointing problems, TAQA Morocco can hone in on the factors that will have the greatest effect on its operations and better align those operations with the needs of its stakeholders.

**162**  
Stakeholders involved

**30**  
Priority issues identified

-  Health & Safety
-  Business Continuity
-  Environment
-  Governance, ethics & risk management



# REDUCING ENVIRONMENTAL IMPACT AS A PRIORITY



TAQA Morocco has always been devoted to minimizing the environmental impact of its operations. This determination has prompted the corporation to step up its efforts towards finding solutions that balance operational performance and environmental mitigation.

## AUDIT OF AIR EMISSIONS AND AIR QUALITY MONITORING STATIONS ACCORDING TO INTERNATIONAL STANDARDS

An EPA (Environmental Protection Agency) accredited agency conducted an annual audit of TAQA Morocco's air quality and air emissions monitoring station. No anomalies were identified and furthermore the audit indicated performance beyond EPA norms.

This is due to the quality of the maintenance performed by the teams and their adherence to the calibration schedule.

The objective of the audit was to evaluate the performance of the station, review the technical measurement systems to ensure data quality, and verify calibration procedures, TAQA Morocco team training, and other reviews performed according to EPA methods.

## WASTE REVALORIZATION

TAQA Morocco has formed a partnership with the country's leading cement manufacturers to recover the ash generated during the production process. Using an electrostatic precipitator system, fly ash from the most recent generation of stacks is caught and used to produce cement. This approach enables TAQA Morocco to reduce air pollution and provides cement makers with an alternate raw material source. The material reuse rate has decreased slightly from 58% to 55% in 2022. This decline is impacted by the decrease in cement sales which directly influences fly ash recycling.

In addition to ash recovery and recycling, TAQA Morocco maintains a quarry for the disposal of excess ash that cannot be used by cement makers. This quarry, which conforms to international specifications, was extended in 2015 and is positioned near an industrial zone to facilitate more efficient waste management.

The total amount of nonhazardous waste created in 2022 was 180 tons, a substantial drop of -21.1% from the previous year.

In addition, TAQA Morocco's CSR policy requires that any alterations or additions to the site be evaluated for their potential effects on the local ecosystem. In this regard, the addition of units 5 and 6 to the Jorf Lasfar site was preceded by an impact study in 2010, which included talks with the many stakeholders involved.

## MANAGEMENT OF OTHER WASTE

Waste is sorted on-site in accordance with regulations before being removed for recycling by specialized service providers. Hazardous waste is handled by trained professionals. In 2022, partner companies removed and treated 142 tons of hazardous waste.



## PRESERVATION OF NATURAL RESOURCES

Given the importance of water in the production of electricity and its current use in the cooling systems of the various units, TAQA Morocco is careful to optimize its consumption, particularly in this time of water scarcity. On the industrial side, this policy translates into the use of a closed loop system to ensure water reuse.

TAQA Morocco is also building a seawater desalination plant at the Jorf Lasfar site to limit water extraction from wells and reduce drinking water usage.

As part of the optimal water management, 332,000 m<sup>3</sup> of seawater are pumped every hour for cooling and then reinjected back into the sea in accordance with environmental standards, including World Bank standards.

In addition, the annual consumption of raw water has been optimized over the past five years as a result of maintenance and preventative measures.

Regarding the water used at Jorf Lasfar, it passes through three distinct treatment plants that treat wastewater and water with oily residues. The water discharged after treatment conforms to international standards, including those outlined by the World Bank, and is routinely monitored by an independent laboratory.

| Waste and effluent management                 | 2020 | 2021 | 2022 |
|---|------|------|------|
| Percentage of recycled materials used         | 51%  | 58%  | 55%  |
| Total weight of non-hazardous waste in tons   | 250  | 228  | 180  |
| Weight of hazardous waste transported in tons | 71   | 201  | 142  |

| Water consumption  | 2020 | 2021 | 2022 |
|--|------|------|------|
| Volume of surface water withdrawn, including water from wetlands, rivers, lakes and oceans in million m <sup>3</sup> | 2.9  | 2.5  | 2.9  |
| Municipal water supplies or other public or private water services in Mm <sup>3</sup>                                | 1.50 | 1.58 | 1.22 |
| Volume of groundwater withdrawn in m <sup>3</sup>  | 0    | 100  | 360  |

| Energy consumption             | 2020   | 2021   | 2022   |
|--------------------------------|--------|--------|--------|
| Electricity consumption in MWh | 19,911 | 16,015 | 11,109 |



### LIMITATION AND DRASTIC CONTROL OF EMISSIONS

In order to mitigate their environmental impact even further, TAQA Morocco has retrofitted its boilers with low NOx burners and electrostatic precipitators. Units 1-4 use low-sulfur coal to keep their SO<sub>2</sub> output to a minimum. Units 5 and 6 benefit from a desulfurization system that uses seawater to absorb SO<sub>2</sub> emissions. Before being released, the seawater utilized is oxygenated in an aeration tank to ensure consistency in physical and chemical properties. TAQA Morocco has erected a 130-meter-tall chimney to improve the dispersion of emissions into the atmosphere thereby, all this in accordance with World Bank guidelines. They have successfully completed the major revisions in record time.

To ensure that the industrial teams meet the Group's standards, CO<sub>2</sub> emissions are continually monitored.

All greenhouse gases described by the KYOTO protocol are treated by the equipment installed at Jorf Lasfar. In addition to these achievements, TAQA Morocco continues its efforts to reduce its emissions.

| GHG emissions in Mt                                     | 2020  | 2021  | 2022   |
|---|-------|-------|--------|
| Gross direct GHG emissions TeqCO <sub>2</sub> (Scope 1) | 13.60 | 13.40 | 13.06  |
| Gross direct GHG emissions TeqCO <sub>2</sub> (Scope 2) | 0.008 | 0.009 | 0.0087 |

### A RIGOROUS PREVENTIVE MAINTENANCE POLICY

TAQA Morocco has implemented a preventive maintenance policy to ensure the continuity of its activities as the country's principal energy supplier, while also assuring the operational and environmental performance of its industrial tools. Based on global best practices, this policy consists of maintenance cycles with different duration shutdowns depending on the inspections to be carried out.

The TAQA Morocco teams execute these tasks in a way that minimizes disruption to production. Thanks to their in-house expertise, the first major upgrade of Unit 6 was finished in a record 61 days.

TAQA Morocco launched its digital transformation in 2020 with the set up of an e-monitoring center that aims at propels the organization towards a maintenance strategy 4.0 based on predictive models and artificial intelligence.

# OUR EMPLOYEES, AT THE CORE OF TAQA MOROCCO'S DEVELOPMENT



TAQA Morocco prioritizes employee well-being and places human values at the forefront of its concerns. For this reason, it is essential to implement human resources policies that take into account various subjects like working conditions, safety, industrial relations, skill development, and succession planning.

With a focus on employee growth, TAQA Morocco provides competitive pay, training opportunities, and career advancement based on individual achievement. As such, «talent reviews» are conducted on a yearly basis to help individuals develop their careers by highlighting their strengths and ensuring that they are treated fairly and equitably.

## EQUAL PAY FOR MEN AND WOMEN

In keeping with its mission to foster an inclusive and equitable workplace, TAQA Morocco's remuneration is completely equal between genders.

| Breakdown of workforce by gender | 2020       | 2021       | 2022       |
|----------------------------------|------------|------------|------------|
| Women                            | 17         | 17         | 20         |
| Men                              | 460        | 467        | 442        |
| <b>Total workforce</b>           | <b>477</b> | <b>484</b> | <b>462</b> |

| Breakdown of employment contract by type | 2020       | 2021       | 2022       |
|--|------------|------------|------------|
| Permanent                                | 477        | 484        | 462        |
| Temporary                                | 0          | 0          | 0          |
| <b>Total workforce</b>                   | <b>477</b> | <b>484</b> | <b>462</b> |

## A COMPREHENSIVE RECRUITMENT PLAN

TAQA Morocco has deployed an ambitious recruitment plan, accompanied by a strategy of consolidation of its employer brand. It involves participation in recruitment forums and the organization of recruitment days in specialized schools.

These initiatives are designed to help TAQA Morocco achieve its objective of recruiting qualified profiles and adapted to its specific needs.

## TRAINING, AT THE HEART OF THE HUMAN RESOURCES STRATEGY

TAQA Morocco has a human resources policy that focuses on human capital capacity building. Every year, a skills reinforcement program is implemented, responding to employees' objectives and anticipating their future needs for career advancement and job succession planning. These training plans aim to enhance the acquisition of cross-functional know-how for employees in order to facilitate their internal mobility, in addition to boosting their abilities.

In 2022, 89% of employees received training, at a rate of 69.6 hours per person. In total, 31,758 hours of training were delivered that year, which is 76% more than the previous year.

## eTAQAMOROCCO ACADEMY, A DIGITALIZATION OF TRAINING MODULES

The e-learning platform «eTaqaMorocco Academy» was developed by TAQA Morocco to speed up the company's digitization of training during the pandemic.

This platform provided technical and management training as well as training on the company's culture. TAQA Morocco has used this knowledge to its advantage by digitizing and adding to the platform's library of training modules in 2022.




To better support the company's succession plan and ensure that all workers are always developing their skills, TAQA Morocco has certified its internal trainers through the worldwide specialized organization ICPF. The training philosophy of the organization emphasizes the capitalization and sharing of information, and this certification is meant to reinforce their skills in this area.

| Trainings                       | 2020          | 2021          | 2022          |
|---------------------------------|---------------|---------------|---------------|
| Training hours by employee      | 41,7          | 37,3          | 69,6          |
| Employees who received training | 302           | 405           | 413           |
| <b>Total training hours</b>     | <b>19 868</b> | <b>18 035</b> | <b>31 758</b> |

## A DIGITALIZED ASSESSMENT PROCESS


At TAQA Morocco, the skills assessment process is a collaborative effort between the employee and the manager, and is the result of a fruitful exchange between the two parties.

This method promotes transparency and communication while also ensuring mutual trust. Its dematerialization enables employees to do a pre-assessment and thereby express their expectations regarding their career progression and skill development.




# 31 758

Training hours



# 89,4%

Employees trained in 2022



# 69,6

Training hours per employee

# >76%

Increase in training hours vs. 2021

## HARMONIOUS INDUSTRIAL RELATIONS

It is crucial for TAQA Morocco to retain its top performers, and this is reflected in its compensation policy. The organization takes part in the Mercer pay benchmark each year in order to track the evolution of salaries in Morocco and modify its strategy as necessary. In accordance with an agreement that is renewed every three years, TAQA Morocco also keeps a steady social dialogue relationship with its employee representatives.

TAQA Morocco has worked to highlight to employee representatives the importance of retirement savings and health insurance as well as discussing remuneration. As a result, TAQA Morocco is among the Moroccan companies that offers the highest retirement contributions whilst continuing to enhance the overall compensation package.

## CONTINUOUS SURVEYS FOR A OVERALL SOCIAL DEVELOPMENT

Every year, TAQA Morocco conducts two different surveys with its staff members: an «engagement survey» and a «wellness survey.»

The «engagement survey» aims at gauging employees' levels of dedication and pinpoint areas that require development. It is conducted annually and has a high participation rate. This survey is an opportunity for employees to express their expectations and motivations in terms of career development, corporate culture and well-being at work.

The «wellbeing survey» collects suggestions from employees on how to improve workplace harmony. Its goal is to build a personal and professional satisfaction environment, which is necessary for producing rewarding work experiences, maintaining a favorable work climate, strengthening commitment, and consolidating expertise.

| Social dialogue                    | 2020 | 2021 | 2022 |
|------------------------------------|------|------|------|
| Number of strike days              | 0    | 0    | 0    |
| Number of employee representatives | 16   | 14   | 14   |
| Number of union representatives    | 3    | 6    | 6    |
| Number of social disputes          | 0    | 8    | 0    |

## PROMOTING DIVERSITY

In order to promote diversity and inclusion, TAQA Morocco has taken steps to accommodate people with reduced mobility. This approach aims at promoting TAQA Morocco's vision and its commitment to an open and respectful corporate culture of diversity.

## PRIORITIZATION OF HEALTH AND SAFETY AT WORK


Over the years, TAQA Morocco's Occupational Health and Safety Management System has helped foster a «safety first» culture among the company's staff and among the subcontractors and partners that have access to its facilities.


In 2018, a roadmap was developed to establish a transformation and progress dynamic to accomplish the ambitious objective of «ZERO accidents,» which has helped increase the maturity of the safety culture among the workforce. This roadmap was revised in 2021, with a 2025 horizon, and includes opportunities for improvement to cement the results previously obtained. TAQA Morocco has been able to drastically reduce the number of accidents on its sites as a result of this cultural revolution.


TAQA Morocco's management actively encourages its employees to identify, report, and analyze all prevented work accidents in order to develop the appropriate preventative action plans. To this end, a digital platform has been set up to allow all employees to interact and report in real time any malfunctioning. Subcontractors must also follow the «12 basic safety regulations of TAQA Morocco» and the «safety reception.»


| Health and safety at work        | 2020      | 2021      | 2022      |
|----------------------------------|-----------|-----------|-----------|
| Number of work-related accidents | 2         | 0         | 0         |
| Accident frequency rate          | 0.79      | 0.00      | 0.00      |
| Total number of hours worked     | 2,541,296 | 2,891,565 | 3,310,230 |


## TAQA MOROCCO'S 12 BASIC SAFETY RULES

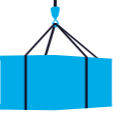
- 


**Work permit:**  
I have a permit to work before performing any specific action
- 


**Energy Isolation:**  
I follow all lockout/tagout procedures when working on equipment
- 

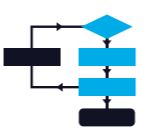
**Ground disturbance:**  
I obtain a permit before starting any excavation work
- 


**Entry to a confined Space:**  
I respect the procedures for confined spaces before entering them and during the entire period of intervention
- 


**High-rise work:**  
I make sure to use all fall prevention equipment and to work with a compliant means of access
- 


**Lifting operations:**  
I respect the lifting plan and I never stand under a suspended load
- 

**Individual protection equipment:**  
I wear the appropriate Personal protective equipment at all times
- 

**Driving safety:**  
I drive carefully and respect all traffic rules
- 

**Change management:**  
I conduct a change management review before making any temporary or permanent changes
- 

**Access to restricted areas:**  
I seek permission before accessing a restricted area
- 

**Circumvention System:**  
I request authorization before deactivating a safety device
- 

**Overhead power lines:**  
I undertake a risk analysis and use the appropriate equipment when working under and/or near overhead power lines

**Safety always comes first, because we care about you.**

## BREAKDOWN OF THE TOTAL WORKFORCE

| Breakdown by contract type & gender | 2020       | 2021       | 2022       |
|-------------------------------------|------------|------------|------------|
| Men on permanent contracts          | 460        | 467        | 442        |
| Women on permanent contracts        | 17         | 17         | 20         |
| <b>Total permanent contracts</b>    | <b>477</b> | <b>484</b> | <b>462</b> |
| Men on fixed-term contracts         | 0          | 0          | 0          |
| Women on fixed-term contracts       | 0          | 0          | 0          |
| <b>Total fixed-term contracts</b>   | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| <b>Total effectif global</b>        | <b>477</b> | <b>484</b> | <b>462</b> |

| Breakdown by category | 2020       | 2021       | 2022       |
|-----------------------|------------|------------|------------|
| Managers/Executives   | 170        | 171        | 165        |
| Employees             | 307        | 313        | 297        |
| <b>Total</b>          | <b>477</b> | <b>484</b> | <b>462</b> |

| Breakdown by hierarchy                | 2020       | 2021       | 2022       |
|---------------------------------------|------------|------------|------------|
| Senior Management Managers/Executives | 19         | 21         | 21         |
| Middle Management Managers/Executives | 151        | 150        | 125        |
| Technical and backoffice staff        | 307        | 313        | 316        |
| <b>Total</b>                          | <b>477</b> | <b>484</b> | <b>462</b> |

| Breakdown by seniority | 2020       | 2021       | 2022       |
|------------------------|------------|------------|------------|
| Less than 5 years      | 102        | 101        | 97         |
| Between 5 and 15 years | 149        | 174        | 180        |
| More than 15 years     | 226        | 209        | 185        |
| <b>Total</b>           | <b>477</b> | <b>484</b> | <b>462</b> |

## PAYROLL IN MAD

|                                     | 2020               | 2021               | 2022               |
|-------------------------------------|--------------------|--------------------|--------------------|
| Payroll for the management category | 165,715,851        | 162,969,082        | 152,167,190        |
| Non-management payroll              | 151,007,917        | 149,496,275        | 148,398,213        |
| <b>Total</b>                        | <b>316,723,768</b> | <b>312,465,357</b> | <b>300,565,403</b> |

## EMPLOYEE TURNOVER

|                | 2020     | 2021     | 2022     |
|----------------|----------|----------|----------|
| Hirings        | 5        | 33       | 17       |
| Resignations   | 4        | 4        | 6        |
| <b>Layoffs</b> | <b>0</b> | <b>2</b> | <b>0</b> |



# A FIRM COMMITMENT TOWARDS THE COMMUNITY



To have a bigger impact on Moroccan society, TAQA Morocco has chosen to focus on essential concerns for the country's economic and social growth, such as health, education, and the environment. These three challenges are crucial to TAQA Morocco's development efforts and are of equally vital importance.

## PROMOTING ACCESS TO EDUCATION

### Opening of a pre-school class

In conjunction with the Zakoura Foundation, TAQA Morocco financed the opening of a preschool class in an elementary school in Sidi Ismail in the province of El Jadida, which accommodated roughly 740 children but provided no preschool education. For the start of the 2021-2022 school year, 53 children (27 girls and 26 boys) have joined the school, divided into two groups for lessons taught by village teachers trained by the Zakoura Foundation in the methods of the Unicef teaching kit.

At the end of the first school year in 2022, a promising assessment was made, with an extremely low absenteeism rate of 0.2 pupils per day and no school dropouts. Parents are also exhibiting remarkable dedication, with 94% attendance at the 10 parent-teacher meetings. The children's skill acquisition has grown significantly, from 25% in December 2021 to 67% in June 2022, thanks to the Zakoura Foundation's pedagogical follow-up and the assistance of its field team. The start of the 2022-2023 school year saw a rise in enrolment of 60 pupils, more than half of whom are girls.

### Promoting the Education of Underprivileged Youth

TAQA Morocco is a partner of the Bab Rayan association, which adopts, educates, and protects orphaned, abandoned, or abused children in a specifically designed Casablanca home that opened in 2015. This facility can accommodate children as young as three years old and has a capacity of 60 youngsters who are given the opportunity to build a future and grow up with dignity while respecting family values.

### Sponsorship of 5 deserving female students

Within the framework of the programs of the FME (Moroccan Student Foundation), TAQA Morocco has sponsored a promotion of 5 brilliant female students who are studying at Moroccan elite graduate/higher schools.

The FME is a non-profit organization with the stated mission of enabling financially disadvantaged recent high school graduates to continue their education at top institutions of higher learning. The program includes comprehensive support for tuition, equipment, transportation, and medical care, as well as support for the acquisition of soft and life skills and for the development of technological knowledge.

### Fighting Child Labor

Child protection and development, a critical component of social development, were at the forefront of TAQA Morocco's actions in 2022, in collaboration with the Charity Insaf. The NGO was the driving force behind the Moroccan law forbidding the employment of minors (16 years old) as domestic employees (Law 19-12, article 24-2017) and has been battling the dropout of young girls in rural communities from its inception. TAQA Morocco has contributed to the Insaf association's activities, allowing 10 young females to receive an education necessary for their professional success. In the last ten years, the Insaf organization has helped 550 girls return to school.



## CONTRIBUTE TO THE DEVELOPMENT OF SOCIETY

### Social inclusion of people with Down syndrome

TAQA Morocco has taken part in the AMSAT (Moroccan Association for Support and Assistance to Down Syndrome People) program. The goal of this program is to promote access to cultural and sports activities that are open to everyone, so that people with Down Syndrome can be more involved in society and get their medical checkups. This program includes workshops on sports and leisure activities to encourage healthy living, psychological support for families in need, training to strengthen the skills of AMSAT workers, and awareness raising on barrier measures.

This program has directly benefited 100 young people for paramedical, speech therapy and psychomotricity procedures and 180 young people and their families for psychological support and psycho-educational assistance. As far as sports and artistic activities are concerned, 200 young people took part in various creative workshops.

### Organization of summer camps

The association « Initiatives for Development and Solidarity » worked with the Ministry of Youth, Culture, and Communication to put on the « Vacances for All » project during the summer of 2022.

The goal of this project was to enable the recipient youngsters develop their skills and integrate into civic life. It helped 50 youngsters from Tamedit commune in Taounat province, who participated in a week-long program of educational, sports, and cultural activities. This operation was funded by TAQA Morocco in order to promote educational and cultural inclusion in rural communities.

### Support for the social caravan developed in collaboration with ENSEM students

For its ninth edition, the ENSEM ELKHIR CIDH club decided to support two landlocked villages, Khang Sidi Rezzouk and Akkauguern, both located in the province of Tata, by carrying out a series of projects to improve the daily lives of the inhabitants of these villages. This program included the building of a solar photovoltaic pumping system to offer access to clean drinking water, the use of solar energy to electrify 20 dwellings in the village, the rehabilitation of the school and sanitary facilities, and the distribution of food and clothing. Former ENSEM laureates from TAQA Morocco also took part in this effort.



## IMPROVING ACCESS TO HEALTH CARE

### Medical caravans

Together with the Sheikh Zaid Ibn Soltan Foundation, TAQA Morocco has set up medical caravans to help people get the care they need. These caravans have a mobile multidisciplinary unit where doctors, nurses, and volunteers from the Sheikh Zaid Hospital intervene. These caravans are like mobile multidisciplinary diagnostic centers. They are equipped with an ophthalmological intervention unit and travel to remote areas.

Two medical caravans were set up in the cities of Azilal and Khenifra in 2022. They helped more than 750 people and made it possible for 500 eye doctor appointments, 356 cataract surgeries, 300 explorations, and 303 pharmacy vouchers.

### Dental care coverage

In collaboration with the Sheikh Zaid Foundation, TAQA Morocco provided dental care to inhabitants of the social welfare center for the elderly as well as orphans from the Ain Atiq center. This initiative has mobilized the medical and paramedical staff required for the unit's operation, as well as the material required for the medical exploration and dental care units, as well as the organization of the logistics of the consumables required for their proper operation. This effort has helped the center's 1500 residents.

# SOLID GOVERNANCE UNDERWRITING THE COMPANY'S DEVELOPMENT



## GOVERNANCE STRUCTURE

TAQA Morocco is a joint stock company with a Supervisory Board and a Management Board. This dual structure separates the tasks of direction and management from the functions of control and supervision. It also enables for the proper application of corporate governance standards.

The Supervisory Board sets strategic orientations and oversees their execution; it also performs the appropriate controls and verifications and deals with all matters pertaining to the company's proper operation. The Management Board is in charge of carrying out the company's strategic objectives and guaranteeing proper administration of the company's activities.

## COMPOSITION OF THE SUPERVISORY BOARD

At the end of 2022, the Supervisory Board was composed of 8 directors, including:

- ▶ The Chairman of the Supervisory Board;
- ▶ The Vice-Chairman of the Supervisory Board ;
- ▶ 4 Directors representing TAQA Group;
- ▶ 2 Independent Directors.

## INDEPENDENCE OF SUPERVISORY BOARD MEMBERS

The appointment of independent directors to the Supervisory Board of TAQA Morocco complies with the provisions of Article 41 bis of Law n°17-95 on joint stock companies, as amended and completed.

Today, the company is strictly compliant with the legislation in force.

# GOVERNANCE

## Mr. FARID SALEH FARID MOHAMED AL AWLAQI

Chairman of the Supervisory Board






As head of TAQA's Generation business line, Farid Al Awlaqi has held this position since July 2020. In this role, he oversees and develops the company's global power and water generation portfolio. Previously, he served as vice president of Mubadala Investment's energy platform, where he held a variety of positions ranging from operations to business development to investment and asset management. Mr. Awlaqi holds a Sloan Master's degree from London Business School and a Master's degree in Petroleum Engineering from Imperial College, University of London. He is also a graduate of the prestigious Sandhurst Royal Military Academy.

|   |  |   |   |   |
|---|--|---|---|---|
|  |                             |  |  |  |
| <b>Start date or renewing date of the mandate</b><br>07/06/2021                   | <b>Mandate End Date</b><br>2027 (à l'issue de l'AGO approuvant les comptes de l'exercice clos le 31.12.2026) | <b>Assiduity</b><br>100%  | <b>Committee Membership</b><br>Strategy and Business Development Committee          | <b>Position within the Committee</b><br>Chairman                                    |

## Mr. ABDULAZIZ MOHAMED ABDULLA ALOBAIDLI AL HAMMADI

Deputy Chairman of the Supervisory Board






Mr. Abdulaziz joined TAQA Group to head the Water and Power Generation Division in the UAE, following more than 13 years of experience in thermal and renewable power plants. He started his career in 2006 at Dubai Aluminium as an engineer before moving to the renewable energy sector when he joined Masdar Research Network (MRN) in 2008 as an R&D engineer. During his time at Masdar, Abdulaziz was a visiting researcher at the German Aerospace Center (DLR) in a joint project with Masdar. In addition to his current position, Abdulaziz also sits on several boards of directors of UAE and foreign companies. Prior to joining the company, Mr. Abdulaziz holds a degree in Energy Engineering (specializing in Thermal Power Plants) from the German RWTH Aachen University and a Bachelor's degree in Mechanical Energy from the UAE University. He is also a graduate of the ADP Program at London Business School and an Executive Leadership Program from the UAE Government.

|   |   |   |   |   |
|---|---|---|---|---|
|  |                          |  |  |  |
| <b>Start date or renewing date of the mandate</b><br>24/06/2020                     | <b>Mandate End Date</b><br>2026 (after the AGM approves the accounts for the year ending December 31, 2025) | <b>Assiduity</b><br>100%  | <b>Committee Membership</b><br>-  | <b>Position within the Committee</b><br>-   |

## Mr SAEED HAMAD OBAID ABUQATA AL DHAHERI





Member of the Supervisory Board

Saeed Al Dhaheri joined TAQA in 2014 and took over as Chief Operating Officer in June 2016. Mr. Al Dhaheri previously served as executive vice president support business in charge of human resources, health and safety, information technology, procurement and general services. Prior to joining TAQA, Al Dhaheri held leadership positions at Abu Dhabi Media Company, Etihad Rail and Abu Dhabi Health Services Company (SEHA), previously he served on the United Printing & Publishing Board of Directors. Al Dhaheri holds a Master's degree in Management from Abu Dhabi University and a Bachelor's degree in International Business from Eckerd College in USA.

|   |   |   |   |   |
|---|---|---|---|---|
|  |                          |  |  |  |
| <b>Start date or renewing date of the mandate</b><br>24/06/2020                     | <b>Mandate End Date</b><br>2026 (after the AGM approves the accounts for the year ending December 31, 2025) | <b>Assiduity</b><br>100%  | <b>Committee Membership</b><br>-  | <b>Position within the Committee</b><br>-   |

## Mr. ANDRES CALDERON ACUNA, PERMANENT REPRESENTATIVE OF TAQA PJSC ON THE SUPERVISORY BOARD.






Member of the Supervisory Board

|   |   |   |  |   |
|---|---|---|--|---|
|  |                          |  |                                 |  |
| <b>Start date or renewing date of the mandate</b><br>24/06/2020                     | <b>Mandate End Date</b><br>2026 (after the AGM approves the accounts for the year ending December 31, 2025) | <b>Assiduity</b><br>100%  | <b>Committee Membership</b><br>Nomination and Remuneration Committee / Strategy and Business Development Committee | <b>Position within the Committee</b><br>Chairman                                    |

## Mr. HAMAD ABDULLA MOHAMED ALSHORAF AL HAMMADI

Member of the Supervisory Board






As Chief Investment Officer of ADQ Group, in addition to his many other responsibilities, Mr. Hamad manages a portfolio of services with assets valued at over \$70 billion. He specializes in new business development, value creation, acquisitions and takeovers. Prior to that, Hamad spent almost 14 years at Mubadala Investment where he was involved in the creation of large-scale projects mainly in the services, industrial and financial sectors. He also worked at the Carlyle Group in Washington DC in the industrial M&A department.

|   |   |   |   |   |
|---|---|---|---|---|
|  |                        |  |  |  |
| <b>Start date or renewing date of the mandate</b><br>24/06/2020                       | <b>Mandate End Date</b><br>2026 (after the AGM approves the accounts for the year ending December 31, 2025) | <b>Assiduity</b><br>100%  | <b>Committee Membership</b><br>Nomination and Remuneration Committee                  | <b>Position within the Committee</b><br>Member  |

## Mr. VIVEK GAMBHIR

Member of the Supervisory Board






Mr. Vivek GAMBHIR is General Counsel of Abu Dhabi National Energy Company PJSC. He was previously a partner in an international law firm in London where he developed an expertise in the energy sector. He has led numerous international assignments in mergers and acquisitions, privatization, restructuring and project finance. Mr. Vivek Gambhir holds a Master of Laws degree and is qualified to practice law in England.

|   |   |   |   |   |
|---|---|---|---|---|
|  |                                    |  |  |  |
| <b>Start date or renewing date of the mandate</b><br>23/04/2019                       | <b>Mandate End Date</b><br>2025 (at the end of the AGM approving the accounts for the financial year ending 31.12.2024) | <b>Assiduity</b><br>100%  | <b>Committee Membership</b><br>Audit Committee  | <b>Position within the Committee</b><br>Member  |

**H.E MR. SAQER SALEM MOHAMED BINHAM ALAMERI**

Independent member of the Supervisory Board






H.E. Saqer Salem Mohamed Binham Alameri is a member of the Bank of Tunisia and the United Arab Emirates Board of Directors, he is also a member within Bena Real Estate Investment Company and the Abu Dhabi Direct Investment Committee. He serves currently as the Executive Director of the Internal Audit Department at Abu Dhabi Investment Authority. He received a Master degree in Management from the United Arab Emirates University and a Master degree in Marketing from Concordia University in the US. He has also completed the first year of the CFA certificate and holds a Diploma of Specialized Studies in Leadership and Executive Management from Harvard University, USA

|  |  |   |   |   |
|--|--|---|---|---|
| <br><b>Start date or renewing date of the mandate</b><br>23/04/2019 | <br><b>Mandate End Date</b><br>2025 (after the AGM approves the accounts for the year ending December 31, 2024) | <br><b>Assiduity</b><br>100% | <br><b>Committee Membership</b><br>Audit Committee | <br><b>Position within the Committee</b><br>Chairman |
|--|--|---|---|---|

**Mr. SHAHAB ISSA HAMAD ABUSHAHAB AL SUWAIDI**

Independent member of the Supervisory Board

Shahab Issa Hamad Abushahab Alsuwaidi is currently the Chief Strategy Officer of Tawazun Economic Council and a Director and member of the Audit Committee, Risk Committee and Human Resources Committee of Strata Group. He has many years of experience in strategy, development, business intelligence and investment consulting. Shahab holds a degree in Political Science and International Relations from the American University in Washington, D.C.

|  |  |   |   |   |
|--|--|---|---|---|
| <br><b>Start date or renewing date of the mandate</b><br>24 Juin 2022, en attente de ratification au sein de l'AG | <br><b>Mandate End Date</b><br>2025 (after the AGM approves the accounts for the year ending December 31, 2024) | <br><b>Assiduity</b><br>100% | <br><b>Committee Membership</b><br>Audit Committee | <br><b>Position within the Committee</b><br>Member |
|--|--|---|---|---|



### ACTUAL ATTENDANCE RATE AT SUPERVISORY BOARD MEETINGS

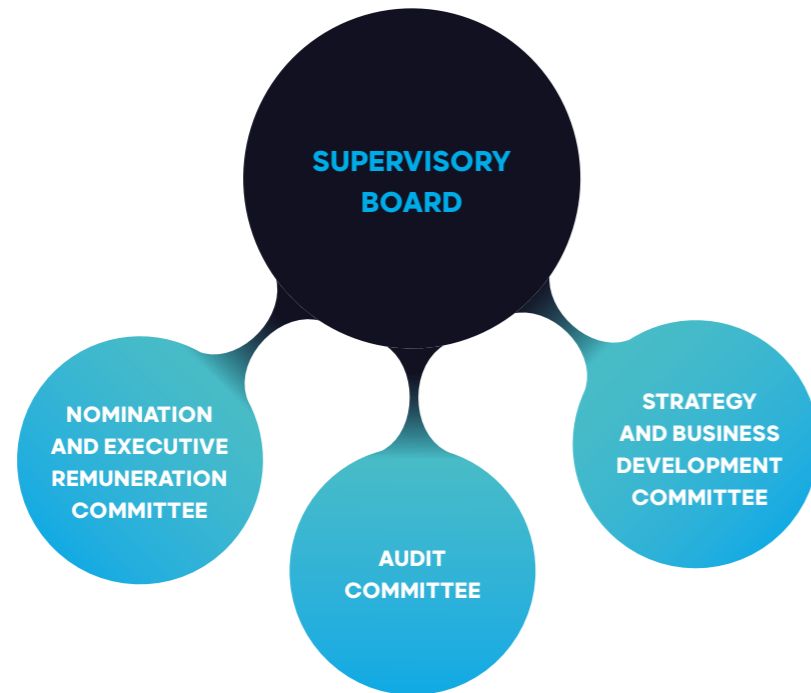
During 2022, the Supervisory Board held 4 meetings with 100% of the directors present.

### SUPERVISORY BOARD MEMEBERS REMUNERATION

The Ordinary General Meeting of May 24, 2022 has fixed the attendance fees of a gross amount of 4,000,000 DHS for the year 2021. All the Members of the TAQA Morocco Supervisory Board are non-residents. The TAQA Morocco Management Board members do not receive any remuneration regarding their fiduciary duty as member of the Management Board.

### THE SUPERVISORY BOARD

The Supervisory Board relies on three specialized committees whose role is to ensure that strategic projects run smoothly and that risks are properly managed.



### AUDIT COMMITTEE

The Audit Committee monitors issues relating to the preparation and control of accounting and financial information. Thus, and independently of the prerogatives of TAQA Morocco's Supervisory Board or Management Board, the Audit Committee is responsible before the Company's Supervisory Board for:

- ▶ Monitoring the production of information intended for shareholders, the general public and the Moroccan Capital Markets Authority (AMMC);
- ▶ Tracking the effectiveness of internal control systems, internal audits and risk management related to TAQA Morocco;
- ▶ Overseeing the legal review of TAQA Morocco's corporate and consolidated financial statements; b Checking and assessing the independence of the Statutory Auditor;
- ▶ Ensuring that senior managers take the necessary steps to establish a culture of compliance, with ethical and legal conduct.

At the end of December 2022, the members of the Audit Committee were:

- ▶ H. E. Mr. Saqer Alameri: Chairman of the Committee
- ▶ Mr. Shahab Alsuwaidi: Member
- ▶ Mr. Vivek Gambhir\*: Member
- ▶ Mr. Muhammad Liaqat: Member



### STRATEGY AND DEVELOPMENT COMMITTEE

The general mission of the Committee is to assist and advise the Supervisory Board in fulfilling its duties with respect to strategy and development.

At the end of December 2022, the members of the Committee were :

- ▶ Mr. Farid Al Awlaqi: Chairman of the Committee
- ▶ Mr. Andres Calderon Acuna: Member
- ▶ Mr. Shailesh Monteiro\*: Member

### NOMINATION AND EXECUTIVE REMUNERATION COMMITTEE

The Mission of the Nomination and Executive Remuneration Committee consists of assisting the Supervisory Board members in matters of nomination and remuneration of Management Board members. It is charged with making recommendations to the Supervisory Board on the selection and appointment of members for the Executive Board and on their compensation policy. As of the end of December 2022, the Nomination and Remuneration Committee was composed as follows:

- ▶ Mr. Andres Calderon Acuna: Chairman
- ▶ Mrs. Hamda Al Hameli\*: Member
- ▶ Mr. Hamad Al Hammadi: Member

### MANAGEMENT BOARD

The Board has held 4 meetings during the financial year 2022 and Management Board The responsibility of the Management Board is to implement the strategy, ensure the smooth running of the company's activities and guarantee its development. The Board has held 4 meetings during the financial year 2022 and has 6 members :

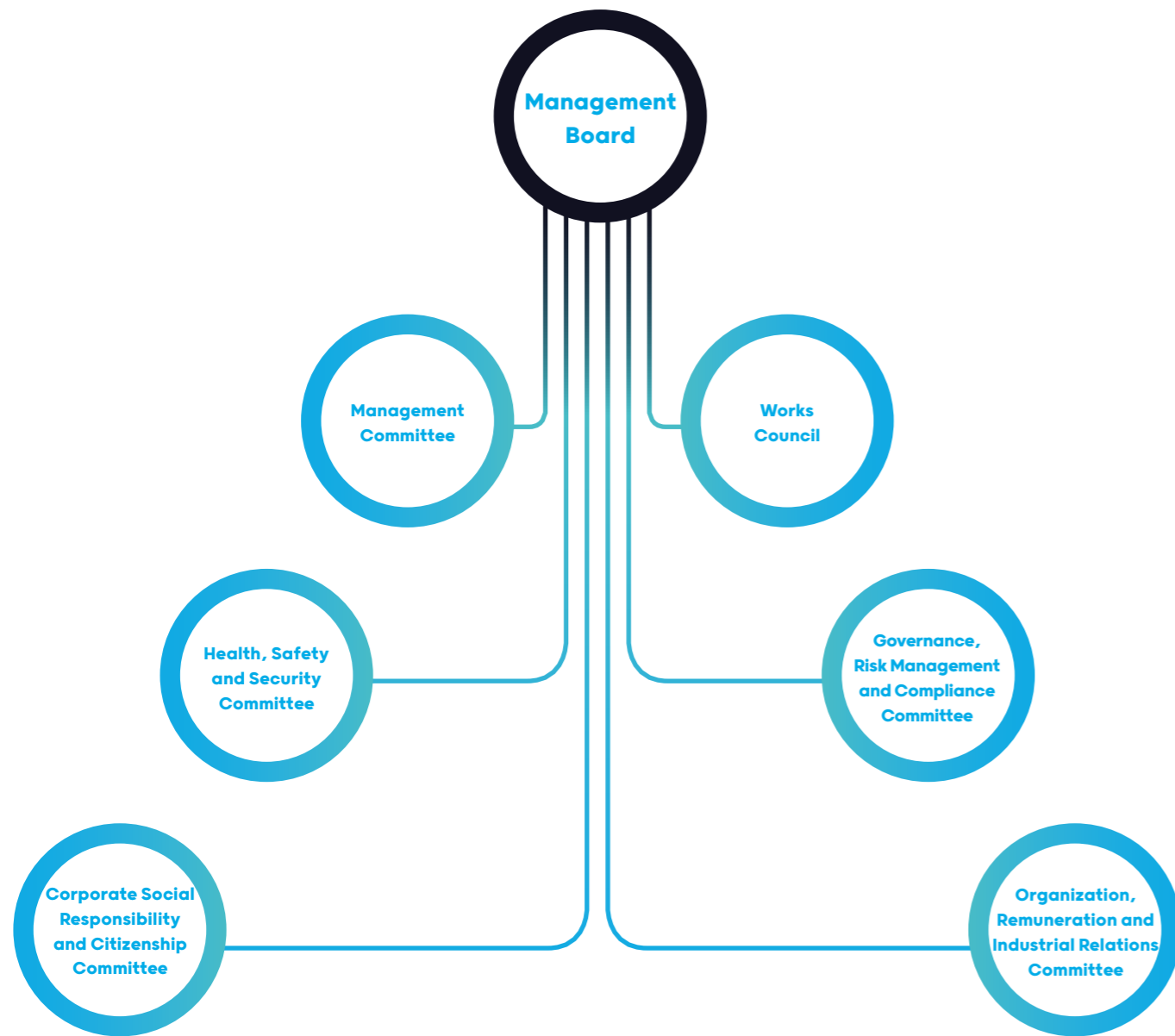
- ▶ Mr. Abdelmajid Iraqui Houssaini: Chairman of the Management Board
- ▶ Mr. Omar Alaoui M'Hamdi: Member of the Management Board
- ▶ Mrs. Fadoua Moutaouakil: Member of the Management Board
- ▶ Mr. Mehdi Belghiti: Member of the Management Board
- ▶ Mrs. Fatima Bendahbia: Member of the Management Board
- ▶ Mr. Saïd El Mamouni: Member of the Board of Directors

Women make up

# 33%

of the Management Board

\* The Supervisory Board of TAQA Morocco relies on the skills of the Group's employees within its various committees, in order to ensure consistency in decision making, in full compliance with the needs of the business.



**MANAGEMENT COMMITTEE**

The Management Committee is in charge of all matters relating to the strategy, development and organization of TAQA Morocco Group. To this end, it takes all the necessary decisions to achieve TAQA Morocco's operational and financial objectives.

**WORKS COUNCIL**

Within this framework, the works Council is consulted in order to issue opinions or to give its agreement in the following fields: Structural and technological transformations that may be carried out within the company; TAQA Morocco's production strategy and the means to improve its profitability; Drawing up social projects for the benefit of the personnel and following up on them, the social balance sheet, the apprenticeship programs, the insertion training and the professional development.

**GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE COMMITTEE**

The Governance, Risk Management and Compliance Committee reviews on a regular basis the overall approach and procedures for risk management, establishes a common framework for risk identification and management and ensures that dedicated means and resources are available, ensures the deployment of best practices and international standards in operational risk management, monitors the execution of the annual audit plan and internal control plan as approved by the Audit Committee, and implements the Company's data governance. It is also the body concerned with ensuring ongoing compliance with the regulatory framework.



**HEALTH, SAFETY AND SECURITY COMMITTEE**

In line with the legal and regulatory provisions stipulated in the Charter of Social Dialogue, the Health, Safety and Security Committee is responsible, on the one hand, for implementing the legal and regulatory provisions relating to Safety, Hygiene and Health Protection in the workplace and, on the other hand, for monitoring and coordinating security measures within TAQA Morocco.

**CORPORATE SOCIAL RESPONSIBILITY AND CITIZENSHIP COMMITTEE**

The principal missions of the Corporate Social Responsibility and Citizenship Committee are to develop, propose, formalize and monitor the Company's CSR approach. It is also responsible for monitoring the CSR scorecard and regularly evaluating the CSR approach and its contribution to the Company's performance. It is also responsible for drawing up a sponsorship action plan at the beginning of each year, in line with the Company's guidelines and orientations, and ensures that it is implemented. This committee communicates the results of the CSR approach to the Company's Supervisory Board and Management Board.

**ORGANIZATION, REMUNERATION AND SOCIAL DIALOGUE COMMITTEE**

The Organization, Remuneration and Social Dialogue Committee has two missions. Firstly, it focuses on work organization and remuneration. This mission is to assist the Management Board in matters of compensation, organizational plans, succession planning and employee training. The second mission is Social Dialogue. The objective of this mission is to maintain a healthy and serene social climate through the coordination and supervision of the actions and work of the Social Dialogue Commission, created and operating in accordance with TAQA Morocco's Social Dialogue Charter.



### EQUITY, TRANSPARENCY AND INTEGRITY: TAQA MOROCCO'S CORE PRINCIPLES

TAQA Morocco operates under a Code of Deontology and a Code of Business Conduct which lay down the professional and ethical rules enabling to ensure the respect of the principles of fairness, transparency and integrity in conformity with the values of TAQA Morocco and, more generally, those of the TAQA Group.

The **Code of Ethics** lays down, in addition to the specific ethical rules pertaining to the specific activity of TAQA Morocco and to the rules of conduct dictated by the TAQA Group's Code of Business Ethics, the rules governing the use and communication of the Company's privileged information and the situations of Conflict of Interest.

This Code establishes the guiding principles and rules within TAQA Morocco to ensure that all employees have a common vision of ethical standards and that they conduct their business in accordance with these standards.

The **Code of Business Conduct** lays down the rules guaranteeing the respect of ethical values in business conduct and in particular the measures to fight against fraud and corruption as well as the management of conflicts of interest.

TAQA Morocco employees are also involved through the signature of a commitment to respect the conditions of the codes.

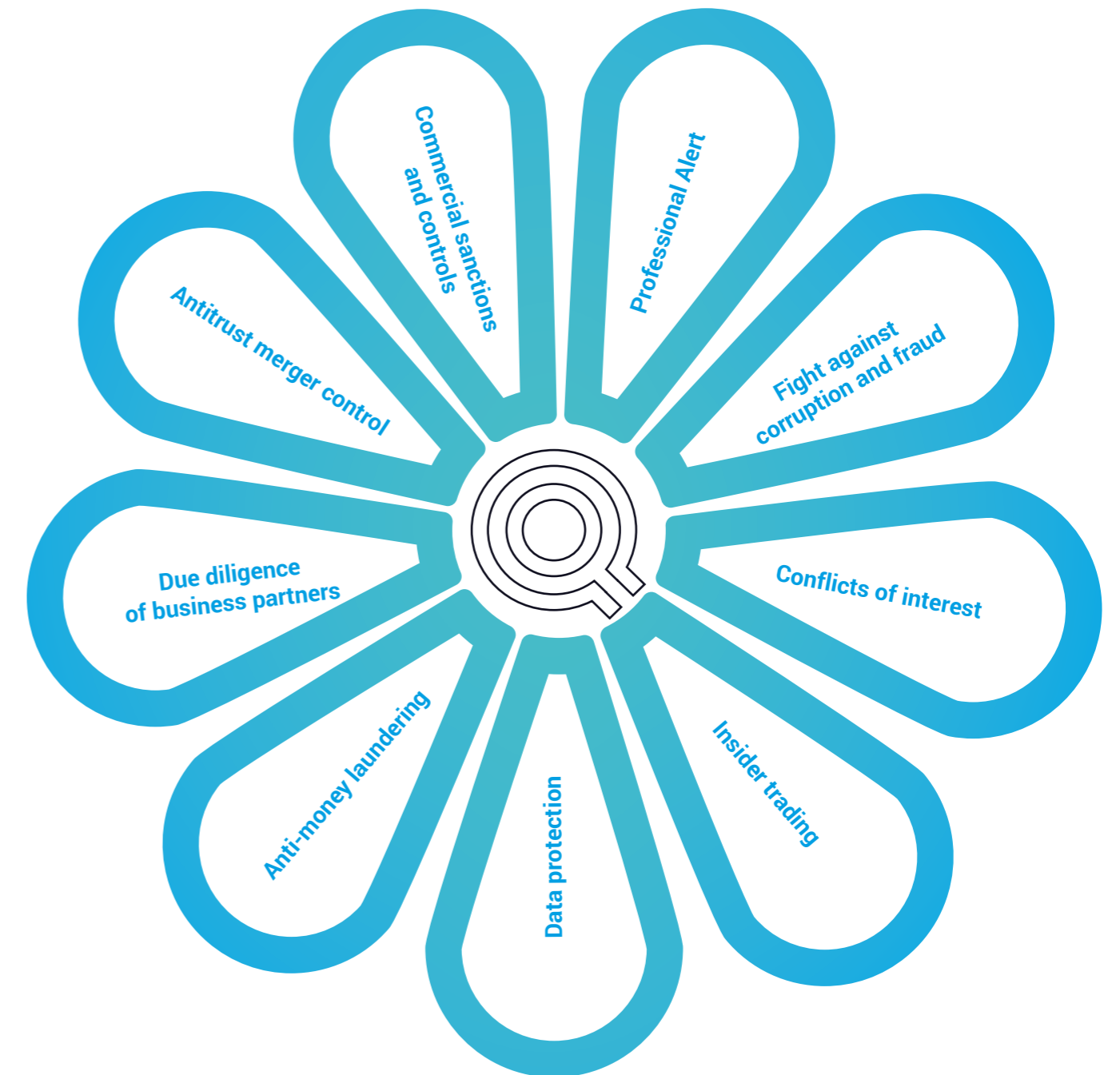
TAQA Morocco also has a **code of conduct for commercial / business partners**, as well as a director's guide which deals with the relations and responsibilities of the Supervisory Board and the Management Board and recalls the missions of the different committees.

The company is also a signatory of the CGEM's good payer's charter, its payment terms are around 45 days.

| Actions Undertaken to Prevent Corruption   | 2022 |
|--|------|
| Level of compliance with the anti-corruption policy among employees  | 100% |
| Percentage of governance body members trained on anti-corruption   | 100% |
| Number of employees who have received training in anti-corruption  | 100% |
| Actions taken in response to corruptive incidents  | 2022 |
| Total confirmed cases of corruption.   | 0    |
| Total number of proven cases where employees were dismissed or subject to disciplinary action for corruption.                                  | 0    |
| Total number of substantiated cases where contracts with business partners were terminated or not renewed due to corruption-related violations | 0    |

### TAQA MOROCCO'S STRENGTHENED ETHICS & COMPLIANCE SYSTEM

TAQA Morocco has compiled all of its rules and procedures pertaining to ethics and compliance into a single document. Policies addressed here include:



As part of a new policy, a due diligence screening process for business partners has been implemented. This approach will identify commercial partners who pose ethical and compliance issues, particularly in relation to international sanctions and trade regulations, which may jeopardize the TAQA Group's reputation. The tool's rollout is scheduled for early 2023.

To supplement the current normative framework, codes of ethics, behavior with business partners, and TAQA Morocco's business conduct and ethics were updated and/or developed.

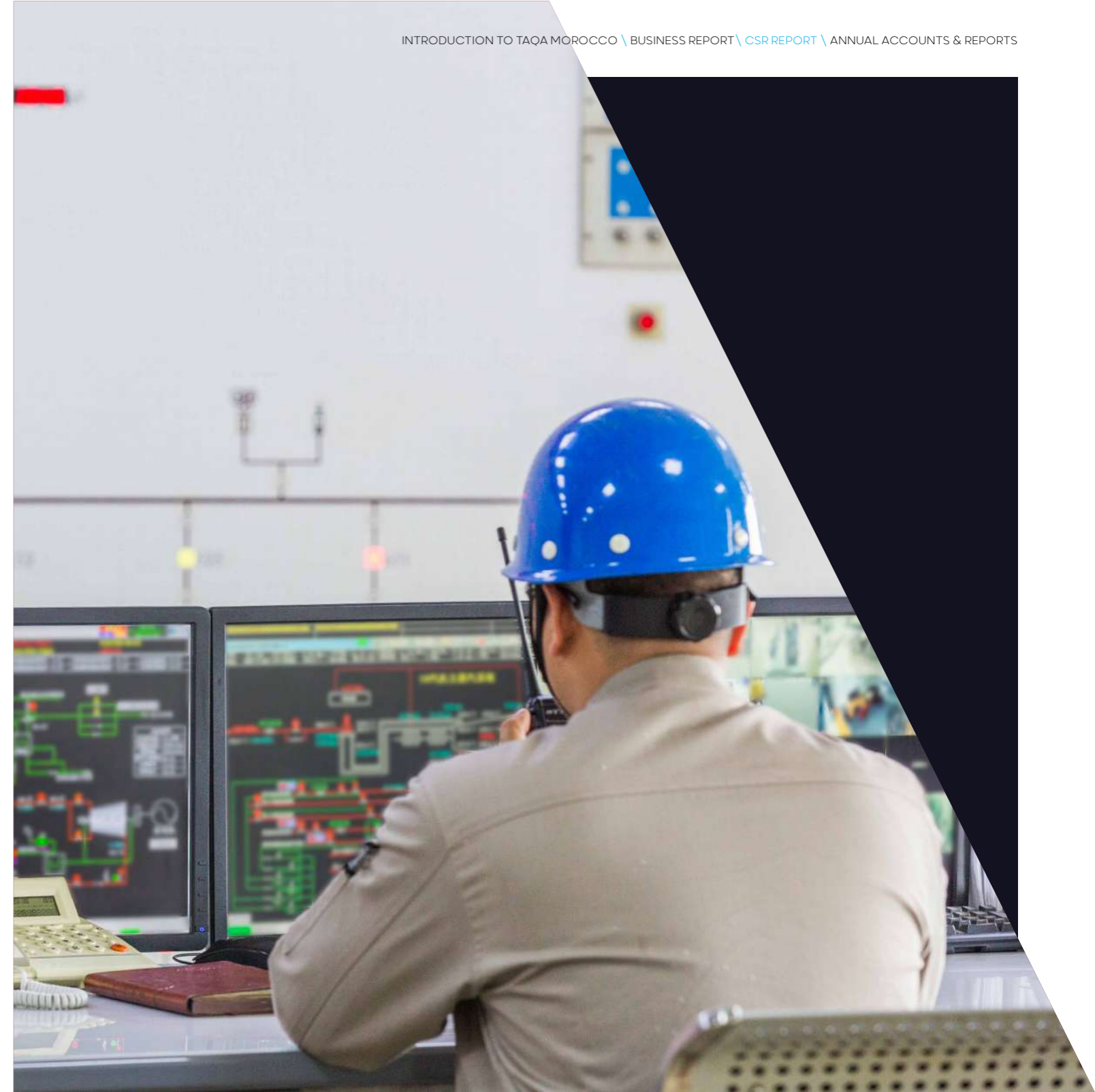
All employees received online training, as well as an awareness lesson for critical functions. Furthermore, a letter was written to TAQA Morocco's business partners informing them of the system's deployment and encouraging them to follow the terms of the Code of Conduct with Business Partners in their business ties with the company.

## SHAREHOLDER RELATIONS

Under the regulatory requirements, TAQA Morocco keeps its shareholders regularly informed through its website where all the legal publications required for any company listed on the stock exchange are recorded.

Over the course of 2022, TAQA Morocco has published its financial information on the basis of the following schedule:

- ▶ Press release on the new appointments to the Management Board of TAQA Morocco : 07/01/2022
- ▶ Press release on the indicators of Q4 2021: 24/02/2022
- ▶ Press release on the results of the financial year 2021: 18/03/2022
- ▶ Press release on the award of 5 lots for the development of solar sites to TAQA Morocco: 20/04/2022
- ▶ Notice of meeting of the ordinary general meeting of May 24, 2022: 22/04/2022
- ▶ Press release on the publication of the annual financial report 2021: 29/04/2022
- ▶ Press release on the results of Q1 2022: 12/05/2022
- ▶ Post-GM press release of May 24, 2022: 05/26/2022
- ▶ Press release on the replacement of a member of the Supervisory Board: 06/07/2022
- ▶ Press release on the results of Q2 2022 : 25/08/2022
- ▶ Press release on the results for H1 2022: 16/09/2022
- ▶ Press release on the results of the Q3 2022: 11/11/2022



# 04 ANNUAL FINANCIAL REPORTS

- ▶ FINANCIAL REPORT
- ▶ STATUTORY ACCOUNTS
- ▶ CONSOLIDATED ACCOUNTS
- ▶ STATUTORY AUDITOR'S REPORTS

# FINANCIAL REPORT AS OF DECEMBER, 31, 2022

## 1. INTRODUCTION TO TAQA MOROCCO

TAQA Morocco operates the largest independent coal-fired power plant in the Africa and Middle East region. An industrial infrastructure of 6 Units totaling 2056 MW and ranked in the top quartile of the best power plants in the world according to a global benchmark of coal-fired power plants of equivalent sizes. Listed on the Casablanca Stock Exchange since December 2013, TAQA Morocco is part of the TAQA Group, an energy operator with a global network.

TAQA Morocco contributes to more than 38% of the national electricity production with only 19% of the installed capacity in the Kingdom of Morocco and is positioned as a reference energy operator in Morocco in terms of know-how and business expertise. A competitive advantage to develop the energy mix.

As a responsible player, CSR is an integral part of TAQA Morocco's DNA. The company has an active policy in terms of social commitment and sustainable development, both in terms of responsible management of its production units in terms of environmental standards, and in terms of civic actions. The Jorf Lasfar Thermal Complex has not only anticipated the technological choices of its equipment, but above all has implemented a global environmental management program covering the entire value chain from the quality of its raw material fuel to the management of its co-products. A model of operation and industrial ecology certified according to the ISO 14001 standard since 2004.

## 2. COMPANY ACTIVITY DURING THE YEAR ENDED

### 2.1 Macroeconomic environment :

#### a) The USD/MAD exchange rate

The average USD/MAD exchange rate increased by 13% from 9.00 in 2021 to 10.20 in 2022.

#### b) Coal prices

The average purchase price of coal has increased significantly from \$76/metric ton in 2021 to \$170/metric ton in 2022 as a result of the upward trend in international prices. In addition, the API2 benchmark coal purchase price index increased on average in the international market by 142% from \$120/ton to \$290/ton.

### 2.2 Business overview

The main highlights of the power plant's activity are as follows :

- ▶ The overall annual availability level of Units 1 to 6 of the Power Plant reached a percentage of 93.9% in 2022 compared to 92.8% in 2021;
- ▶ The completion of planned minor overhauls of Units 3 and 4, each lasting 25 days, in accordance with the maintenance plan.

## 3. POST CLOSING EVENTS

-None

## PRESENTATION OF THE ANNUAL ACCOUNTS

### 4.1 Statutory accounts

#### 4.1.1 Income statement

| In MMAD  | dec-22       | déc-21       | Var 22/21    | Var 22/21 en %  |
|--|--------------|--------------|--------------|-----------------|
| Capacity charges                               | 1 829        | 1 636        | 193          | 11,8%           |
| Coal Costs                                     | 5 936        | 2 637        | 3 299        | 125,1%          |
| Other revenues                                 | 233          | 213          | 20           | 9,4%            |
| <b>Turnover</b>                                | <b>7 999</b> | <b>4 487</b> | <b>3 512</b> | <b>78,3%</b>    |
| <b>Production</b>                              | <b>7 999</b> | <b>4 487</b> | <b>3 512</b> | <b>78,3%</b>    |
| Purchases of materials and supplies            | 6 264        | 2 800        | 3 464        | 123,7%          |
| Other external expenses                        | 183          | 162          | 22           | 13,3%           |
| <b>Expenditures for the year</b>               | <b>6 447</b> | <b>2 962</b> | <b>3 485</b> | <b>117,7%</b>   |
| <b>Value added</b>                             | <b>1 552</b> | <b>1 525</b> | <b>27</b>    | <b>1,8%</b>     |
| <b>Value Added Rates (VA/Sales)</b>            | <b>19,4%</b> | <b>34,0%</b> |              | <b>-146 pbs</b> |
| Taxes and duties                               | 23           | 23           | 0            | 0,1%            |
| Payroll  | 225          | 236          | -11          | -4,8%           |
| <b>Gross Operating Income</b>                  | <b>1 304</b> | <b>1 266</b> | <b>38</b>    | <b>3,0%</b>     |
| <b>Gross Operating Margin (EBITDA / Sales)</b> | <b>16,3%</b> | <b>28,2%</b> |              | <b>-119 pbs</b> |
| Other operating income                         | 3            | 4            | -1           | -25,6%          |
| Operating reversals, expense transfers         | 99           | 20           | 78           | 390,8%          |
| Other operating expenses                       | 4            | 4            | 1            | 14,3%           |
| Amortization                                   | 385          | 379          | 6            | 1,5%            |
| <b>Operating profit</b>                        | <b>1 017</b> | <b>907</b>   | <b>110</b>   | <b>12,1%</b>    |
| <b>Operating margin</b>                        | <b>12,7%</b> | <b>20,2%</b> |              | <b>-75 pbs</b>  |
| <b>Financial income</b>                        | <b>422</b>   | <b>384</b>   | <b>37</b>    | <b>9,7%</b>     |
| Income from equity interests                   | 396          | 360          | 36           | 10,1%           |
| Foreign exchange gains                         | 11           | 7            | 4            | 56,6%           |
| Interest and other financial income            | 10           | 18           | -8           | -42,4%          |
| Financial reversals, expense transfers         | 4            | 0            | 4            | 100,0%          |
| <b>Financial expenses</b>                      | <b>178</b>   | <b>189</b>   | <b>-11</b>   | <b>-5,9%</b>    |
| Interest expenses                              | 172          | 175          | -3           | -2,0%           |
| Exchange losses                                | 5            | 9            | -4           | -45,9%          |
| Financial allowances                           | 1            | 4            | -3           | -76,7%          |
| <b>Financial income</b>                        | <b>244</b>   | <b>196</b>   | <b>48</b>    | <b>24,6%</b>    |
| <b>Current income</b>                          | <b>1 260</b> | <b>1 103</b> | <b>158</b>   | <b>14,3%</b>    |
| <b>Non-current income</b>                      | <b>54</b>    | <b>56</b>    | <b>-2</b>    | <b>-3,2%</b>    |
| Other non-current income                       | 25           | 0            | 24           | 5449,8%         |
| Non-current reversals, expense transfers       | 29           | 56           | -26          | -47,3%          |
| <b>Non-current expenses</b>                    | <b>93</b>    | <b>95</b>    | <b>-2</b>    | <b>-1,8%</b>    |
| Other non-current expenses                     | 66           | 66           | 0            | -0,3%           |
| Non-current allowances                         | 28           | 29           | -2           | 5%              |
| <b>Non-current income</b>                      | <b>-39</b>   | <b>-39</b>   | <b>0</b>     | <b>0,1%</b>     |
| <b>Income before tax</b>                       | <b>1 221</b> | <b>1 064</b> | <b>158</b>   | <b>14,8%</b>    |
| Corporate income tax                           | 282          | 226          | 56           | 24,8%           |
| <b>Net income</b>                              | <b>940</b>   | <b>838</b>   | <b>102</b>   | <b>12,1%</b>    |
| <b>Net Margin (NI/Sales)</b>                   | <b>11,7%</b> | <b>18,7%</b> |              | <b>-69 pbs</b>  |

### a) Operating income analysis

At December 31, 2022, revenues amounted to MMAD 7,999 compared with MMAD 4,487 in 2021. This evolution is analyzed as follows :

- ▶ Increase in power costs of 11.8% compared to 2021 mainly explained by:
  - ▶ The good performance of Units 1 to 4 taking into account the maintenance plan,
  - ▶ The favorable evolution of the USD/MAD exchange rate.
- ▶ Increase in energy costs of 125.1%, mainly due to the evolution of the price of coal on the international market and the favorable evolution of the USD/MAD exchange rate

Operating income increased by 12.1% compared to December 31, 2021, mainly due to the good performance of Units 1 to 4, the change in the purchase price of coal during the year compared to the API II benchmark, and the favorable change in the USD/MAD exchange rate

### b) Financial result analysis

The following table shows the structure and evolution of the financial result over the period 2021 - 2022: :

| In MMAD                             | 2022       | 2021       | Var. 22/21 |
|-------------------------------------|------------|------------|------------|
| <b>Financial Income</b>             | <b>422</b> | <b>384</b> | <b>10%</b> |
| Income from equity interests        | 396        | 360        | 10%        |
| Foreign exchange gains              | 11         | 7          | 57%        |
| Interest and other financial income | 10         | 18         | -42%       |
| Financial reversals, cost transfer  | 4          | 0          | 100%       |
| <b>Financial costs</b>              | <b>178</b> | <b>189</b> | <b>-6%</b> |
| Interest expenses                   | 172        | 175        | -2%        |
| Exchange losses                     | 5          | 9          | -46%       |
| Financial allocations               | 1          | 4          | -77%       |
| <b>Financial Results</b>            | <b>244</b> | <b>196</b> | <b>25%</b> |

At the end of 2022, net financial income will amount to MAD244 million compared with MAD196 million at the end of 2021. This increase of MAD 48 million is mainly due to : :

- ▶ The increase in dividends to be distributed by the subsidiary JLEC 5&6 for an amount of MAD 36,
- ▶ A decrease in interest expense of MAD3, mainly due to the reduction in outstanding debt,
- ▶ An increase in foreign exchange gains and losses of MAD16 million, due to changes in the USD/MAD and EUR/MAD exchange rates,
- ▶ The decrease in interest on investments for MMAD 8.

### c) Non current income analysis

Non-current income amounted to MMAD (39) at December 31, 2022 and mainly includes the Contribution Sociale de Solidarité (CSS).

### 4.1.2 Balance sheet :

| In MMAD  | 2022          | 2021          |
|--|---------------|---------------|
| <b>ASSETS</b>  |               |               |
| <b>Fixed Assets</b>  | <b>5 861</b>  | <b>5 996</b>  |
| Non-valuable assets  | 7             | 10            |
| Intangible assets  | 4 398         | 4 543         |
| Tangible fixed assets  | 255           | 242           |
| Financial assets   | 1 201         | 1 201         |
| <b>Current assets</b>  | <b>4 920</b>  | <b>3 467</b>  |
| Inventory  | 1 546         | 1 296         |
| Receivables from current assets                              | 3 361         | 2 167         |
| Exchange rate differences – Assets                           | 14            | 4             |
| <b>Cash and cash equivalents - Assets</b>                    | <b>1 175</b>  | <b>763</b>    |
| Bank Deposits, Cash & PO                                     | 768           | 146           |
| Bonds and investment securities                              | 407           | 617           |
| <b>Total ASSETS</b>  | <b>11 956</b> | <b>10 226</b> |
| <b>LIABILITIES</b>   |               |               |
| <b>Permanent funding</b>                                     | <b>8 304</b>  | <b>8 444</b>  |
| Shareholders' equity   | 4 723         | 4 609         |
| Financing debts  | 3 554         | 3 806         |
| Long-term provisions for risks and liabilities               | 28            | 29            |
| <b>Debts from current liabilities</b>                        | <b>2 960</b>  | <b>1 773</b>  |
| <b>Others provisions for risks and liabilities</b>           | <b>4</b>      | <b>7</b>      |
| <b>Translation differences - Liabilities (current items)</b> | <b>58</b>     | <b>2</b>      |
| <b>Cash and cash equivalents - Liabilities</b>               | <b>630</b>    | <b>0</b>      |
| <b>Total LIABILITIES</b>                                     | <b>11 956</b> | <b>10 226</b> |

The total balance sheet shows an increase of 17%, due to : :

- ▶ The decrease in fixed assets of MMAD 135 is mainly due to investments for the year 2022 for MMAD 222 as well as depreciation charges for the year for MMAD 358,
- ▶ Increase in current assets of MMAD 1,453 mainly as a result of :
  - ▶ The increase in trade receivables for an amount of MMAD 509 linked to the evolution of energy costs following the increase of coal prices on the international market
  - ▶ The increase in inventory accounts for MMAD 250 (mainly coal inventory for MMAD 183 due to a quantity effect and a price effect) ;
  - ▶ The increase in receivables from the government for MMAD 291 (mainly VAT credit accounts) ;
  - ▶ The increase in dividends receivable from the subsidiary JLEC 5&6 for MMAD 396.
- ▶ Decrease in net cash of MMAD 218 due to the decrease in working capital of MMAD 4 and the increase in working capital of MMAD 214.

The main changes in the balance sheet liabilities are analyzed below :

- ▶ An increase in shareholders' equity of MAD114 million, resulting from the recognition of net income in 2022 for MAD 940 million and dividends distributed in 2022 for MAD 826 million,
- ▶ Decrease in financing liabilities of MMAD 252 due to repayments during the year.
- ▶ Increase in current liabilities of MMAD 1 187 mainly analyzed as follows :
  - ▶ The increase in trade payables of MMAD 848 (mainly coal suppliers' accounts),
  - ▶ The increase in payables to the government for MMAD 56 (mainly invoiced VAT accounts),
  - ▶ The increase in translation adjustment liabilities for MMAD 56.

## 4.2 Consolidated accounts

### 4.2.1 Consolidated income statement

| In MMAD                                     | 2022          | 2021         | Var 21/22    | Var 21/22 en % |
|---|---------------|--------------|--------------|----------------|
| Capacity charges                            | 4 305         | 3 819        | 486          | 12,7%          |
| Coal Costs                                  | 8 989         | 3 709        | 5 280        | 142,4%         |
| Other revenues                              | 309           | 284          | 25           | 8,8%           |
| <b>Net sales</b>                            | <b>13 604</b> | <b>7 812</b> | <b>5 791</b> | <b>74,1%</b>   |
| Other operating income                      | 3             | 4            | -1           | -25,6%         |
| Operating write-backs & transfer of charges | 24            | 20           | 4            | 19,1%          |
| <b>Total operating income</b>               | <b>13 631</b> | <b>7 837</b> | <b>5 794</b> | <b>73,9%</b>   |
| Purchases and other external expenses       | 9 549         | 4 241        | 5 307        | 125,1%         |
| Taxes and duties                            | 24            | 24           | 0            | 0,3%           |
| Payroll                                     | 301           | 312          | -12          | -3,8%          |
| Other operating costs                       | 4             | 4            | 1            | 100,0%         |
| Depreciation and provisions                 | 840           | 824          | 16           | 2,0%           |
| <b>Total operating expenses</b>             | <b>10 718</b> | <b>5 406</b> | <b>5 312</b> | <b>98,3%</b>   |
| <b>Operating income</b>                     | <b>2 913</b>  | <b>2 431</b> | <b>482</b>   | <b>19,8%</b>   |
| <b>Operating margin (Rex/Sales)</b>         | <b>21,4%</b>  | <b>31,1%</b> |              | <b>-97 pbs</b> |
| <b>Financial result</b>                     | <b>-381</b>   | <b>-477</b>  | <b>96</b>    | <b>-20,1%</b>  |
| <b>Current income</b>                       | <b>2 532</b>  | <b>1 954</b> | <b>578</b>   | <b>29,6%</b>   |
| <b>Non-current income</b>                   | <b>-85</b>    | <b>-73</b>   | <b>-12</b>   | <b>16,4%</b>   |
| <b>Income before taxes</b>                  | <b>2 447</b>  | <b>1 881</b> | <b>566</b>   | <b>30,1%</b>   |
| <b>Pre-tax margin (EBIT/Sales)</b>          | <b>18,0%</b>  | <b>24,1%</b> |              | <b>-61 pbs</b> |
| Income taxes                                | 770           | 600          | 170          | 28,3%          |
| <b>Consolidated net income</b>              | <b>1 677</b>  | <b>1 281</b> | <b>397</b>   | <b>31,0%</b>   |
| <b>Net margin (NI/Sales)</b>                | <b>12,3%</b>  | <b>16,4%</b> |              | <b>-41 pbs</b> |
| of which net income - Group share           | 1 303         | 1 005        | 298          | 29,6%          |
| including minority interests                | 374           | 276          | 99           | 35,8%          |

Consolidated revenues will amount to MAD 13,604 million in 2022, compared with MAD 7,812 million in 2021, mainly due to :

- ▶ The good operational performance of Units 1 to 6, taking into account the completion of minor overhauls of Units 3 and 4,,
- ▶ The increase in energy costs due to the evolution of the purchase price of coal on the international market,
- ▶ The favorable evolution of the USD/MAD exchange rate.

Consolidated operating income amounted to MMAD 2,913 compared with MMAD 2,431 in 2021. This change is mainly due to the good performance of Units 1-6, the change in the average purchase price of coal compared with the API 2 international market benchmark, and the positive effect of the appreciation of the dollar against the dirham compared with 2021.

The operating margin will be 21.4% in 2022 compared with 31.1% in 2021.

The financial result increased by MAD 96 million, mainly due to the decrease in financial interests following the decrease in the outstanding debt and the increase in the exchange rate result following the favorable evolution of the USD/MAD exchange rate;

The consolidated net margin rate will thus be 12.3% in 2022 compared with 16.4% in 2021.

Net income attributable to equity holders of the parent will thus amount to MAD 1,303 million in 2022, compared with MAD 1,005 million in 2021.

### 4.2.2 Consolidated balance sheet

| In MMAD                                     | 2022          | 2021          | Var 21/22     |
|---|---------------|---------------|---------------|
| <b>ASSETS</b>                               |               |               |               |
| <b>Fixed Assets</b>                         | <b>13 577</b> | <b>13 738</b> | <b>-1,2%</b>  |
| Intangible assets                           | 4 712         | 4 934         | -4,5%         |
| Tangible fixed assets                       | 8 286         | 8 635         | -4,0%         |
| Financial assets                            | 1             | 1             | -3,9%         |
| Currency translation adjustment             | 578           | 169           | 242,5%        |
| <b>Current assets</b>                       | <b>6 558</b>  | <b>4 104</b>  | <b>59,8%</b>  |
| Inventories and work in progress            | 2 606         | 1 749         | 49,0%         |
| Operating receivables                       | 2 884         | 1 763         | 63,6%         |
| Other receivables                           | 1 068         | 593           | 80,1%         |
| <b>Cash &amp; Cash equivalents - assets</b> | <b>2 399</b>  | <b>1 553</b>  | <b>54,5%</b>  |
| of which cash investments                   | 1 124         | 1 105         | 1,6%          |
| <b>Total ASSETS</b>                         | <b>22 534</b> | <b>19 395</b> | <b>16,2%</b>  |
| <b>LIABILITIES</b>                          |               |               | <b>0</b>      |
| <b>Permanent Funding</b>                    | <b>16 752</b> | <b>16 715</b> | <b>0,2%</b>   |
| <b>Consolidated shareholders' equity</b>    | <b>7 553</b>  | <b>6 906</b>  | <b>9,4%</b>   |
| Capital                                     | 2 359         | 2 359         | 0,0%          |
| Consolidated reserves                       | 2 564         | 2 385         | 7,5%          |
| Net income                                  | 1 303         | 1 005         | 29,6%         |
| <b>Group Shareholders' equity</b>           | <b>6 226</b>  | <b>5 749</b>  | <b>8,3%</b>   |
| <b>Group share minority interests</b>       | <b>1 327</b>  | <b>1 157</b>  | <b>14,7%</b>  |
| <b>Provisions for risks &amp; charges</b>   | <b>28</b>     | <b>29</b>     | <b>-5,9%</b>  |
| <b>Financing debts</b>                      | <b>9 090</b>  | <b>9 634</b>  | <b>-5,6%</b>  |
| <b>Exchange difference liabilities</b>      | <b>81</b>     | <b>146</b>    | <b>-44,5%</b> |
| <b>Current liabilities</b>                  | <b>4 907</b>  | <b>2 680</b>  | <b>83,1%</b>  |
| Operating liabilities                       | 2 964         | 1 290         | 129,8%        |
| Other liabilities                           | 1 943         | 1 390         | 39,8%         |
| <b>Cash liabilities</b>                     | <b>875</b>    | <b>0</b>      | <b>0,0%</b>   |
| <b>Total LIABILITIES</b>                    | <b>22 534</b> | <b>19 395</b> | <b>16,2%</b>  |

The main changes in the consolidated aggregates are presented below :

- ▶ A decrease in consolidated fixed assets of MAD 161 million, mainly due to investments during the year for MAD 241 million, depreciation and amortization charges recognized as of December 31, 2022 for MAD 812 million, and an increase in the foreign currency translation adjustment on foreign currency-denominated debt for MAD 409 million.
- ▶ Current assets increased by MMAD 2,454, mainly due to the increase in operating receivables for MAD 896 and inventories for MMAD 857,
- ▶ Decrease in net cash and cash equivalents of MAD 28 million due to the increase in consolidated working capital of MAD 198 million combined with the increase in consolidated working capital requirements of MAD 226 million,
- ▶ Increase in consolidated shareholders' equity (group share) of MAD 477 million, mainly due to the recognition of net income (group share) at December 31, 2022 for MAD 1,303 million and the distribution of dividends by the TAQA Morocco Group for MAD 826 million,
- ▶ Decrease in financing liabilities of MMAD 544 mainly due to repayments during the year.

## MANAGEMENT REPORT TO THE ANNUAL GENERAL MEETING ON MAY 23, 2022

### 4.2.3 Consolidated cashflow statement

| In MMAD                                    | 31/12/2022  | 31/12/2021   | Variation  | Variation en % |
|--|-------------|--------------|------------|----------------|
| Net cashflow from operations (1)           | 2 261       | 1 965        | 306        | 16%            |
| Net cashflow from investing activities (2) | (242)       | (213)        | (29)       | 14%            |
| Net cashflow from financing activities (3) | (2 048)     | (2 042)      | (5)        | 0%             |
| <b>Change in cash position</b>             | <b>(28)</b> | <b>(301)</b> | <b>273</b> |                |

- (1) Increase in net cash flow from operating activities of MMAD 306, mainly explained by the increase in power costs resulting from the increased availability of units 1-6 as well as the favorable evolution of the USD/MAD exchange rate, on the one hand, and by the increase in working capital requirements due to the increase in trade receivables and coal inventories, following the significant increase in the price of coal on the international market.
- (2) Increase in cash flows from investing activities of MMAD (29), mainly due to the increase in investments compared to 2021. Consolidated investments as of December 31, 2022 mainly include minor overhauls of Units 3 and 4 as well as Unit maintenance projects.
- (3) Net cash flows from financing activities mainly concern the repayment of loans contracted by TAQA Morocco and JLEC 5&6 for MMAD 1,018 as well as dividends paid by the TAQA Morocco Group for MMAD 1,030.

### Dear Shareholders,

We invite you to an Ordinary Annual General Meeting, in accordance with the law and the Articles of Association, to (i) share with you the Company activity during fiscal year ending December 31,

2021, its financial results and our outlook and (ii) to submit for approval the financial year accounts for the considered fiscal year and the allocation of the results.

Mr. Abdelmajid Benjelloun Touimi and Mr. Adnane Faouzi, partners of Benjelloun Touimi Consulting and Deloitte, Statutory Auditors, will also provide general and special reports.

All corporate documents, accounts, reports and other materials and related information have been made available to the Shareholders.

## 1. COMPANY OPERATING HIGHLIGHTS DURING THE PAST FINANCIAL YEAR

### 1.1 Economic conditions :

#### a) EVOLUTION OF THE USD/MAD RATE

The average USD/MAD exchange rate has increased by 13% from 9.00 in 2021 to 10.20 in 2022.

#### b) INCREASE COAL PRICES

The average purchase price of coal has increased significantly from \$76/metric ton in 2021 to \$170/metric ton in 2022 as a result of the upward trend in international market prices.

### 1.2 Company Activities

The activity of the Plant has been marked by the following main facts:

- ▶ The overall annual availability level of the Plant's Units 1 to 6 reached a percentage of 93.9% in 2022 compared to 92.8% in 2021;
- ▶ Achieving the planned minor overhaul of the Units 3 and 4 for 25 days each.

## 2. SIGNIFICANT EVENTS OCCURRING SINCE THE END OF THE LAST FINANCIAL YEAR

Nothing to report ;

### 3. PRESENTATION OF ANNUAL ACCOUNTS

#### 3.1 Statutory accounts

##### 3.1.1 Statutory Income statement

| In MMAD  | Dec-22       | Dec-21       | Var. 22/21   | Var. 22/21 in % |
|--|--------------|--------------|--------------|-----------------|
| Capacity charges                               | 1 829        | 1 636        | 193          | 11,8%           |
| Coal Costs                                     | 5 936        | 2 637        | 3 299        | 125,1%          |
| Other revenues                                 | 233          | 213          | 20           | 9,4%            |
| <b>Turnover</b>                                | <b>7 999</b> | <b>4 487</b> | <b>3 512</b> | <b>78,3%</b>    |
| <b>Production</b>                              | <b>7 999</b> | <b>4 487</b> | <b>3 512</b> | <b>78,3%</b>    |
| Purchases of materials and supplies            | 6 264        | 2 800        | 3 464        | 123,7%          |
| Other external expenses                        | 183          | 162          | 22           | 13,3%           |
| <b>Expenditures for the year</b>               | <b>6 447</b> | <b>2 962</b> | <b>3 485</b> | <b>117,7%</b>   |
| <b>Value added</b>                             | <b>1 552</b> | <b>1 525</b> | <b>27</b>    | <b>1,8%</b>     |
| <b>Value Added Rates (VA/Sales)</b>            | <b>19,4%</b> | <b>34,0%</b> |              | <b>-146 pbs</b> |
| Taxes and duties                               | 23           | 23           | 0            | 0,1%            |
| Payroll  | 225          | 236          | -11          | -4,8%           |
| <b>Gross Operating Income</b>                  | <b>1 304</b> | <b>1 266</b> | <b>38</b>    | <b>3,0%</b>     |
| <b>Gross Operating Margin (EBITDA / Sales)</b> | <b>16,3%</b> | <b>28,2%</b> |              | <b>-119 pbs</b> |
| Other operating income                         | 3            | 4            | -1           | -25,6%          |
| Operating reversals, expense transfers         | 99           | 20           | 78           | 390,8%          |
| Other operating expenses                       | 4            | 4            | 1            | 14,3%           |
| Amortization                                   | 385          | 379          | 6            | 1,5%            |
| <b>Operating profit</b>                        | <b>1 017</b> | <b>907</b>   | <b>110</b>   | <b>12,1%</b>    |
| <b>Operating margin</b>                        | <b>12,7%</b> | <b>20,2%</b> |              | <b>-75 pbs</b>  |
| <b>Financial income</b>                        | <b>422</b>   | <b>384</b>   | <b>37</b>    | <b>9,7%</b>     |
| Income from equity interests                   | 396          | 360          | 36           | 10,1%           |
| Foreign exchange gains                         | 11           | 7            | 4            | 56,6%           |
| Interest and other financial income            | 10           | 18           | -8           | -42,4%          |
| Financial reversals, expense transfers         | 4            | 0            | 4            | 100,0%          |
| <b>Financial expenses</b>                      | <b>178</b>   | <b>189</b>   | <b>-11</b>   | <b>-5,9%</b>    |
| Interest expenses                              | 172          | 175          | -3           | -2,0%           |
| Exchange losses                                | 5            | 9            | -4           | -45,9%          |
| Financial allowances                           | 1            | 4            | -3           | -76,7%          |
| <b>Financial income</b>                        | <b>244</b>   | <b>196</b>   | <b>48</b>    | <b>24,6%</b>    |
| <b>Current income</b>                          | <b>1 260</b> | <b>1 103</b> | <b>158</b>   | <b>14,3%</b>    |
| <b>Non-current income</b>                      | <b>54</b>    | <b>56</b>    | <b>-2</b>    | <b>-3,2%</b>    |
| Other non-current income                       | 0            | 0            | 0            | -               |
| Non-current reversals, expense transfers       | 54           | 56           | -1           | -2,4%           |
| <b>Non-current expenses</b>                    | <b>93</b>    | <b>95</b>    | <b>-2</b>    | <b>-1,8%</b>    |
| Other non-current expenses                     | 66           | 66           | 0            | -0,3%           |
| Non-current allowances                         | 28           | 29           | -2           | 5%              |
| <b>Non-current income</b>                      | <b>-39</b>   | <b>-39</b>   | <b>0</b>     | <b>0,1%</b>     |
| <b>Income before tax</b>                       | <b>1 221</b> | <b>1 064</b> | <b>158</b>   | <b>14,8%</b>    |
| Corporate income tax                           | 282          | 226          | 56           | 24,8%           |
| <b>Net income</b>                              | <b>940</b>   | <b>838</b>   | <b>102</b>   | <b>12,1%</b>    |
| <b>Net Margin (NI/Sales)</b>                   | <b>11,7%</b> | <b>18,7%</b> |              | <b>-69 pbs</b>  |

#### a) Operating income breakdown

Revenues as of December 31, 2022 amounted to MMAD 7,999, compared with MMAD 4,487 in 2021. This change can be explained as follows:

- ▶ 11.8% increase in power costs compared to 2021 mainly due to:
  - ▶ The good performance of Units 1-4 given the maintenance plan,
  - ▶ Appreciation of the USD/MAD FX rate,
- ▶ 125.1% increase in coal costs, mainly due to coal price increases on the international market.

Operating income increased by 12.1% compared to December 31, 2021, mainly due to the good performance of Units 1-4 as well as the change in the purchase price of coal during the year compared to the APII index, and in the USD/MAD FX rate.

#### b) Financial results analysis

Details of the financial income structure and development over the period 2021 - 2022 are outlined below :

| In MMAD                             | 2022       | 2021       | Var. 22/21 |
|-------------------------------------|------------|------------|------------|
| <b>Financial Income</b>             | <b>422</b> | <b>384</b> | <b>10%</b> |
| Income from equity interests        | 396        | 360        | 10%        |
| Foreign exchange gains              | 11         | 7          | 57%        |
| Interest and other financial income | 10         | 18         | -42%       |
| Financial reversals, cost transfer  | 4          | 0          | 100%       |
| <b>Financial costs</b>              | <b>178</b> | <b>189</b> | <b>-6%</b> |
| Interest expenses                   | 172        | 175        | -2%        |
| Exchange losses                     | 5          | 9          | -46%       |
| Financial allocations               | 1          | 4          | -77%       |
| <b>Financial Results</b>            | <b>244</b> | <b>196</b> | <b>25%</b> |

Net financial income for 2022 comes to MMAD 244, compared with MMAD 196 at end-2021.

This increase of MMAD 48 is mainly due to:

- ▶ Higher dividends to be distributed by the subsidiary JLEC 5&6 by MMAD 36,
- ▶ The decline in interest expense of MMAD 3 mainly reflects the decrease in outstanding debt,
- ▶ An increase in foreign exchange gains of MMAD 16, due to changes in the USD/MAD and EUR/MAD FX rates,
- ▶ Lower interest on investments for MMAD 8.

### c) Non-current income analysis

The non-current income amounts to MMAD (39) as of December 31, 2022 and mainly includes the Social Solidarity Contribution (CSS).

#### 3.1.2 Balance Sheet :

| In MMAD  | 2022          | 2021          | Var. 22/21   | Var. 22/21 in % |
|--|---------------|---------------|--------------|-----------------|
| <b>ASSETS</b>  |               |               |              |                 |
| <b>Fixed Assets</b>  | <b>5 861</b>  | <b>5 996</b>  | <b>-135</b>  | <b>-2%</b>      |
| Non-valuable assets  | 7             | 10            | -3           |                 |
| Intangible assets  | 4 398         | 4 543         | -145         |                 |
| Tangible fixed assets  | 255           | 242           | 13           |                 |
| Financial assets   | 1 201         | 1 201         | 0            |                 |
| <b>Current assets</b>  | <b>4 920</b>  | <b>3 467</b>  | <b>1 453</b> | <b>42%</b>      |
| Inventory  | 1 546         | 1 296         | 250          |                 |
| Receivables from current assets                              | 3 361         | 2 167         | 1 194        |                 |
| Exchange rate differences - Assets                           | 14            | 4             | 9            |                 |
| <b>Cash and cash equivalents - Assets</b>                    | <b>1 175</b>  | <b>763</b>    | <b>412</b>   | <b>54%</b>      |
| Bank Deposits, Cash & PO                                     | 768           | 146           | 622          |                 |
| Bonds and investment securities                              | 407           | 617           | -210         |                 |
| <b>Total ASSETS</b>  | <b>11 956</b> | <b>10 226</b> | <b>1 730</b> | <b>17%</b>      |
| <b>LIABILITIES</b>   |               |               |              |                 |
| <b>Permanent Funding</b>                                     | <b>8 304</b>  | <b>8 444</b>  | <b>-140</b>  | <b>-2%</b>      |
| Shareholders' equity   | 4 723         | 4 609         | 114          |                 |
| Financing debts  | 3 554         | 3 806         | -252         |                 |
| Long-term provisions for risks and liabilities               | 28            | 29            | -2           |                 |
| <b>Debt from curring liabilities</b>                         | <b>2 960</b>  | <b>1 773</b>  | <b>1 187</b> | <b>67%</b>      |
| <b>Other provisions for risks and liabilities</b>            | <b>4</b>      | <b>7</b>      | <b>-3</b>    | <b>-49%</b>     |
| <b>Translation differences - Liabilities (current items)</b> | <b>58</b>     | <b>2</b>      | <b>56</b>    | <b>2730%</b>    |
| <b>Cash and cash equivalents - Liabilities</b>               | <b>630</b>    | <b>0</b>      | <b>630</b>   | <b>100%</b>     |
| <b>Total LIABILITIES</b>                                     | <b>11 956</b> | <b>10 226</b> | <b>1 730</b> | <b>17%</b>      |

The total balance sheet shows an increase of 17%, which can be segmented as follows:

- ▶ The MMAD 135 decrease in fixed assets is mainly due to investing expenditures for the year 2022 for MMAD 222 as well as depreciation charges amounting to MMAD 358;
- ▶ The increase in current assets of MMAD 1,453 is mainly due to:
  - ▶ Higher trade receivables totaling MMAD 509 related to changes in energy costs following the increase in coal prices on the international market,
  - ▶ An increase in inventory accounts for MMAD 250 (mainly coal inventory for MMAD 183 due to a quantity and pricing factor),
  - ▶ MMAD 291 increase in receivables to the State (mainly VAT credit accounts),
  - ▶ Dividends receivable from the JLEC 5&6 subsidiary increased by MMAD 396.
- ▶ Decrease in net cash of MMAD 218 due to a lower working capital of MMAD 4 and a higher working capital requirements of MMAD 214.

The main changes in the balance sheet liabilities are analyzed below:

- ▶ Increase in equity of MMAD 114 resulting from the recognition of net income in 2022 amounting to MMAD 940 and dividends distributed in 2022 for MMAD 826,
- ▶ Lower financing liabilities of MMAD 252 due to repayments during the year,
- ▶ Increase in current liabilities of MMAD 1 187 which can be analyzed as follows:
  - ▶ Trade payables increased by MMAD 848 (mainly coal suppliers' accounts),
  - ▶ The increase in payables to the State for MMAD 56 (mainly invoiced VAT accounts),
- ▶ A higher translation differences – liabilities (current item) for MMAD 56.

## 3.2 Consolidated accounts

### 3.2.1 Consolidated income statement

| In MMAD                                     | 2022          | 2021         | Var. 22/21   | Var. 22/21 in % |
|---|---------------|--------------|--------------|-----------------|
| Capacity charges                            | 4 305         | 3 819        | 486          | 12,7%           |
| Coal Costs                                  | 8 989         | 3 709        | 5 280        | 142,4%          |
| Other revenues                              | 309           | 284          | 25           | 8,8%            |
| <b>Net sales</b>                            | <b>13 604</b> | <b>7 812</b> | <b>5 791</b> | <b>74,1%</b>    |
| Other operating income                      | 3             | 4            | -1           | -25,6%          |
| Operating write-backs & transfer of charges | 101           | 20           | 81           | 403,8%          |
| <b>Total operating income</b>               | <b>13 708</b> | <b>7 837</b> | <b>5 871</b> | <b>74,9%</b>    |
| Purchases and other external expenses       | 9 626         | 4 241        | 5 384        | 126,9%          |
| Taxes and duties                            | 24            | 24           | 0            | 0,3%            |
| Payroll                                     | 301           | 312          | -12          | -3,8%           |
| Other operating costs                       | 4             | 4            | 1            | 100,0%          |
| Depreciation and provisions                 | 840           | 824          | 16           | 2,0%            |
| <b>Total operating expenses</b>             | <b>10 718</b> | <b>5 406</b> | <b>5 312</b> | <b>98,3%</b>    |
| <b>Operating income</b>                     | <b>2 913</b>  | <b>2 431</b> | <b>482</b>   | <b>19,8%</b>    |
| <b>Operating margin (Rex/Sales)</b>         | <b>21,4%</b>  | <b>31,1%</b> |              | <b>-97 pbs</b>  |
| <b>Financial result</b>                     | <b>-381</b>   | <b>-477</b>  | <b>96</b>    | <b>-20,1%</b>   |
| <b>Current income</b>                       | <b>2 532</b>  | <b>1 954</b> | <b>578</b>   | <b>29,6%</b>    |
| <b>Non-current income</b>                   | <b>-85</b>    | <b>-73</b>   | <b>-12</b>   | <b>16,4%</b>    |
| <b>Income before taxes</b>                  | <b>2 447</b>  | <b>1 881</b> | <b>566</b>   | <b>30,1%</b>    |
| <b>Pre-tax margin (EBIT/Sales)</b>          | <b>18,0%</b>  | <b>24,1%</b> |              | <b>-61 pbs</b>  |
| Income taxes                                | 770           | 600          | 170          | 28,3%           |
| <b>Consolidated net income</b>              | <b>1 677</b>  | <b>1 281</b> | <b>397</b>   | <b>31,0%</b>    |
| <b>Net margin (NI/Sales)</b>                | <b>12,3%</b>  | <b>16,4%</b> |              | <b>-41 pbs</b>  |
| of which net income - Group share           | 1 303         | 1 005        | 298          | 29,6%           |
| including minority interests                | 374           | 276          | 99           | 35,8%           |

Consolidated revenues in 2022 amounted to MMAD 13,604, compared with MMAD 7,812 in 2021. This change reflects mainly:

- ▶ The good operational performance of Units 1-6 given the maintenance plan,
- ▶ The increase of energy costs, mainly due to coal price increases on the international market,
- ▶ The favorable evolution of USD/MAD Fx rate.

Consolidated operating income amounted to MMAD 2,913 compared with MMAD 2,431 in 2021. This change is mainly due to the favorable evolution of the purchase price of coal compared to the APII reference index, and of the USD/MAD Fx rate, as well as to the good operational performance of Units 1-6. The operating margin rate has decreased to 21.4% in 2022 from 31.1% in 2021.

Net financial income increased by MMAD 96, mainly due to lower interest expense on borrowings as a result of the reduction in outstanding debt as well as to the increase of the foreign exchange income due to the favorable evolution of the USD/MAD Fx rate.

The consolidated net margin rate will thus be 13.3% in 2022 compared to 16.4% in 2021. The Group's share of net income amounts to MMAD 1,303 in 2022 compared to MMAD 1,005 in 2021.

### 3.2.2 Consolidated Balance Sheet

| In MMAD                                     | 2022          | 2021          | Var. 22/21   | Var. 22/21    |
|---|---------------|---------------|--------------|---------------|
| <b>ASSETS</b>                               |               |               |              |               |
| <b>Fixed Assets</b>                         | <b>13 577</b> | <b>13 738</b> | <b>-161</b>  | <b>-1,2%</b>  |
| Intangible assets                           | 4 712         | 4 934         | -221         | -4,5%         |
| Tangible fixed assets                       | 8 286         | 8 635         | -349         | -4,0%         |
| Financial assets                            | 1             | 1             | 0            | -3,9%         |
| Currency translation adjustment             | 578           | 169           | 409          | 242,5%        |
| <b>Current assets</b>                       | <b>6 558</b>  | <b>4 104</b>  | <b>2 454</b> | <b>59,8%</b>  |
| Inventories and work in progress            | 2 606         | 1 749         | 857          | 49,0%         |
| Operating receivables                       | 2 884         | 1 763         | 1 121        | 63,6%         |
| Other receivables                           | 1 068         | 593           | 475          | 80,1%         |
| <b>Cash &amp; Cash equivalents - assets</b> | <b>2 399</b>  | <b>1 553</b>  | <b>847</b>   | <b>54,5%</b>  |
| of which cash investments                   | 1 124         | 1 105         | 18           | 1,6%          |
| <b>Total ASSETS</b>                         | <b>22 534</b> | <b>19 395</b> |              | <b>16,2%</b>  |
| <b>LIABILITIES</b>                          |               |               | <b>3 139</b> | <b>0</b>      |
| <b>Permanent Funding</b>                    | <b>16 752</b> | <b>16 715</b> | <b>37</b>    | <b>0,2%</b>   |
| <b>Consolidated shareholders' equity</b>    | <b>7 553</b>  | <b>6 906</b>  | <b>647</b>   | <b>9,4%</b>   |
| Capital                                     | 2 359         | 2 359         | 0            | 0,0%          |
| Consolidated reserves                       | 2 564         | 2 385         | 179          | 7,5%          |
| Net income                                  | 1 303         | 1 005         | 298          | 29,6%         |
| <b>Group Shareholders' equity</b>           | <b>6 226</b>  | <b>5 749</b>  | <b>477</b>   | <b>8,3%</b>   |
| <b>Group share minority interests</b>       | <b>1 327</b>  | <b>1 157</b>  | <b>170</b>   | <b>14,7%</b>  |
| <b>Provisions for risks &amp; charges</b>   | <b>28</b>     | <b>29</b>     | <b>-2</b>    | <b>-5,9%</b>  |
| <b>Financing debts</b>                      | <b>9 090</b>  | <b>9 634</b>  | <b>-544</b>  | <b>-5,6%</b>  |
| <b>Exchange difference liabilities</b>      | <b>81</b>     | <b>146</b>    | <b>-65</b>   | <b>-44,5%</b> |
| <b>Current liabilities</b>                  | <b>4 907</b>  | <b>2 680</b>  | <b>2 228</b> | <b>83,1%</b>  |
| Operating liabilities                       | 2 964         | 1 288         | 1 674        | 130,2%        |
| Other liabilities                           | 1 943         | 1 392         | 553          | 39,6%         |
| <b>Cash liabilities</b>                     | <b>875</b>    | <b>0</b>      | <b>875</b>   | <b>0,0%</b>   |
| <b>Total LIABILITIES</b>                    | <b>22 534</b> | <b>19 395</b> | <b>3 139</b> | <b>16,2%</b>  |

The main changes Consolidated Balance sheets movements are presented below:

- ▶ The consolidated fixed assets decreased by MMAD 161, mainly due to investments during the year (MMAD 241), the impact of the foreign currency translation adjustment (MMAD 409) and the depreciation charge recorded at December 31, 2021 (MMAD 812),
- ▶ Increase in current assets of MMAD 2,454, mainly attributable to the increase in operating receivables for MMAD 896 and in inventories for MMAD 857,
- ▶ Net cash and cash equivalents dropped by MMAD 28, due to an increase in consolidated working capital of MMAD 198 and in consolidated working capital of MMAD 226,
- ▶ Consolidated shareholders' equity grew by MMAD 477, owing mainly to the recognition of net income attributable to the Group for MMAD 1,303 as of December 31, 2022 and the distribution of dividends by the TAQA Morocco Group for MMAD 826,
- ▶ Lower financing liabilities of MMAD 544 essentially by repayments for the year.

## 4. INVESTMENTS

Consolidated investments for financial year 2022, which amounts to MMAD 242, are mainly made of the minor outage of Units 3 and 4 of respectively, MMAD 77 and MMAD 78 and of other investments related to the exploitation of Units 1-6.

## 5. FORESEEABLE DEVELOPMENTS AND FUTURE PROSPECTS

Maintain the operational performance of Units 1 to 6 by achieving availability levels in line with forecasts:

- ▶ Pursue continuous improvement process through:
  - ▶ Hygiene, Health, Safety & Environment policy in compliance with international standard;
  - ▶ Human Resources policy;
  - ▶ Reduced maintenance and operating costs;
  - ▶ Improving the functionalities of the Information Technology System.

## 6. SUBSIDIARIES

The Company holds 66% of the share capital of JLEC 5&6, a company with an Executive Board and a Supervisory Board whose activity relates to the operation of Units 5 and 6. Information relating to JLEC 5&6 appears in Appendix 2.

## 7. ACCOUNTS PAYABLE BALANCE SCHEDULE

In accordance with the provisions of Law 32-10 supplementing Law No.15-95 forming the Commercial Code, the breakdown on December 31, 2022 of the balance of debts towards suppliers by due date (in MMAD):

| Closing date        | Supplier liabilities End of Year | Overdue <30 days | Overdue 31-60 days | Overdue 61-90 days | Overdue > 90 days |
|---------------------|----------------------------------|------------------|--------------------|--------------------|-------------------|
| December 31st, 2022 | 1 483                            | 209              | 536                | 625                | 114               |
| December 31st, 2021 | 632                              | 614              | 0                  | 0                  | 18                |

## 8. OTHER MANDATES OF THE MEMBERS OF THE SUPERVISORY BOARD ("SB")

| Taqa Morocco Supervisory Board Members   | Other Mandates   |   |  |
|--|--|---|--|
|  | Jorf Lasfar Energy Company 5&6 SA à Directoire et CS RC Casablanca 267.069 | Taqa North Africa SCA RC El Jadida 2.147                                    | Taqa Morocco Wind Corporation SA RC Casablanca 193.055 |
| <b>Farid Saleh Farid Mohamed Al Awlaqi</b><br>(Chairman of the Supervisory Board)                | Chairman of the Supervisory Board  | Permanent representative of Abu Dhabi National Energy Company PJSC (TAQA)   |  |
| <b>Abdulaziz Mohamed Abdulla Alobaidli Alhammadi</b><br>(Vice-Chairman of the Supervisory Board) |  |   |  |
| <b>M. Saeed Hamad Obaid Abuqata Aldhaheeri</b>   |  |   |  |
| <b>Abu Dhabi National Energy Company PJSC (TAQA)</b> represented by Mr Andres Calderon Acuna     | Andres Calderon Acuna  | Permanent representation of TAQA Generation LLC                             | Chairman of the Board                                  |
| <b>Hamad Abdulla Mohamed Alshorafa Al Hammadi</b>  |  |   |  |
| <b>M. Vivek Gambhir</b>  |  | Permanent representative of TAQA Generation International Operating Company |  |
| <b>Shahab Issa Hamad Abushahab Alsuwaidi</b>   |  |   |  |
| <b>S.E. Saqer Salem Mohamed Binham Alameri</b>   |  |   |  |

## 9. DECISIONS SUBMITTED TO THE ORDINARY ANNUAL GENERAL MEETING

### (A) Presentation of annual accounts

As a result of the accounts we have presented to you, the Company's profit for the year amounted to MAD 939,825,990.2.

### (B) Allocation of annual income

We suggest that you allocate and distribute the net income on December 31, 2022 as follows:

1. Net profit on December 31, 2022 (a) = 939,825,990.18 MAD.
2. Legal reserve (b) = 0 MAD.
3. New balance: (c) = (a)-(b) = 939,825,990.18 MAD.

To which is added :

4. Previous retained earnings = 0.00 Dirhams
5. Other reserves (Optional reserve) (d) = 23,786,468.91 Dirhams
6. Profit available for distribution (e) = (c)+(d) = 963,612,459.09 Dirhams
7. Dividends (f) = 35 Dirhams X 23.588.542 shares = 825,598,970.00 Dirhams\*
8. Balance to be allocated as an optional reserve (g) = (e) – (f) = 138,013,489.09 Dirhams

\* Dividends will be paid no later than September 22, 2023.

We kindly ask you to approve this allocation.

The presentation rules and valuation methods used to prepare these documents comply with the regulations in force and are identical to those adopted for previous years.

### (C) Approval of the agreements referred to in Articles 95 et seq. of Law No. 17-95 on public limited companies as amended and supplemented by Law No. 78-12

We inform you that the following agreements, concluded during previous years and whose execution continued during the fiscal year ended December 31, 2022, have been brought to the attention of the Statutory Auditors in accordance with the legal provisions in force:

- ▶ Agreement entitled Operation and Maintenance Agreement, operation and maintenance contract concluded with JLEC 5&6 and TNA,
- ▶ IPFPA protocol entitled Shared Facilities Insurance Proceeds Application Protocol, contract for processing insurance products for joint parties, between JLEC and JLEC 5&6 in the presence of TNA,
- ▶ Agreement entitled Equity Parties Agreement between TAQA, JLEC, JLEC 5&6, TAQA Power Ventures BV, TAQA International BV and the credit agent of the backers of JLEC 5&6 signed on June 20, 2012,
- ▶ Agreement entitled Operation and Maintenance Agreement, operation and maintenance contract signed between JLEC and CMS MOPCO (now TNA),
- ▶ Agreement entitled Inter-Project Funding Providers Agreement ("IPFPA") signed on January 10, 2013 between JLEC, JLEC 5 and 6 and the loan officers of JLEC and JLEC 5&6,
- ▶ Agreement entitled Support Services Agreement between the Company and JLEC 5&6 signed on January 28, 2013,
- ▶ Agreement entitled Support Services Agreement between the Company and TAQA North Africa S.C.A. ("TNA") signed on February 22, 2013.

In accordance with Law No. 78-12 amending and supplementing Law No. 17-95 relating to public limited companies, it is brought to the attention of the Supervisory Board that the company TAQA Morocco has entered into transactions during the 2020 financial year for current operations with Group entities as follows:

- ▶ Re-invoicing, by TAQA Morocco to JLEC 5&6, of water and electricity costs consumed by Units 5 and 6 and born by TAQA Morocco ;
- ▶ Re-invoicing, by TAQA North Africa to TAQA Morocco, of common installations costs ;
- ▶ Re-invoicing, by Abu Dhabi National Energy Company PJSC ("TAQA") to TAQA Morocco for business travel abroad costs.

## 10. PROPOSED RESOLUTIONS

The resolutions we submit to you correspond to our proposals.

We hope that they will meet your approval and ask you to kindly give the Executive Board discharge for its managers and the Statutory Auditors discharge for the performance of their mission during the past financial year.

Your Statutory Auditors provide the general report of the accomplishments during the said financial year.

Issued in Casablanca, February, 21, 2023

In two (2) original copies

**Mr Abdelmajid Iraqui Houssaini**  
**Chairman of the Management Board**

# ANNEXE 1

| Subsidiaries<br>(Holding more than half the capital) | Percentage holding (%) |
|--|------------------------|
| Jorf Lasfar Energy Company 5&6 S.A                   | 66                     |

## APPENDIX 2. INFORMATION REGARDING THE ACTIVITY & RESULTS OF JLEC 5&6 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Dear shareholders,

We invite you to attend the Ordinary Annual General Meeting, in accordance with the law and the articles of association of Jorf Lasfar Energy Company 5&6 («JLEC 5&6» or the «Company») in order, on the one hand, to present the activity of the Company during the financial year ending September 30, 2022, the results of this activity and our prospects for the future and, on the other hand, to submit for your approval the accounts for this financial year and the allocation of the result which emerges from the said accounts.

Mr. Adnane Faouzi, partner of Deloitte Audit, shall also read out his reports.

All corporate documents, accounts, reports and other materials and related information have been made available to you.

### 1. COMPANY OPERATING HIGHLIGHTS POSITION DURING THE PAST FINANCIAL YEAR

#### 1.1 Economic conditions :

##### a) Evolution of the USD/MAD rate

The average USD/MAD exchange rate has increased by 8.68% from 8.98 in 2021 to 9.76 in 2022.

##### b) Changes in Coal Prices

On average, the purchase price increased significantly in 2022, reaching an average of 152 USD/MT compared to 63 USD/MT in 2021. It should be noted that international coal purchase prices rised sharply in fiscal 2022.

##### c) Coal Purchases

JLEC 5&6 proceeded in 2022 to purchase an overall 2,098,988 Tons of coal for the operation of Units 5 and 6 compared to 1,708,631 Tons in 2021, taking into account the completion of the major overhaul of Unit 6 over a period of 61 days during fiscal year 2021.

#### 1.2 Activity of the Plant

The activity of the Plant has been marked by the following main facts:

- ▶ Safety: Excellent performance in terms of workplace safety with no Lost Time Accident,
- ▶ An 97.38% level of availability for Units 5 and 6 between October 1, 2021 and September 30, 2022,
- ▶ Carrying out a scheduled inspection of Unit 5 in 8 days, starting June the 12th, instead of the 11 days initially planned.

### 2. SIGNIFICANT EVENTS OCCURRING SINCE THE END OF THE LAST FISCAL YEAR

No significant event has occurred since the closing date of the 2022 fiscal year.

### 3. PRESENTATION OF ANNUAL ACCOUNTS

JLEC 5&6 achieved a net profit of MAD 1,202,457,609.29 during the fiscal year ended September 30, 2022, which can be summarized as follows:

|                      |   |                      |     |
|----------------------|---|----------------------|-----|
| ▶ Operating profit   | : | 1 904 545 427,34 MAD | [a] |
| ▶ Financial income   | : | (300 343 370,65) MAD | [b] |
| ▶ Non-current income | : | (45 888 779,40) MAD  | [c] |
| ▶ Corporate Tax      | : | (355 855 668,00) MAD |     |
| ▶ Net income         | : | 1 202 457 609,29 MAD |     |

[a] : The operating income derives from the operating margin generated by the invoicing of electrical energy for a total amount of MAD 2,343,455,287.43, less depreciation, provisions for the year and expense transfers for a total amount of MAD 438,909,860.09,

[b] : The company's financial income is derived from interest on borrowings, foreign exchange gains and losses on non-coal operating liabilities and income from cash investments. These items are detailed as follows:

|   |   |                      |
|---|---|----------------------|
| ▶ Interest expenses                         | : | MAD (296 893 595,85) |
| ▶ Net foreign exchange gains                | : | MAD (10 428 360,41)  |
| ▶ Income from investments of cash surpluses | : | MAD 6 978 585,61     |

[c] : Non-current income consists primarily of the social solidarity contribution for the year 2021 amounting to MAD 45,985,703.

### 4. INVESTMENTS UNDERTAKEN IN THE PAST FINANCIAL YEAR

In fiscal year 2022, JLEC 5&6 has committed an overall investments of MMAD 18 mainly covering operating and maintenance facilities for units 5 and 6.

### 5. PAYABLES AND RECEIVABLES SCHEDULE FOR THE PAST YEAR

In accordance with Act 32-10, the schedule of JLEC 5&6's indebtedness as of September 30, 2022 looks as follows:

|                      | Overdue  |                |                             |                                |                                |                             |
|----------------------|--|----------------|-----------------------------|--------------------------------|--------------------------------|-----------------------------|
|                      | A)<br>Supplier Liabilities -<br>End of Year<br>A=B+C+D+E+F | (B)<br>Not due | (C)<br>Overdue < 30<br>days | (D)<br>Overdue 31 –<br>60 days | (E)<br>Overdue 61 –<br>90 days | (F)<br>Overdue > 90<br>days |
| September 30th, 2021 | 302 017 723,22   | 231 499 247,20 | 61 419 426,05               | 1 910 344,33                   | 7 188 705,64                   | -                           |
| September 30th, 2022 | 1 060 772 930,21   | 640 775 116,58 | 414 087 208,02              | 2 030 973,09                   | 3 879 632,52                   | -                           |

## 6. FINANCIAL STATUS AND FUTURE PROSPECTS

► Thanks to the technical expertise and commitment of its teams, the Company's operating performance is improving and its financial indicators are steadily growing.

► The Company intends to :

- Sustain Units 5 and 6 operational performance through attaining forecasted levels of availability in accordance with projections,
- Pursue continuous improvement process through :
  - The Health, Safety, Security and Environment policy,
  - Human resources policy,
  - Maximizing the efficiency of coal consumption,
  - Enhancing maintenance operating costs and expanding supply to Asia,
  - Executing digital roadmap,
  - Optimal use of the information system,
  - Carrying out preventive maintenance projects.

## 7. OTHER MANDATES OF THE MEMBERS OF THE SUPERVISORY BOARD ("SB")

In accordance with article 142 of law n°17-95 as amended and completed by law n°20-19, the list of mandates of the Company's SC members in other boards of directors or supervisory boards includes:

| Other mandates  | Members of the Supervisory Board                   |                                   |  |
|---|--|-----------------------------------|--|
|   | M. Farid Saleh Farid Mohamed Al Alwlaqi            | M. Saeed Rashed Ali Hamad Alderei | M. Andres Calderon Acuna                           |
| <b>TAQA Morocco</b><br>SA Management Board & SB<br>RC El Jadida 2.145 | Chairman of the Supervisory Board                  | None                              | Permanent representative of legal entity SB member |
| <b>Taqa North Africa</b><br>SCA<br>RC El Jadida 2.147                 | Permanent representative of legal entity SB member | None                              | Permanent representative of legal entity SB member |
| <b>TAQA Morocco Wind Corporation SA</b><br>RC Casablanca 193055       | None   | None                              | Board Director                                     |

## 8. DECISIONS SUBMITTED TO THE ORDINARY ANNUAL GENERAL MEETING

### (A) Presentation of annual accounts

As a result of the accounts we have presented to you, the Company's profit for the year amounted to MAD 1,202,457,609.29.

### (B) Allocation of Annual Income

We suggest that you allocate and distribute the net income on September 30, 2022 as follows:

|  |                   |                       |
|--|-------------------|-----------------------|
| ► Net profit on September 30, 2022               | (a) =             | 1,202,457,609.29 MAD. |
| ► Legal reserve                                  | (b) =             | 00,00 MAD.            |
| ► New balance                                    | (c) = (a)-(b) =   | 1,202,457,609.29 MAD. |
| To which is added :                              |                   |                       |
| ► Previous retained earnings                     | =                 | 0,00 MAD              |
| ► Previous optional reserves                     | (d) =             | 1,382,598,144.20 MAD  |
| ► Profit available for distribution              | (e) = (c)+(d) =   | 2,585,055,753.49 MAD  |
| ► Dividends                                      | (f) =             | 600,000,000.00 MAD    |
| ► Balance to be allocated as an optional reserve | (g) = (e) - (f) = | 1,985,055,753.49 MAD  |

We kindly request that you approve this allocation.

### (C) Approval of the agreements referred to in Articles 95 et seq. of Law No. 17-95 on public limited companies as amended and supplemented by Law No. 20-05 and No. 78-12

No new agreement, of the nature referred to in Article 95 of Law 17-95, was concluded during the fiscal year ended September 30, 2022,

We inform you that the following agreements, concluded during previous years and whose execution continued during the fiscal year ended September 30, 2022, have been brought to the attention of the Statutory Auditors in accordance with the legal provisions in force :

- Inter-Project Funding Providers Agreement (« IPFPA ») executed as of January 10, 2013 as amended and supplemented on July 16, 2020 between TAQA MOROCCO Inc, JLEC 5&6 and the Loan Officers of TAQA MOROCCO Inc and JLEC 5&6,
- Subordinated Loan Agreement between the Company and TAQA International BV dated January 22, 2013,
- Support Services Agreement between the Company and TAQA MOROCCO Inc dated January 28, 2013,
- Re-invoicing Agreement for consulting, travel and other expenses incurred by Abu Dhabi National Energy Company PJSC (« TAQA ») on behalf of the Company,
- Operation and Maintenance Agreement with TAQA MOROCCO Inc., TNA and ONEE,
- Agreement entitled Equity Parties Agreement (EPA) between TAQA, TAQA MOROCCO Inc, JLEC 5&6, TAQA Power Ventures BV, TAQA International BV and the credit agent of the backers of JLEC 5&6,
- Shared Facilities Insurance Proceeds Application Protocol (« SFIPAP ») between JLEC 5&6 and TAQA MOROCCO Inc in the presence of TNA,

- ▶ Sublease agreement signed on August 1, 2019 between the Company as lessee and TAQA North Africa, sub-lessee,
- ▶ Lease agreement effective August 1, 2019 between the Company as lessee and TAQA Morocco Wind Corporation as sub-lessee.

In accordance with Law No. 78-12 amending and supplementing Law No. 17-95 relating to public limited companies, it is brought to the attention of the Supervisory Board that the company JLEC 5&6 has entered into transactions during the 2022 financial year for current operations with Group entities as follows:

- ▶ Re-invoicing, by TAQA Morocco to JLEC 5&6, for water and electricity costs consumed by Units 5 and 6 and born by TAQA Morocco,
- ▶ Re-invoicing, by TAQA North Africa to JLEC 5&6, of the charges for common installations born by TAQA North Africa,
- ▶ Re-invoicing, by TAQA Morocco to JLEC 5&6, of coal consumed by Units 5 and 6 and born by TAQA Morocco,
- ▶ Re-invoicing, by Abu Dhabi National Energy Company PJSC ("TAQA") to JLEC 5&6 of charges related to the costs of business travel abroad and other expenses incurred on behalf of JLEC 5&6.
- ▶ Re-invoicing, by TAQA Morocco to JLEC 5&6, of licenses renewal fees born by TAQA Morocco on behalf of JLEC 5&6

## 9. PROPOSED RESOLUTIONS

The resolutions we submit to you correspond to our proposals.

We hope that they will meet your approval and ask you to kindly give the Executive Board discharge for its managers and the Statutory Auditors discharge for the performance of their mission during the past financial year.

The Statutory Auditors describe in their general report the performance of their respective duties during the year.

Issued in Casablanca, on December 20, 2022

In two (2) original copies

**Mr. Abdelmajid Iraqui Houssaini**  
**Chairman of the Management Board**

# Statutory accounts

## BALANCE SHEET ASSET

|   | CURRENT YEAR     |                          |                           | PREVIOUS YEAR            |
|---|------------------|--------------------------|---------------------------|--------------------------|
|   | Moroccan Dirhams | GROSS                    | Dep/Amort. and provisions | Net                      |
| <b>CAPITALIZED COST (A)</b>                       |                  | <b>17 238 266,89</b>     | <b>10 342 960,08</b>      | <b>6 895 306,81</b>      |
| * Pre-Operating Costs                             |                  |                          |                           |                          |
| * Deferred Expenditures                           |                  | 17 238 266,89            | 10 342 960,08             | 6 895 306,81             |
| * Bond Reimbursement Costs                        |                  |                          |                           |                          |
| <b>INTANGIBLE ASSETS (B)</b>                      |                  | <b>13 880 662 067,15</b> | <b>9 482 666 405,88</b>   | <b>4 397 995 661,27</b>  |
| * Research and development Costs                  |                  |                          |                           |                          |
| * Licenses, trademarks, rights and similar values |                  | 12 645 970 070,83        | 8 588 559 664,44          | 4 057 410 406,39         |
| * Goodwill  |                  |                          |                           |                          |
| * Other intangible assets                         |                  | 1 234 691 996,32         | 894 106 741,44            | 340 585 254,88           |
| <b>FIXED ASSETS (C)</b>                           |                  | <b>1 059 492 366,88</b>  | <b>804 373 712,44</b>     | <b>255 118 654,44</b>    |
| * Land  |                  |                          |                           |                          |
| * Constructions                                   |                  | 9 389 548,11             | 3 175 818,76              | 6 213 729,35             |
| * Technical installations, tools and equipment    |                  | 666 170 384,82           | 544 322 955,12            | 121 847 429,70           |
| * Vehicles  |                  | 1 963 390,53             | 1 757 723,33              | 205 667,20               |
| * Office furniture and equipment and furnishing   |                  | 291 280 727,17           | 254 803 244,73            | 36 477 482,44            |
| * Other fixed assets                              |                  | 313 970,50               | 313 970,50                |                          |
| * Fixed assets in progress                        |                  | 90 374 345,75            |                           | 90 374 345,75            |
| <b>LONG TERM FINANCIAL ASSETS (D)</b>             |                  | <b>1 200 521 285,76</b>  |                           | <b>1 200 521 285,76</b>  |
| * Loans   |                  | 72 222,90                |                           | 72 222,90                |
| * Other long term financial assets                |                  | 449 462,86               |                           | 449 462,86               |
| * Shares, Interests                               |                  | 1 199 999 600,00         |                           | 1 199 999 600,00         |
| * Other investments                               |                  |                          |                           |                          |
| <b>LONG TERM EXCHANGE FLUCTUATION (E)</b>         |                  |                          |                           |                          |
| * Decrease in long term assets                    |                  |                          |                           |                          |
| * Increase in long term liabilities               |                  |                          |                           |                          |
| <b>TOTAL I (A+B+C+D+E)</b>                        |                  | <b>16 157 913 986,68</b> | <b>10 297 383 078,40</b>  | <b>5 860 530 908,28</b>  |
| <b>INVENTORIES (F)</b>                            |                  | <b>1 572 461 494,09</b>  | <b>26 856 127,03</b>      | <b>1 545 605 367,06</b>  |
| * Merchandises                                    |                  |                          |                           |                          |
| * Consumables                                     |                  | 1 572 461 494,09         | 26 856 127,03             | 1 545 605 367,06         |
| * Work in progress                                |                  |                          |                           |                          |
| * Intermediary inventories                        |                  |                          |                           |                          |
| * Finished goods                                  |                  |                          |                           |                          |
| <b>CURRENT ASSETS (G)</b>                         |                  | <b>3 361 057 078,31</b>  |                           | <b>3 361 057 078,31</b>  |
| * Suppliers advances                              |                  | 7 301 776,20             |                           | 7 301 776,20             |
| * Trade receivables                               |                  | 1 553 554 345,14         |                           | 1 553 554 345,14         |
| * Employee  |                  | 2 209 057,11             |                           | 2 209 057,11             |
| * Recoverable VAT                                 |                  | 844 223 037,17           |                           | 844 223 037,17           |
| * Affiliates current accounts                     |                  |                          |                           |                          |
| * Other debtors                                   |                  | 953 690 191,67           |                           | 953 690 191,67           |
| * Prepaid   |                  | 78 671,02                |                           | 78 671,02                |
| <b>SHORT TERM INVESTMENTS (H)</b>                 |                  | <b>407 262 794,88</b>    | <b>27 533,23</b>          | <b>407 235 261,65</b>    |
| <b>SHORT TERM EXCHANGE FLUCTUATION (I)</b>        |                  | <b>13 673 299,07</b>     |                           | <b>13 673 299,07</b>     |
| <b>TOTAL II (F+G+H+I)</b>                         |                  | <b>5 354 454 666,35</b>  | <b>26 883 660,26</b>      | <b>5 327 571 006,09</b>  |
| <b>Cash and Banks</b>                             |                  | <b>767 892 757,55</b>    |                           | <b>767 892 757,55</b>    |
| * Checks & cash in transit                        |                  |                          |                           |                          |
| * Banks   |                  | 767 882 064,50           |                           | 767 882 064,50           |
| * Petty cash                                      |                  | 10 693,05                |                           | 10 693,05                |
| <b>TOTAL III</b>                                  |                  | <b>767 892 757,55</b>    |                           | <b>767 892 757,55</b>    |
| <b>TOTAL GÉNÉRAL I+II+III</b>                     |                  | <b>22 280 261 410,58</b> | <b>10 324 266 738,66</b>  | <b>11 955 994 671,92</b> |

## BALANCE SHEET LIABILITY

|  | Moroccan Dirhams               | CURRENT YEAR             | PREVIOUS YEAR            |
|--|--------------------------------|--------------------------|--------------------------|
|  | <b>SHAREHOLDERS EQUITY (A)</b> |                          |                          |
| * 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           |
| * Investment reserve                         |                                |                          |                          |
| * Other reserves                             |                                | 23 786 468,91            | 11 301 456,23            |
| * Retained earnings (2)                      |                                |                          |                          |
| * Earnings to be allocated (2)               |                                |                          |                          |
| * Net earnings (2)                           |                                | 939 825 990,18           | 838 083 982,68           |
| <b>Total shareholders equity (A)</b>         |                                | <b>4 723 156 789,09</b>  | <b>4 608 929 768,91</b>  |
| <b>ASSIMILATED EQUITY (B)</b>                |                                |                          |                          |
| * Investment Subsidy                         |                                |                          |                          |
| * Regulated reserves                         |                                |                          |                          |
| <b>LONG TERM FINANCIAL DEBTS (C)</b>         |                                | <b>3 553 711 962,58</b>  | <b>3 806 104 771,14</b>  |
| * Bonds issued                               |                                | 2 324 999 700,00         | 2 474 999 820,00         |
| * Other long term financial debts            |                                | 1 228 712 262,58         | 1 331 104 951,14         |
| <b>LONG TERM PROVISIONS (D)</b>              |                                | <b>27 538 690,00</b>     | <b>29 267 253,00</b>     |
| * Risk provisions                            |                                |                          |                          |
| * Provisions for costs                       |                                | 27 538 690,00            | 29 267 253,00            |
| <b>LONG TERM EXCHANGE FLUCTUATION (E)</b>    |                                |                          |                          |
| * Increase in receivables                    |                                |                          |                          |
| * Reduction in financial debt                |                                |                          |                          |
| <b>TOTAL I ( A + B + C + D + E )</b>         |                                | <b>8 304 407 441,67</b>  | <b>8 444 301 793,05</b>  |
| <b>CURRENT LIABILITIES (F)</b>               |                                | <b>2 960 237 100,90</b>  | <b>1 772 891 407,67</b>  |
| * Trade payables                             |                                | 1 838 530 631,32         | 990 706 620,53           |
| * Client advances                            |                                | 23 909 982,09            | 28 761 250,91            |
| * Employee                                   |                                | 61 858 860,08            | 53 898 087,46            |
| * Social security / Pension funds            |                                | 7 952 958,44             | 8 197 762,30             |
| * State                                      |                                | 258 207 034,09           | 200 753 984,11           |
| * Affiliates current accounts                |                                | 3 401 697,19             | 1 697,19                 |
| * Other creditors                            |                                | 743 115 746,45           | 459 660 075,86           |
| * Accruals                                   |                                | 23 260 191,24            | 30 911 929,31            |
| <b>OTHER PROVISIONS (G)</b>                  |                                | <b>3 652 821,69</b>      | <b>7 113 946,45</b>      |
| <b>SHORT TERM EXCHANGE FLUCTUATION (H)</b>   |                                | <b>57 697 307,66</b>     | <b>2 038 604,53</b>      |
| <b>TOTAL II ( F + G + H )</b>                |                                | <b>3 021 587 230,25</b>  | <b>1 782 043 958,65</b>  |
| <b>BANK-OVERDRAFTS</b>                       |                                |                          |                          |
| * Discounted bills                           |                                |                          |                          |
| * Overdrafts                                 |                                | 630 000 000,00           |                          |
| * Banks (Credit balance)                     |                                |                          |                          |
| <b>TOTAL III</b>                             |                                | <b>630 000 000,00</b>    |                          |
| <b>TOTAL GÉNÉRAL ( I + II + III )</b>        |                                | <b>11 955 994 671,92</b> | <b>10 226 345 751,70</b> |

(1) Debtor personal equity

(2) Profit (+), Loss (-)

**INCOME STATEMENT**

Moroccan Dirhams

From January 2022 to December 2022

|   | NATURE   | OPERATIONS              |                          | CURRENT YEAR<br>3= 1 + 2 | PREVIOUS YEAR<br>4      |
|---|--|-------------------------|--------------------------|--------------------------|-------------------------|
|   |  | Related to this year    | Related to Previous year |                          |                         |
|   |  | 1                       | 2                        |                          |                         |
| EXPLOITATION  | <b>I OPERATING REVENUES</b>                                  |                         |                          |                          |                         |
|   | * Sales of goods   |                         |                          |                          |                         |
|   | * Sales of services and produced goods                       |                         |                          |                          |                         |
|   | * Turnover   | 7 998 811 511,77        |                          | 7 998 811 511,77         | 4 486 843 566,27        |
|   | * Inventory variation (+/-) (1)                              |                         |                          |                          |                         |
|   | * Self-constructed fixed asset                               |                         |                          |                          |                         |
|   | * Operating subsidy  |                         |                          |                          |                         |
|   | * Other revenues   | 3 037 326,54            |                          | 3 037 326,54             | 4 080 236,35            |
|   | * Operating expense adjustments; operating expense transfers | 98 543 238,50           |                          | 98 543 238,50            | 20 076 770,00           |
|   | <b>TOTAL I</b>   | <b>8 100 392 076,81</b> |                          | <b>8 100 392 076,81</b>  | <b>4 511 000 572,62</b> |
|   | <b>II OPERATING EXPENSES</b>                                 |                         |                          |                          |                         |
|   | * Sales purchase value (2)                                   |                         |                          |                          |                         |
|   | * Raw materials and consumables consumptions (2)             | 6 263 695 683,58        |                          | 6 263 695 683,58         | 2 799 959 599,73        |
|   | * Other external expenses                                    | 183 101 903,27          |                          | 183 101 903,27           | 161 556 137,30          |
|   | * Taxes  | 23 393 980,77           |                          | 23 393 980,77            | 23 391 875,16           |
|   | * Labor costs  | 224 929 885,94          |                          | 224 929 885,94           | 236 378 587,38          |
| * Other operating expenses                                    | 4 000 000,00   |                         | 4 000 000,00             | 3 500 000,00             |                         |
| * Current year operating depreciations and provisions         | 384 671 706,34   |                         | 384 671 706,34           | 379 123 168,51           |                         |
| <b>TOTAL II</b>   | <b>7 083 793 159,90</b>                                      |                         | <b>7 083 793 159,90</b>  | <b>3 603 909 368,08</b>  |                         |
| <b>III OPERATING RESULT (I - II)</b>                          | <b>1 016 598 916,91</b>                                      |                         | <b>1 016 598 916,91</b>  | <b>907 091 204,54</b>    |                         |
| <b>IV FINANCIAL REVENUES</b>                                  |  |                         |                          |                          |                         |
| * Revenues from investments                                   | 395 995 908,04   |                         | 395 995 908,04           | 359 696 313,11           |                         |
| * Exchange gains  | 10 788 130,06  |                         | 10 788 130,06            | 6 889 779,71             |                         |
| * Interest income   | 10 270 268,19  |                         | 10 270 268,19            | 17 837 860,41            |                         |
| * Financial expense adjustments ; Financial expense transfers | 4 475 640,01   |                         | 4 475 640,01             |                          |                         |
| <b>TOTAL IV</b>   | <b>421 529 946,30</b>  |                         | <b>421 529 946,30</b>    | <b>384 423 953,23</b>    |                         |
| <b>V FINANCIAL EXPENSES</b>                                   |  |                         |                          |                          |                         |
| * Interest costs  | 171 677 398,12   |                         | 171 677 398,12           | 175 156 431,60           |                         |
| * Exchange losses   | 4 920 728,68   |                         | 4 920 728,68             | 9 094 430,68             |                         |
| * Other financial costs                                       |  |                         |                          |                          |                         |
| * Current year financial depreciations and provisions         | 1 042 048,48   |                         | 1 042 048,48             | 4 475 764,01             |                         |
| <b>TOTAL V</b>  | <b>177 640 175,28</b>  |                         | <b>177 640 175,28</b>    | <b>188 726 626,29</b>    |                         |
| <b>VI FINANCIAL INCOME (IV - V)</b>                           | <b>243 889 771,02</b>  |                         | <b>243 889 771,02</b>    | <b>195 697 326,94</b>    |                         |
| <b>VII CURRENT INCOME (III + VI)</b>                          | <b>1 260 488 687,93</b>                                      |                         | <b>1 260 488 687,93</b>  | <b>1 102 788 531,48</b>  |                         |
| <b>VIII UNUSUAL REVENUES</b>                                  |  |                         |                          |                          |                         |
| * Proceeds from fixed assets disposals                        |  |                         |                          | 298 000,00               |                         |
| * Balance subsidy   |  |                         |                          |                          |                         |
| * Investment subsidy / Current year                           |  |                         |                          |                          |                         |
| * Other unusual revenues                                      | 24 930 328,17  |                         | 24 930 328,17            | 151 209,44               |                         |
| * Unusual expenses reductions ; Unusual expenses transfer     | 29 267 253,00  |                         | 29 267 253,00            | 55 529 768,00            |                         |
| <b>TOTAL VIII</b>   | <b>54 197 581,17</b>   |                         | <b>54 197 581,17</b>     | <b>55 978 977,44</b>     |                         |
| <b>IX Unusual expenses</b>                                    |  |                         |                          |                          |                         |
| * Sold fixed assets net book value                            |  |                         |                          |                          |                         |
| * Subsidies awarded   |  |                         |                          |                          |                         |
| * Other unusual expenses                                      | 65 773 244,92  |                         | 65 773 244,92            | 65 777 659,74            |                         |
| * Non current depreciation and provision                      | 27 538 690,00  |                         | 27 538 690,00            | 29 267 253,00            |                         |
| <b>TOTAL IX</b>   | <b>93 311 934,92</b>   |                         | <b>93 311 934,92</b>     | <b>95 044 912,74</b>     |                         |
| <b>X UNUSUAL INCOME (VIII - IX)</b>                           | <b>(39 114 353,75)</b>                                       |                         | <b>(39 114 353,75)</b>   | <b>(39 065 935,30)</b>   |                         |
| <b>XI PRETAX INCOME (VII + X)</b>                             | <b>1 221 374 334,18</b>                                      |                         | <b>1 221 374 334,18</b>  | <b>1 063 722 596,18</b>  |                         |
| <b>XII INCOME TAX</b>   | <b>281 548 344,00</b>  |                         | <b>281 548 344,00</b>    | <b>225 638 613,50</b>    |                         |
| <b>XIII NET EARNINGS (XI - XII)</b>                           | <b>939 825 990,18</b>  |                         | <b>939 825 990,18</b>    | <b>838 083 982,68</b>    |                         |
| <b>XIV TOTAL REVENUES ( I + IV + VIII )</b>                   |  |                         | <b>8 576 119 604,28</b>  | <b>4 951 403 503,29</b>  |                         |
| <b>XV TOTAL EXPENSES ( II + V + IX + XII )</b>                |  |                         | <b>7 636 293 614,10</b>  | <b>4 113 319 520,61</b>  |                         |
| <b>XVI NET PROFIT (total revenues - total expenses)</b>       |  |                         | <b>939 825 990,18</b>    | <b>838 083 982,68</b>    |                         |

(1) Inventory variation : Ending inventory - Initial Inventory ; Increase (+) ; Decrease (-)

(2) Raw materials and consumables consumptions : Purchases - inventory variation

**STATEMENT OF MANAGEMENT'S BALANCES**

I. SUMMARY OF RESULT FORMATION (TFR)

|  |  | Moroccan Dirhams | CURRENT YEAR            | PREVIOUS YEAR           |
|--|--|------------------|-------------------------|-------------------------|
| 1  | Sales  |                  |                         |                         |
| 2  | - Sales purchase value                                   |                  |                         |                         |
| <b>I</b>   | <b>= GROSS MARGIN ON COMMERCIAL ACTIVITIES</b>           |                  |                         |                         |
|  | <b>+ PRODUCTION (3+4+5)</b>                              |                  | <b>7 998 811 511,77</b> | <b>4 486 843 566,27</b> |
| 3  | * sales of goods and produced services                   |                  | 7 998 811 511,77        | 4 486 843 566,27        |
| 4  | * Inventory variation                                    |                  |                         |                         |
| 5  | * Self-constructed fixed asset                           |                  |                         |                         |
|  | <b>- CONSUMPTION (6+7)</b>                               |                  | <b>6 446 797 586,85</b> | <b>2 961 515 737,03</b> |
| 6  | * Cost of goods sold                                     |                  | 6 263 695 683,58        | 2 799 959 599,73        |
| 7  | * Other external expenses                                |                  | 183 101 903,27          | 161 556 137,30          |
| <b>IV</b>  | <b>= ADDED VALUE (I+II-III)</b>                          |                  | <b>1 552 013 924,92</b> | <b>1 525 327 829,24</b> |
| 8  | + Operating subsidy                                      |                  |                         |                         |
| 9  | - Taxes  |                  | 23 393 980,77           | 23 391 875,16           |
| 10   | - Payroll and Salaries                                   |                  | 224 929 885,94          | 236 378 587,38          |
|  | <b>= OPERATING SURPLUS</b>                               |                  | <b>1 303 690 058,21</b> | <b>1 265 557 366,70</b> |
|  | <b>= OR OPERATING DEFICIT</b>                            |                  |                         |                         |
| 11   | + Other operation revenues                               |                  | 3 037 326,54            | 4 080 236,35            |
| 12   | - Other operation expenses                               |                  | 4 000 000,00            | 3 500 000,00            |
| 13   | + Operating costs reductions; operating expense transfer |                  | 98 543 238,50           | 20 076 770,00           |
| 14   | - Operating depreciations                                |                  | 384 671 706,34          | 379 123 168,51          |
| <b>VI</b>  | <b>= OPERATING INCOME (+ ou -)</b>                       |                  | <b>1 016 598 916,91</b> | <b>907 091 204,54</b>   |
| <b>VII</b>   | <b>+ ou - FINANCIAL INCOME (LOSS)</b>                    |                  | <b>243 889 771,02</b>   | <b>195 697 326,94</b>   |
| <b>VIII</b>  | <b>= USUAL INCOME (+ or -)</b>                           |                  | <b>1 260 488 687,93</b> | <b>1 102 788 531,48</b> |
| <b>IX</b>  | <b>+ ou - UNUSUAL INCOME (LOSS)</b>                      |                  | <b>(39 114 353,75)</b>  | <b>(39 065 935,30)</b>  |
| 15   | - INCOME TAX   |                  | 281 548 344,00          | 225 638 613,50          |
| <b>X</b>   | <b>= Net earnings (LOSS) (+ or -)</b>                    |                  | <b>939 825 990,18</b>   | <b>838 083 982,68</b>   |
| <b>II. SELF-FINANCING CAPACITY (SFC) -- SELF-FINANCING</b> |  |                  |                         |                         |
|  | Net result of current year                               |                  |                         |                         |
| 1  | * profit +   |                  | 939 825 990,18          | 838 083 982,68          |
|  | * Loss -   |                  |                         |                         |
| 2  | + Operating depreciation                                 |                  | 357 815 579,31          | 357 821 442,85          |
| 3  | + Financial depreciation                                 |                  |                         |                         |
| 4  | + Unusual depreciation                                   |                  | 27 538 690,00           | 29 267 253,00           |
| 5  | - Operating costs reductions                             |                  |                         |                         |
| 6  | - Financial costs reductions                             |                  |                         |                         |
| 7  | - Unusual costs reductions                               |                  | 29 267 253,00           | 25 851 518,00           |
| 8  | - Revenues from fixed assets sales                       |                  |                         | 298 000,00              |
| 9  | + Net book values of sold fixed assets                   |                  |                         |                         |
| <b>I</b>   | <b>SELF-FINANCING CAPACITY (SFC)</b>                     |                  | <b>1 295 913 006,49</b> | <b>1 199 023 160,53</b> |
| 10   | - Distribution of dividends                              |                  | 825 598 970,00          | 825 598 970,00          |
| <b>II</b>  | <b>SELF-FINANCING</b>                                    |                  | <b>470 314 036,49</b>   | <b>373 424 190,53</b>   |

(1) except for depreciation of current assets, current liabilities and treasury

(2) except for reversal of provisions relating to current assets and treasury

(3) including recovery of investment grants

## STATEMENT OF CASH FLOW

### I. SUMMARY OF BALANCE SHEET TOTALS

| Moroccan Dirhams           |                  |                  |                  |                  |
|----------------------------|------------------|------------------|------------------|------------------|
| AGGREGATES                 | YEAR<br>N        | YEAR<br>N-1      | VARIATION A-B    |                  |
|                            |                  |                  | USES C           | SOURCES D        |
| 1 Long Term Liabilities    | 8 304 407 441,67 | 8 444 301 793,05 | 139 894 351,38   | -                |
| 2 Long Term Assets         | 5 860 530 908,28 | 5 995 900 526,36 | -                | 135 369 618,08   |
| 3 Working capital (1-2)    | 2 443 876 533,39 | 2 448 401 266,69 | 4 524 733,30     | -                |
| 4 Current Assets           | 5 327 571 006,09 | 4 084 329 014,03 | 1 243 241 992,06 | -                |
| 5 Current Liabilities      | 3 021 587 230,25 | 1 782 043 958,65 | -                | 1 239 543 271,60 |
| 6 Net Current Assets (4-5) | 2 305 983 775,84 | 2 302 285 055,38 | 3 698 720,46     | -                |
| 7 Net Cash (3-6) A - B     | 137 892 757,55   | 146 116 211,31   | -                | 8 223 453,76     |

### II. USES AND SOURCES OF FUNDS

|   | Current               |                       | Previous Period       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | uses                  | sources               | uses                  | sources               |
| <b>I. LONG TERM SOURCES OF FUNDS FOR THE CURRENT YEAR</b> |                       |                       |                       |                       |
| <b>AUTOFINANCEMENT (A)</b>                                |                       | <b>470 314 036,49</b> |                       | <b>373 424 190,53</b> |
| * Self Financing Capacity                                 |                       | 1 295 913 006,49      |                       | 1 199 023 160,53      |
| - Dividends distribution                                  |                       | (825 598 970,00)      |                       | (825 598 970,00)      |
| <b>* Transfer and reductions of long term asset (B)</b>   |                       | <b>28 551,77</b>      |                       | <b>425 598,60</b>     |
| * Intangible assets transfer                              |                       |                       |                       |                       |
| * Fixed assets disposal                                   |                       | -                     |                       | 298 000,00            |
| * Financial assets transfer                               |                       |                       |                       |                       |
| * Long term assets recovery                               |                       | 28 551,77             |                       | 127 598,60            |
| <b>* INCREASE IN EQUITY (C)</b>                           |                       |                       |                       |                       |
| * INCREASE IN SHARE EQUITY                                |                       |                       |                       |                       |
| * Investment subsidy                                      |                       |                       |                       |                       |
| <b>* INCREASE IN FINANCIAL DEBTS (D)</b>                  |                       |                       |                       |                       |
| <b>TOTAL I (A+B+C+D)</b>                                  |                       | <b>470 342 588,26</b> |                       | <b>373 849 789,13</b> |
| <b>II. LONG TERM USES OF FUNDS</b>                        |                       |                       |                       |                       |
| <b>ACQUISITIONS AND ADDITIONS IN LONG TERM ASSETS (E)</b> | <b>222 474 513,00</b> |                       | <b>27 530 475,06</b>  |                       |
| * Intangible asset additions                              | 154 680 534,10        |                       | 352 985,00            |                       |
| * Fixed asset acquisitions                                | 67 793 978,90         |                       | 27 177 490,06         |                       |
| * Financial and other assets acquisitions                 | -                     |                       | -                     |                       |
| * Increase in other long term assets                      |                       |                       |                       |                       |
| <b>* REIMBURSEMENT OF SHARE EQUITY (F)</b>                |                       |                       |                       |                       |
| <b>* LOAN REPAYMENTS (G)</b>                              | <b>252 392 808,56</b> |                       | <b>252 392 808,56</b> |                       |
| <b>* INCREASE IN CAPITALIZED COSTS (H)</b>                |                       |                       |                       |                       |
| <b>TOTAL II. (E+F+G+H)</b>                                | <b>474 867 321,56</b> |                       | <b>279 923 283,62</b> |                       |
| <b>III. NET CURRENT ASSETS VARIATION</b>                  | <b>3 698 720,46</b>   |                       |                       | <b>24 581 140,39</b>  |
| <b>IV. NET CASH VARIATION</b>                             |                       | <b>8 223 453,76</b>   | <b>118 507 645,90</b> |                       |
| <b>TOTAL</b>  | <b>478 566 042,02</b> | <b>478 566 042,02</b> | <b>398 430 929,52</b> | <b>398 430 929,52</b> |

## NOTES TO MOROCCAN GAAP FINANCIAL STATEMENT AS OF DECEMBER 31, 2022

### ACCOUNTING PRINCIPLES AND METHODS

#### General information on the activity

#### Background

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

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

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

#### Establishment

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

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

#### Development Stage Activities

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

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

#### Construction period of Units 3 & 4

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

#### Acquisition de JLEC par 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.

#### 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.

#### Establishment of the subsidiary Jorf Lasfar Energy Company 5&6 (JLEC 5&6)

On December 22, 2010, Jorf Lasfar Energy Company 5&6 ("JLEC 5&6") has been created for the purpose of implementing two new units of a gross capacity of 350 MW each ("Units 5 & 6"). Further to this implementation, the installed capacity of the power station at Jorf Lasfar is higher than 2000 MW. As of

December 31, 2014, TAQA Morocco owns 66% of the shares of JLEC 5&6.

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

#### 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.

#### 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.

#### PPA extension of Units 1 to 4

ONEE and TAQA Morocco signed, on January 24th, 2020, the extension of the Power Purchase Agreement (PPA) for Units 1 to 4, allowing the alignment of the two PPAs 1 to 4 and 5 & 6 to 2044.

#### Bond by private placement issued

TAQA Morocco has issued on September 7, 2020 a bond by private placement with qualified investors for DH 2.7 billion, with a maturity of 18 years, repayable semi-annually, at the rate of 3.75% per annum.

At the same time, the senior debt issued in 2009 was subject to early repayment for DH 2.7 billion on September 22, 2020.

## SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

### Generalities

The accounting and reporting policies of the Company are in accordance with the Generally Accepted Accounting Principles of Morocco, which are called "Code Général 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.

### 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

Deferred expenditures related to some specific projects are amortized over 5 years.

### 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 possession

In accordance with the Transfer of Possession Agreement (TPA) and in counter part of the payment of the TPA fee, "ONE" transfers to JLEC its "right of possession" of the units 1&2. This "right of possession" is capitalized as an Intangible Asset, and amortized over the period of concession (until April 15th, 2044.)

#### -Complementary Right of Possession related to Units 3 and 4

JLEC has completed the construction of Units 3&4 respectively after a period of 33 months and 40 months starting on financial closing date as well other investments related to the plant. During the period of construction, the total cost of construction that includes capitalized interest, have been accounted for as a Fixed Asset in Progress. From the commercial operation date of Unit 4, on February 02, 2001, the "right of possession" has been extended to the new Units (3&4), and the corresponding Intangible Asset are amortized over the remaining period of concession (until April 15th, 2044).

#### -- Additional Right of Possession related to the PPA extension of Units 1-4

ONEE and TAQA Morocco signed, on January 24th, 2020, the extension of the Power Purchase Agreement (PPA) for Units 1 to 4, allowing the alignment of the two PPAs 1 to 4 and 5 & 6 to 2044. In this context, TAQA Morocco has paid the additional right of use for an amount of DH 1.5 billion which was capitalized as an intangible asset and amortized over the duration of the concession (until April 15th, 2044).

### 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.

### 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.

### 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 is recorded into the income statement through the financial provisions.

The unrealized gains are not recorded in the income statement.

## EXCEPTIONAL STATEMENT

### Exceptions to the fundamental accounting principles

Nothing.

### Exceptions to the evaluation methods

Nothing.

### 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.

## CHANGES IN METHOD STATEMENT

### Changes affecting the evaluation methods

Nothing.

### Changes affecting the presentation rules

Nothing.

## PRE OPENING COSTS STATEMENT

| PRINCIPAL ACCOUNT | DESCRIPTION                       | AMOUNT AS OF DECEMBER 31, 2022 |
|-------------------|-----------------------------------|--------------------------------|
| 212820000         | Deferred expenses                 | 17 238 266,89                  |
|                   | <b>GROSS VALUE</b>                | <b>17 238 266,89</b>           |
| 281282000         | Amortization of deferred expenses | 10 342 960,08                  |
|                   | <b>ACCUMULATED DEPRECIATION</b>   | <b>10 342 960,08</b>           |
|                   | <b>TOTAL</b>                      | <b>6 895 306,81</b>            |

**SUMMARY OF FIXED ASSETS (GROSS)**

| Moroccan Dirhams                      |                               | From January 2022 to December 2022 |                 |                      |           |           |                             |                          |
|---------------------------------------|-------------------------------|------------------------------------|-----------------|----------------------|-----------|-----------|-----------------------------|--------------------------|
| Description                           | Gross value Beginning Balance | INCREASES                          |                 |                      | DECREASES |           | Gross value endings balance |                          |
|                                       |                               | Acquisition                        | Self Production | Transfer             | Disposals | Reduction |                             | Transfer                 |
| <b>CAPITALIZED COSTS</b>              | <b>17 238 266,89</b>          |                                    |                 |                      |           |           |                             | <b>17 238 266,89</b>     |
| * Pre - Opening                       | -                             |                                    |                 |                      |           |           |                             | -                        |
| * Deferred Expenses                   | 17 238 266,89                 |                                    |                 |                      |           |           |                             | 17 238 266,89            |
| * Bonds premiums                      | -                             |                                    |                 |                      |           |           |                             | -                        |
| <b>INTANGIBLE ASSETS</b>              | <b>13 725 981 533,05</b>      | <b>154 680 534,10</b>              |                 |                      |           |           |                             | <b>13 880 662 067,15</b> |
| * Research and development            | -                             |                                    |                 |                      |           |           |                             | -                        |
| * Right, License, similar values      | 12 645 970 070,83             |                                    |                 |                      |           |           |                             | 12 645 970 070,83        |
| * Goodwill                            | -                             |                                    |                 |                      |           |           |                             | -                        |
| * Other intangible assets             | 1 080 011 462,22              | 154 680 534,10                     |                 |                      |           |           |                             | 1 234 691 996,32         |
| * Other intangible assets in progress | -                             | -                                  |                 |                      |           |           |                             | -                        |
| <b>FIXED ASSET</b>                    | <b>991 698 387,98</b>         | <b>67 793 978,90</b>               |                 | <b>13 617 762,00</b> |           |           | <b>13 617 762,00</b>        | <b>1 059 492 366,88</b>  |
| * Land                                | -                             |                                    |                 |                      |           |           |                             | -                        |
| * Constructions                       | 9 389 548,11                  |                                    |                 |                      |           |           |                             | 9 389 548,11             |
| * Technical installation, equipment   | 627 326 974,77                | 25 225 648,05                      |                 | 13 617 762,00        |           |           |                             | 666 170 384,82           |
| * Vehicles                            | 1 709 265,53                  | 254 125,00                         |                 |                      |           |           |                             | 1 963 390,53             |
| * Office furniture                    | 290 866 779,67                | 413 947,50                         |                 |                      |           |           |                             | 291 280 727,17           |
| * Other fixed assets                  | 313 970,50                    |                                    |                 |                      |           |           |                             | 313 970,50               |
| * Fixed assets in progress            | 62 091 849,40                 | 41 900 258,35                      |                 |                      |           |           | 13 617 762,00               | 90 374 345,75            |

**SUMMARY OF DEPRECIATIONS**

|                                     |                               | From January 2022 to December 2022 |                       |                            |   |
|-------------------------------------|-------------------------------|------------------------------------|-----------------------|----------------------------|---|
| DESCRIPTION                         | CUMULATED Beginning Balance 1 | Current year Depreciation 2        | Current Adjustments 3 | Current Reclassification 4 | CUMULATED Depreciation Ending Balance 5=1+2-3-4 |
| <b>CAPITALIZED COSTS</b>            | <b>6 895 306,71</b>           | <b>3 447 653,37</b>                |                       |                            | <b>10 342 960,08</b>                            |
| * Pre - Opening                     | -                             |                                    |                       |                            | -   |
| * Deferred Expenses                 | 6 895 306,71                  | 3 447 653,37                       |                       |                            | 10 342 960,08                                   |
| * Bonds premiums                    | -                             |                                    |                       |                            | -   |
| <b>INTANGIBLE ASSETS</b>            | <b>9 182 607 015,42</b>       | <b>300 059 390,46</b>              |                       |                            | <b>9 482 666 405,88</b>                         |
| * Research asset and development    | -                             |                                    |                       |                            | -   |
| * Right, License, similar values    | 8 385 260 147,66              | 203 299 516,78                     |                       |                            | 8 588 559 664,44                                |
| * Goodwill                          | -                             |                                    |                       |                            | -   |
| * Other intangible assets           | 797 346 867,76                | 96 759 873,68                      |                       |                            | 894 106 741,44                                  |
| <b>FIXED ASSET</b>                  | <b>750 065 176,96</b>         | <b>54 308 535,48</b>               |                       |                            | <b>804 373 712,44</b>                           |
| * Land                              | -                             |                                    |                       |                            | -   |
| * Constructions                     | 2 352 623,66                  | 823 195,10                         |                       |                            | 3 175 818,76                                    |
| * Technical installation, equipment | 506 023 085,28                | 38 299 869,84                      |                       |                            | 544 322 955,12                                  |
| * Vehicles                          | 1 709 265,53                  | 48 457,80                          |                       |                            | 1 757 723,33                                    |
| * Office furniture                  | 239 666 231,99                | 15 137 012,74                      |                       |                            | 254 803 244,73                                  |
| * Other fixed assets                | 313 970,50                    |                                    |                       |                            | 313 970,50                                      |

**SUMMARY OF ASSET DISPOSAL**

From January 2022 to December 2022

| DATE OF DISPOSAL<br>or retirement | Principal<br>Account | Gross<br>Amount | Cumulated<br>Depreciations | Net Book<br>Value | Sale<br>Value | Capital<br>gains | Capital<br>losses | Cession ou Retrait |
|-----------------------------------|----------------------|-----------------|----------------------------|-------------------|---------------|------------------|-------------------|--------------------|
|                                   |                      |                 | N I L                      |                   |               |                  |                   |                    |

**SUMMARY OF INVESTMENTS**

Moroccan Dirhams

From January 2022 to December 2022

| Company<br>Name                           | Activity Sector<br>1 | Share Capital<br>2 | %<br>of<br>detention<br>3 | Acquisition Price<br>4  | Net Book<br>Value<br>5  | Extract from the last statement reports of the company |                         |                         | Revenues<br>9         |
|---|----------------------|--------------------|---------------------------|-------------------------|-------------------------|--|-------------------------|-------------------------|-----------------------|
|   |                      |                    |                           |                         |                         | Closing date<br>6                                      | Net Equity<br>7         | Net income<br>8         |                       |
| JORF LASFAR ENERGY COMPANY 5&6 "JLEC 5&6" | ENERGIE ELECTRIQUE   | 1 818 200 000      | 66%                       | 1 199 999 600,00        | 1 199 999 600,00        | 30-sept-22   | 4 582 752 328,89        | 1 202 457 609,29        | 395 995 908,04        |
| <b>TOTAL</b>                              |                      |                    |                           | <b>1 199 999 600,00</b> | <b>1 199 999 600,00</b> |  | <b>4 582 752 328,89</b> | <b>1 202 457 609,29</b> | <b>395 995 908,04</b> |

**SUMMARY OF PROVISIONS AND RESERVES**

Moroccan Dirhams

From January 2022 to December 2022

| DESCRIPTION                     | Beginning<br>Balance | Current year provisions |                     |                      | Provisions deductions |                     |                      | Amount Ending<br>Balance |
|---------------------------------|----------------------|-------------------------|---------------------|----------------------|-----------------------|---------------------|----------------------|--------------------------|
|                                 |                      | Operating               | Financial           | Unusual              | Operating             | Financial           | Unusual              |                          |
| 1. Long term assets provisions  |                      |                         |                     |                      |                       |                     |                      |                          |
| 2. Regulated Reserves           |                      |                         |                     |                      |                       |                     |                      |                          |
| 3. Long term reserves for risks | 29 267 253,00        |                         |                     | 27 538 690,00        |                       |                     | 29 267 253,00        | 27 538 690,00            |
| <b>SUB-TOTAL (A)</b>            | <b>29 267 253,00</b> |                         |                     | <b>27 538 690,00</b> |                       |                     | <b>-</b>             | <b>27 538 690,00</b>     |
| 4. Current assets provisions    | 21 301 725,66        | 26 856 127,03           | 27 533,23           |                      | 21 301 725,66         |                     |                      | 26 883 660,26            |
| 5. Other risk provisions        | 7 113 946,45         |                         | 1 014 515,25        |                      |                       | 4 475 640,01        |                      | 3 652 821,69             |
| 6. Financial provisions         |                      |                         |                     |                      |                       |                     |                      |                          |
| <b>SUB-TOTAL (B)</b>            | <b>28 415 672,11</b> | <b>26 856 127,03</b>    | <b>1 042 048,48</b> | <b>-</b>             | <b>21 301 725,66</b>  | <b>4 475 640,01</b> | <b>-</b>             | <b>30 536 481,95</b>     |
| <b>TOTAL (A+B)</b>              | <b>57 682 925,11</b> | <b>26 856 127,03</b>    | <b>1 042 048,48</b> | <b>27 538 690,00</b> | <b>21 301 725,66</b>  | <b>4 475 640,01</b> | <b>29 267 253,00</b> | <b>58 075 171,95</b>     |

**SUMMARY OF RECEIVABLES AND DEBTORS**

| Moroccan Dirhams             |                           | From January 2022 to December 2022 |                         |             |                             |                         |                                     |                      |
|------------------------------|---------------------------|------------------------------------|-------------------------|-------------|-----------------------------|-------------------------|-------------------------------------|----------------------|
| RECEIVABLES                  | TOTAL<br>AS OF 31.12.2022 | RECEIVABLES ANALYSES               |                         |             | OTHER ANALYSES              |                         |                                     |                      |
|                              |                           | > 1 year                           | < 1 year                | Unrecovered | Foreign<br>currency balance | State receivables       | Affiliated<br>corporate receivables | Bills of<br>exchange |
| <b>LONG TERM RECEIVABLES</b> | <b>521 685,76</b>         | <b>521 685,76</b>                  |                         |             |                             |                         |                                     |                      |
| - Loans                      | 72 222,90                 | 72 222,90                          |                         |             |                             |                         |                                     |                      |
| - Other financial assets     | 449 462,86                | 449 462,86                         |                         |             |                             |                         |                                     |                      |
| <b>CURRENT ASSETS</b>        | <b>3 361 057 078,31</b>   | <b>826 757 165,43</b>              | <b>2 534 299 912,88</b> |             | <b>1 727 391,77</b>         | <b>2 383 344 569,57</b> | <b>955 246 925,17</b>               |                      |
| - Advances to suppliers      | 7 301 776,20              |                                    | 7 301 776,20            |             | 1 727 391,77                | 4 535 376,48            |                                     |                      |
| - Trade receivables          | 1 553 554 345,14          | 525 901,62                         | 1 553 028 443,52        |             |                             | 1 534 586 155,92        | 1 556 733,50                        |                      |
| - Employee                   | 2 209 057,11              |                                    | 2 209 057,11            |             |                             |                         |                                     |                      |
| - State                      | 844 223 037,17            | 826 231 263,81                     | 17 991 773,36           |             |                             | 844 223 037,17          |                                     |                      |
| - Partners current accounts  |                           |                                    |                         |             |                             |                         |                                     |                      |
| - Other debtors              | 953 690 191,67            |                                    | 953 690 191,67          |             |                             |                         | 953 690 191,67                      |                      |
| - Accruals accounts - Assets | 78 671,02                 |                                    | 78 671,02               |             |                             |                         |                                     |                      |

**SUMMARY OF LIABILITIES**

| Moroccan Dirhams                  |                           | From January 2022 to December 2022 |                         |                                |                         |                       |                                     |                      |
|-----------------------------------|---------------------------|------------------------------------|-------------------------|--------------------------------|-------------------------|-----------------------|-------------------------------------|----------------------|
| LIABILITIES                       | TOTAL<br>AS OF 31.12.2022 | ANALYSIS BY MATURITY               |                         |                                | OTHER ANALYSIS          |                       |                                     |                      |
|                                   |                           | > 1 year                           | < 1 year                | Outstanding and<br>unrecovered | Foreign<br>currency     | State receivables     | Affiliated<br>corporate receivables | Bills of<br>exchange |
| <b>LONG TERM FINANCIAL DEBTS</b>  | <b>3 553 711 962,58</b>   | <b>3 301 319 154,03</b>            | <b>252 392 808,55</b>   |                                |                         |                       |                                     |                      |
| - Bonds issues                    | 2 324 999 700,00          | 2 174 999 580,00                   | 150 000 120,00          |                                |                         |                       |                                     |                      |
| - Other financial debts           | 1 228 712 262,58          | 1 126 319 574,03                   | 102 392 688,55          |                                |                         |                       |                                     |                      |
| <b>CURRENT</b>                    | <b>2 960 237 100,90</b>   | <b>750 225 633,86</b>              | <b>2 210 011 467,04</b> |                                | <b>1 765 441 594,87</b> | <b>290 069 974,62</b> | <b>47 177 689,28</b>                |                      |
| - Trade payables                  | 1 838 530 631,32          | 7 109 887,41                       | 1 831 420 743,91        |                                | 1 765 441 594,87        |                       | 43 775 992,09                       |                      |
| - Advances from customers         | 23 909 982,09             |                                    | 23 909 982,09           |                                |                         | 23 909 982,09         |                                     |                      |
| - Employee                        | 61 858 860,08             |                                    | 61 858 860,08           |                                |                         |                       |                                     |                      |
| - Social security                 | 7 952 958,44              |                                    | 7 952 958,44            |                                |                         | 7 952 958,44          |                                     |                      |
| - State                           | 258 207 034,09            |                                    | 258 207 034,09          |                                |                         | 258 207 034,09        |                                     |                      |
| - Partners current accounts       | 3 401 697,19              |                                    | 3 401 697,19            |                                |                         |                       | 3 401 697,19                        |                      |
| - Other creditors                 | 743 115 746,45            | 743 115 746,45                     |                         |                                |                         |                       |                                     |                      |
| - Accruals accounts - Liabilities | 23 260 191,24             |                                    | 23 260 191,24           |                                |                         |                       |                                     |                      |

**SUMMARY OF "ESTATE GUARANTEES" GIVEN OR RECEIVED**

| Exercice Clos au 31 décembre 2022 |                             |               |                                   |                        |   |  |
|-----------------------------------|-----------------------------|---------------|-----------------------------------|------------------------|---|--|
| CREDITORS/DEBTORS                 | AMOUNT COVERED BY GUARANTEE | NATURE<br>(1) | Date and registration<br>location | Purpose<br>(2) (3)     | NET BOOKING VALUE OF THE GUARANTEE<br>AS OF DECEMBER 31, 2016 |  |
| - Given guarantees                |                             |               | N I L                             |                        |   |  |
| - Received guarantees             | 72 222,90                   | Mortgage      |                                   | Employee Mortgage Loan |   |  |

(1) Pledge : 1- Mortgage : 2- Collateral : 3- Warrant : 4- Others : 5- (to be specified))

(2) Specify if the collateral is given to third parties (collateral given) (affiliated companies, shareholders, employees)

(3) Specify if the collateral received by the company comes from third parties other than the debtor (collateral received)

## FINANCIAL COMMITMENTS OTHER THAN LEASING OPERATINGS

Moroccan Dirhams

From January 2022 to December 2022

| GIVEN COMMITMENTS                               | Current year Amounts  | PREVIOUS YEAR AMOUNTS |
|---|-----------------------|-----------------------|
| <b>Importation Temporary</b>                    |                       |                       |
| <b>Exportation Temporary</b>                    |                       |                       |
| FERBECK & FURMITHERM (43028 EUR)                | 208 712,00            | 208 712,00            |
| ABB SECHERON SA ( 1500 CHF)                     | 4 752,00              | 4 752,00              |
| Paul boman (250 USD)                            | 663,00                | 663,00                |
| <b>TOTAL</b>                                    | <b>214 127,00</b>     | <b>214 127,00</b>     |
| <b>RECEIVED COMMITMENTS</b>                     | <b>Current year</b>   | <b>PREVIOUS YEAR</b>  |
| <b>- Endorsement and Guarantee</b>              |                       |                       |
| <b>A) G.A</b>                                   |                       |                       |
| ECOCARBON (USD 2 000 000,00)                    | -                     | 18 504 800,00         |
| SUEK (USD 2 000 000,00)                         | -                     | 18 504 800,00         |
| JERA (USD 2 000 000,00)                         | -                     | 18 504 800,00         |
| Convention de sequestre ONEE (Lettre de credit) | 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            |
| <b>B) O&amp;M</b>                               |                       |                       |
| STOKVIS NORD-AFRIQUE                            | -                     | 192 000,00            |
| SMAC STE  | 134 068,00            | 134 068,00            |
| SOMARAIL ( 20655 eur) Credit du Nord            | 216 352,86            | 216 352,86            |
| SCHNEIDER ELECTRIC MAROC                        | 321 600,00            | 321 600,00            |
| CBI   | 254 887,08            | 254 887,08            |
| TECHNI DISPO                                    | 50 850,60             | 50 850,60             |
| SULZE MAROC                                     | -                     | 83 850,84             |
| SCHNEIDER ELECTRIC MAROC                        | -                     | 160 800,00            |
| GROUPE PRORISK                                  | 91 594,09             | 91 594,09             |
| MASTER GRID (EUR 53.904,00)                     | 601 525,52            | -                     |
| <b>- Other commitments received</b>             |                       |                       |
| <b>TOTAL</b>                                    | <b>427 570 510,95</b> | <b>482 920 036,28</b> |

## SUMMARY OF LEASING CONTRACTS

From January 2022 to December 2022

| Designation<br>1 | First maturity<br>Date<br>2 | Length<br>of<br>contract<br>3 | Estimated<br>value at<br>contract<br>date<br>4 | Theoretical<br>depreciation<br>period<br>5 | Cumulated<br>leasing<br>expenses<br>6 | Yearly<br>leasing<br>expenses<br>7 | Remaining balance |               | End of<br>contract<br>residual<br>price 10 | Comments<br>11  |
|------------------|-----------------------------|-------------------------------|--|--|---------------------------------------|------------------------------------|-------------------|---------------|--|-----------------|
|                  |                             |                               |  |  |                                       |                                    | < 1 year<br>8     | > 1 year<br>9 |  |                 |
| 1                | 25/07/2018                  | 120                           | 24 208 333,33                                  | 10 years                                   | 9 511 644,28                          | 3 001 633,90                       | 3 001 633,90      | 13 507 262,56 | 2 420 833,35                               | New head office |

**INCOME STATEMENT DETAILS**

|   | Current Year            | Previous Year           |
|---|-------------------------|-------------------------|
| <b>611 OPERATING EXPENSES</b>                   |                         |                         |
| <b>Cost of sales (commercial)</b>               |                         |                         |
| - purchases                                     |                         |                         |
| - Inventory variation (+/-)                     |                         |                         |
| <b>Total</b>                                    | -                       | -                       |
| <b>612 Cost of sales (production)</b>           |                         |                         |
| - Raw material purchases                        | 6 141 299 252,48        | 2 977 639 233,73        |
| - Raw material inventory variation              | -182 895 119,75         | -400 139 130,50         |
| - Consumables                                   | 214 532 560,60          | 87 593 073,37           |
| - Consumables inventory variation (+/-)         | -72 639 623,72          | -11 358 560,06          |
| - Non stored purchased raw and equipments       | 47 503 111,42           | 58 321 371,58           |
| - Services and surveys                          | 115 895 502,55          | 87 903 611,61           |
| <b>Total</b>                                    | <b>6 263 695 683,58</b> | <b>2 799 959 599,73</b> |
| <b>613/614 Other external expenses</b>          |                         |                         |
| - Rentals                                       | 6 061 247,39            | 8 307 491,58            |
| - Repairs and maintenance                       | 35 909 018,11           | 48 115 733,27           |
| - Insurance                                     | 41 598 593,79           | 37 888 121,31           |
| - Remuneration of external labor to the company | 22 841 476,46           | 13 261 870,79           |
| - Fees and commissions                          | 41 148 256,21           | 34 995 240,76           |
| - Royalties, rights,..                          | -                       | -                       |
| - Research and documentation                    | 1 801 247,53            | 452 181,15              |
| - Transportation                                | 5 763 178,56            | 4 565 096,70            |
| - Travel, assignments and reception             | 3 243 783,11            | 4 895 842,32            |
| - Other external expenses                       | 24 735 102,11           | 9 074 559,42            |
| <b>Total</b>                                    | <b>183 101 903,27</b>   | <b>161 556 137,30</b>   |
| <b>616 Taxes</b>                                | <b>23 393 980,77</b>    | <b>23 391 875,16</b>    |
| <b>617 Payroll expenses</b>                     |                         |                         |
| - Remunerations                                 | 190 466 943,49          | 207 549 928,72          |
| - Social Charges                                | 34 462 942,45           | 28 828 658,66           |
| <b>Total</b>                                    | <b>224 929 885,94</b>   | <b>236 378 587,38</b>   |
| <b>618 Other operating expenses</b>             |                         |                         |
| - Attendance fees                               | 4 000 000,00            | 3 500 000,00            |
| - Losses in unrecoverable assets                |                         |                         |
| - Other   | -                       | -                       |
| <b>Total</b>                                    | <b>4 000 000,00</b>     | <b>3 500 000,00</b>     |
| <b>638 FINANCIAL EXPENSES</b>                   |                         |                         |
| <b>Other financial expenses</b>                 |                         |                         |
| - Net investment sales costs                    | -                       | -                       |
| - Other   |                         |                         |
| <b>Total</b>                                    | -                       | -                       |

**INCOME STATEMENT DETAILS (Continued)**

|   |                         |                         |
|---|-------------------------|-------------------------|
| <b>658 UNUSUAL EXPENSES</b>                           |                         |                         |
| <b>Other unusual expenses</b>                         |                         |                         |
| - Penalties on contracts                              |                         |                         |
| - Taxes adjustments                                   |                         |                         |
| - Tax penalties                                       | -                       | -                       |
| - Unrecoverable assets                                | -                       | -                       |
| - Other   | 65 773 244,92           | 65 777 659,74           |
| <b>Total</b>  | <b>65 773 244,92</b>    | <b>65 777 659,74</b>    |
| <b>711 OPERATING REVENUES</b>                         |                         |                         |
| <b>SALES OF MARCHANDISES</b>                          |                         |                         |
| - Domestic  |                         |                         |
| - Export  |                         |                         |
| - Other   |                         |                         |
| <b>Total</b>  | -                       | -                       |
| <b>712 Sales of produced goods and services</b>       |                         |                         |
| - Sales of produced goods Export                      |                         |                         |
| - Sales of produced goods Domestic                    | 7 998 811 511,77        | 4 486 843 566,27        |
| - Sales of services Export                            |                         |                         |
| - Sales of services Domestic                          |                         |                         |
| - Royalties, Rights, ....                             |                         |                         |
| - Other   |                         |                         |
| <b>Total</b>  | <b>7 998 811 511,77</b> | <b>4 486 843 566,27</b> |
| <b>713 INVENTORIES VARIATIONS</b>                     |                         |                         |
| - Inventories variations production (+/-)             | -                       | -                       |
| - Inventories variations services (+/-)               |                         |                         |
| - Inventories variations production in progress (+/-) |                         |                         |
| <b>Total</b>  | -                       | -                       |
| <b>718 Other operating revenues</b>                   |                         |                         |
| - Attendance fees received                            |                         |                         |
| - Other   | 3 037 326,54            | 4 080 236,35            |
| <b>Total</b>  | <b>3 037 326,54</b>     | <b>4 080 236,35</b>     |
| <b>719 Costs transfers, Provisions reductions</b>     |                         |                         |
| - Reversal  | 21 301 725,66           | 20 076 770,00           |
| - Costs transfers                                     | 77 241 512,84           | -                       |
| <b>Total</b>  | <b>98 543 238,50</b>    | <b>20 076 770,00</b>    |
| <b>FINANCIAL REVENUES</b>                             |                         |                         |
| <b>738 Interests and other financial revenues</b>     |                         |                         |
| - Interests and proceeds                              | 3 484 710,12            | 377 197,37              |
| - Revenues from affiliated companies                  |                         |                         |
| - Net proceeds from fixed assets disposal             | 6 785 558,07            | 17 460 663,04           |
| - Others  | -                       | -                       |
| <b>Total</b>  | <b>10 270 268,19</b>    | <b>17 837 860,41</b>    |

**TAXABLE INCOME CALCULATION**

|       | DESCRIPTION   | Amount T1        | Amount T2      |
|-------|---|------------------|----------------|
| I.    | NET RESULT (Accounting)   |                  |                |
|       | Net profit  | 939 825 990,18   |                |
|       | Net Loss  |                  | -              |
| II.   | TAX ADDITIONS   | 420 626 568,45   |                |
|       | 1. Current  |                  |                |
|       | - Unrealized gain as of December 31,2022                            | 57 697 307,66    |                |
|       | - non deductible depreciation                                       | 730 000,00       |                |
|       | - Sponsoring  | 1 764 403,50     |                |
|       | 2. Non current  |                  |                |
|       | - Post employment provision as of December 31, 2022                 | 27 538 690,00    |                |
|       | - Non deductible amortization                                       | 7 288 502,29     |                |
|       | - Social Solidarity Contribution (CSS)                              | 36 415 906,00    |                |
|       | - Other non current expenses  | 7 643 415,00     |                |
|       | - Current income taxes  | 281 548 344,00   |                |
| III.  | FISCAL DEDUCTIONS   |                  | 452 232 093,74 |
|       | 1. Current  |                  |                |
|       | - Unrealized gain as of December 31, 2021                           |                  | 2 038 604,53   |
|       | 2. Non current  |                  |                |
|       | - reversal of the Post employment provision as of December 31, 2021 |                  | 29 267 253,00  |
|       | - Other non current revenues  |                  | 24 930 328,17  |
|       | - Dividends   |                  | 395 995 908,04 |
|       | Total   | 1 360 452 558,63 | 452 232 093,74 |
| IV.   | GROSS FISCAL RESULT   |                  |                |
|       | Gross profit if T1 > T2 (A)   | 908 220 464,89   |                |
|       | Gross fiscal deficit if T2 > T1 (B)                                 |                  |                |
| V.    | CARRIED DEFICIT TO BE CHARGED (C) (1)                               | -                | -              |
|       | year n-4  |                  |                |
|       | year n-3  |                  |                |
|       | year n-2  |                  |                |
|       | year n-1  |                  |                |
| VI.   | NET FISCAL result   |                  |                |
|       | Net fiscal profit (A-C)   |                  | 908 220 464,89 |
|       | or net fiscal deficit (B)   |                  |                |
| VII.  | CUMULATED DEFERRED DEPRECIATIONS                                    |                  |                |
| VIII. | CARRIED FORWARD TAX DEFICITS  | -                | -              |
|       | year n-4  |                  |                |
|       | year n-3  |                  |                |
|       | year n-2  |                  |                |
|       | year n-1  |                  |                |
|       | year n  |                  |                |

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

**CALCULATION OF NET OPERATING INCOME (AFTER TAXES)**

| I. INCOME CALCULATION                  |       | AMOUNT           |
|--|-------|------------------|
| - Operating Income (I/S)               | (+/-) | 1 260 488 687,93 |
| - Tax operating additions              | (+)   | 60 191 711,16    |
| - Tax operating deductions             | (-)   | (2 038 604,53)   |
| - THEORETICAL TAXABLE OPERATING INCOME | (=)   | 1 318 641 794,56 |
| - Theoretical tax                      | (-)   | 408 778 956,31   |
| - Net operating income                 | (=)   | 851 709 731,62   |

**II. Summary of tax regulations and specific tax advantages**

- Application of the Regime of the code of Investments.

**DETAIL OF V.A.T**

| Designation                      | From January 2022 to December 2022 |                                |                                     |   |
|----------------------------------|------------------------------------|--------------------------------|-------------------------------------|---|
|                                  | CURRENT YEAR INITIAL BALANCE<br>1  | Current year Transactions<br>2 | Current year V.A.T declaration<br>3 | Current year final balance<br>(1 + 2 - 3 = 4) |
| A. Invoiced V.A.T                | 125 601 113,12                     | 1 119 773 571,48               | 1 055 931 022,08                    | 189 443 662,52                                |
| B. Recoverable V.A.T             | 12 033 930,03                      | 1 351 256 473,58               | 1 345 298 631,14                    | 17 991 772,47                                 |
| * On Expenses                    | 12 033 930,03                      | 1 351 256 473,58               | 1 345 298 631,14                    | 17 991 772,47                                 |
| * On Immobilizations             | -                                  | -                              | -                                   | -   |
| C. V.A.T payable or V.A.T credit | 113 567 183,09                     | (231 482 902,10)               | (289 367 609,06)                    | 171 451 890,05                                |

**CONTINGENT LIABILITIES**

TAQA Morocco's tax declarations for the 2021 and 2022 financial years are not yet prescribed, and may be subject to tax audits and potential adjustments.

Note that TAQA Morocco signed, on December 23, 2022, an agreement with the Tax Administration to close the tax audit.

The adjustments resulting from the tax audit did not have a significant impact on the company's results, net situation and liquidity.

**SHARE CAPITAL ALLOCATION**

Capital amount: 2 358 854 200 DH

From January 2022 to December 2022

| Name or corporate names of principals shareholders<br>1 | Address<br>2   | Number of shares     |                     | Nominal Value of each share<br>5 | Capital amount       |                      |                      |
|---|--|----------------------|---------------------|----------------------------------|----------------------|----------------------|----------------------|
|   |  | Previous Period<br>3 | Current Period<br>4 |                                  | Subscribed<br>6      | Called Up<br>7       | Paid Up<br>8         |
| ABU DHABI NATIONAL ENERGY COMPANY (TAQA)                | C/o Abu Dhabi National Energy Company PJSC -Al Maria Island, Level 23,24,25 AL Maqam Tower -Abu Dhabi, Emirats Arabes Unis | 20 236 583           | 20 236 583          | 100,00                           | 2 023 658 300        | 2 023 658 300        | 2 023 658 300        |
| Abdulaziz Mohamed Abdulla Alobaidli Al hammadi          | C/o Abu Dhabi National Energy Company PJSC -Al Maria Island, Level 23,24,25 AL Maqam Tower -Abu Dhabi, Emirats Arabes Unis | 1                    | 1                   | 100,00                           | 100                  | 100                  | 100                  |
| Saeed Hamad Obaid Abuqata Aldhaheer                     | SOWWAH SQUARE - AL MAQAM TOWER - 25th FLOOR - AL MARYAH ISLAND -ABU DHABI-EMIRATS ARABES UNIS                              | 1                    | 1                   | 100,00                           | 100                  | 100                  | 100                  |
| Hamad Abdulla Mohamed Alshorafa Al Hammadi              | C/o Abu Dhabi National Energy Company PJSC -Al Maria Island, Level 23,24,25 AL Maqam Tower -Abu Dhabi, Emirats Arabes Unis | 1                    | 1                   | 100,00                           | 100                  | 100                  | 100                  |
| Vivek Gambhir   | C/o Abu Dhabi National Energy Company PJSC -Al Maria Island, Level 23,24,25 AL Maqam Tower -Abu Dhabi, Emirats Arabes Unis | 1                    | 1                   | 100,00                           | 100                  | 100                  | 100                  |
| Farid Saleh Farid Mohamed Al Awlaqi                     | C/o Abu Dhabi National Energy Company PJSC -Al Maria Island, Level 23,24,25 AL Maqam Tower -Abu Dhabi, Emirats Arabes Unis | 1                    | 1                   | 100,00                           | 100                  | 100                  | 100                  |
| Public  |  | 3 351 954            | 3 351 954           | 100,00                           | 335 195 400          | 335 195 400          | 335 195 400          |
|   | <b>TOTAL</b>   | <b>23 588 542</b>    | <b>23 588 542</b>   |                                  | <b>2 358 854 200</b> | <b>2 358 854 200</b> | <b>2 358 854 200</b> |

(1) When the number of shareholders is less or equal to 10, the company must report all equity participants. In other cases, it must mention only the 10 main shareholders in descending order of importance.

**STATEMENT OF NET RESULT ALLOCATION**

From January 2022 to December 2022

|                                       | AMOUNT                |                             | AMOUNT                |
|---------------------------------------|-----------------------|-----------------------------|-----------------------|
| <b>A. Origin of allocated results</b> |                       | <b>B. Allocated results</b> |                       |
|                                       |                       | - Legal reserve             | -                     |
| - Retained earning                    | 11 301 456,23         | - Other reserve             | 23 786 468,91         |
| - Net Income 2021                     | 838 083 982,68        | - Percentage of profit      |                       |
| - Income / Loss to be allocated       |                       | - Dividends                 | 825 598 970,00        |
| - Deductions from reserves            |                       | - Other profit allocation   | -                     |
| - Other deductions                    |                       | - Retained earnings         | -                     |
| <b>TOTAL A</b>                        | <b>849 385 438,91</b> | <b>TOTAL B</b>              | <b>849 385 438,91</b> |

**LAST THREE YEARS RESULTS**

| INDICATIONS  | From January 2022 to December 2022      |   |                                       |
|--|---|---|---------------------------------------|
|  | Year N-2<br>Du 01/01/2020 au 31/12/2020 | Year N-1<br>Du 01/01/2021 au 31/12/2021 | Year N<br>Du 01/01/2022 au 31/12/2022 |
| <b>. NET SHAREHOLDERS EQUITY</b>                                   |   |   |                                       |
| Shareholders equity plus assimilated equity minus capitalized cost | 4 355 312 217,62                        | 4 598 586 808,73                        | 4 716 468 011,28                      |
| <b>. TRANSACTION AND RESULTS OF THE CURRENT YEAR</b>               |   |   |                                       |
| 1. Revenues  | 4 233 438 871,17                        | 4 486 843 566,27                        | 7 998 811 511,77                      |
| 2. Pretax result   | 1 000 927 649,13                        | 1 063 722 596,18                        | 1 221 374 334,18                      |
| 3. Corporate Tax   | 185 259 698,43                          | 225 638 613,50                          | 281 548 344,00                        |
| 4. Dividends and related revenues distributed                      | 849 187 512,00                          | 825 598 970,00                          | 825 598 970,00                        |
| 5. Non distributed results (revenues to be allocated)              |   |   |                                       |
| <b>. RESULT PER SHARE</b>  |   |   |                                       |
| . Earning per share  | 34,58                                   | 35,53                                   | 39,85                                 |
| . Dividend per share   | 36,00                                   | 35,00                                   | 35,00                                 |
| <b>. PERSONNEL</b>   |   |   |                                       |
| . Current year gross salary amount                                 | 200 761 401,88                          | 207 549 928,72                          | 190 466 943,49                        |
| . Average staff employed during the current year                   | 332,00                                  | 335,00                                  | 335,00                                |

**SUMMARY OF FOREIGN CURRENCIES TRANSACTIONS BOOKED DURING THE CURRENT YEAR**

| DESIGNATION                          | From January 2022 to December 2022 |                           |
|--------------------------------------|------------------------------------|---------------------------|
|                                      | Inflow dirham equivalent           | Outflow dirham equivalent |
| - Permanent financing                | 0,00                               |                           |
| - Gross fixed assets                 |                                    | 0,00                      |
| - Fixed Assets Disposals             | 0,00                               |                           |
| - Loan repayment                     |                                    | 0,00                      |
| - Proceeds                           | 3 483 060,72                       |                           |
| - Expenses                           |                                    | 5 807 995 090,14          |
| <b>TOTAL INFLOWS</b>                 | <b>3 483 060,72</b>                |                           |
| <b>TOTAL OUTFLOWS</b>                |                                    | <b>5 807 995 090,14</b>   |
| <b>BALANCE IN FOREIGN CURRENCIES</b> | <b>5 804 512 029,42</b>            |                           |
| <b>TOTAL</b>                         | <b>5 807 995 090,14</b>            | <b>5 807 995 090,14</b>   |

**FIXED DATE AND LATER EVENTS**

| From January 2022 to December 2022  |                             |
|---|-----------------------------|
| <b>I. FIXED DATE</b>  |                             |
| . Closing date  | December 31, 2022           |
| . Establishment date of summary statement   | February 21, 2023           |
| <b>II. SUBSEQUENT EVENTS TO THE CLOSING UNRELATED TO CURRENT YEAR AND KNOWN BEFORE THE COMMUNICATION OF THE SUMMARY STATEMENT</b> |                             |
| <b>Dates</b>  | <b>Indication of events</b> |
|   | - Favourables               |
|   | NIL                         |
|   | - Unfavourables             |
|   | NIL                         |



**Deloitte Audit**  
Boulevard Sidi Mohammed Benabdellah  
Tour Ivoire III, 3<sup>ème</sup> étage,  
Casablanca Marina  
Maroc



Espace Bureaux Clarence  
13, Rue Al Kasr  
Casablanca

To the Shareholders of

**TAQA Morocco S.A.**

Commune Moulay Abdellah,  
Route régionale 301, PK23, Centrale Thermique de Jorf Lasfar  
El Jadida

**GENERAL REPORT OF THE STATUTORY AUDITORS**

**PERIOD FROM JANUARY 1<sup>st</sup> TO DECEMBER 31<sup>st</sup>, 2022**

*This is a free translation into English of the statutory auditors' general report on the financial statements of the Company signed and issued in French and it is provided solely for the convenience of English-speaking users.*

*This statutory auditors' general report is prepared according to the rules of preparation and submission of periodic and additional information, required by Moroccan law in such reports. This information presented below expresses the opinion on the financial statements. This report should be read in conjunction with, and construed in accordance with, Moroccan law and professional auditing standards applicable in Morocco.*

**Audit of Statutory Financial Statements**

**Opinion**

In accordance with our engagement as statutory auditors by your General shareholders' meetings, we have audited the accompanying financial statements of TAQA Morocco S.A. (the Company) including the balance sheet as of December 31<sup>st</sup>, 2022 as well as the income statement, the statement of operating accounts and the cash flow statement for the year then ended as well as the additional disclosures (ETIC). These financial statements show shareholders' equity and reserves of MAD 4.723.156.789,09 including a net profit of MAD 939.825.990,18. These financial statements were approved by the Executive Board on February 22<sup>nd</sup>, 2023, in the evolving context of the health crisis of the Covid-19 pandemic, on the basis of the information available at that date.

We certify that the financial statements referred to in the first paragraph above are regular and sincere and give, in all material aspects, a fair view of the result of the operations for the year then ended, as well as the financial position and assets of the Company TAQA Morocco S.A as of December 31<sup>st</sup>, 2022, in accordance with the accounting principles applicable in Morocco.

**Basis for opinion**

We conducted our audit in accordance with professional standards applicable in Morocco. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethics' requirements that are relevant to the audit of the financial statement in Morocco, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period.

We determined that there was no key audit matter to communicate.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to frauds or errors, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards applicable in Morocco will always detect a material misstatement when it exists. Misstatements can arise from frauds or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with professional standards applicable in Morocco, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to frauds or errors, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Specific Procedures and Disclosures

We have also performed specific procedures required by law and we have, in particular, verified the consistency of the information provided in the Management Report addressed to the shareholders with the Company's financial statements.

Casablanca, February 22<sup>nd</sup>, 2023

### The Statutory Auditors



**French original signed by  
Adnane FAOUZI  
Partner**

**French original signed by  
Abdelmajid BENJELLOUN TOUIMI  
Partner**

# Consolidated accounts

## Balance Sheet Assets (in thousands of MAD)

| ASSETS                          | 31/12/2022        | 31/12/2021        |
|---------------------------------|-------------------|-------------------|
| Intangible Assets               | 4 712 103         | 4 933 576         |
| Fixed Assets                    | 8 286 350         | 8 635 074         |
| Financial Assets                | 697               | 725               |
| Long Term Exchange Fluctuations | 578 280           | 168 853           |
| <b>TOTAL LONG TERM ASSETS</b>   | <b>13 577 430</b> | <b>13 738 229</b> |
| Inventory                       | 2 606 143         | 1 748 683         |
| Trade Receivables               | 2 884 008         | 1 762 562         |
| Other Receivables               | 1 003 537         | 584 395           |
| Short Term Investments          | 1 123 552         | 1 105 295         |
| Others assets                   | 64 103            | 8 556             |
| Cash                            | 1 275 692         | 447 349           |
| <b>CURRENT ASSETS</b>           | <b>8 957 035</b>  | <b>5 656 842</b>  |
| <b>TOTAL ASSETS</b>             | <b>22 534 465</b> | <b>19 395 071</b> |

## Equity & Liabilities (in thousands of MAD)

| LIABILITIES                             | 31/12/2022        | 31/12/2021        |
|---|-------------------|-------------------|
| . Share Capital                         | 2 358 854         | 2 358 854         |
| . Share Premium                         | 1 164 805         | 1 164 805         |
| . Reserves                              | 1 399 515         | 1 220 280         |
| . Net Income Group Share                | 1 302 719         | 1 004 834         |
| . Group Equity                          | 6 225 893         | 5 748 773         |
| . Minority Interests                    | 1 327 324         | 1 157 403         |
| <b>CONSOLIDATED SHAREHOLDERS EQUITY</b> | <b>7 553 216</b>  | <b>6 906 175</b>  |
| Provisions                              | 27 539            | 29 267            |
| Borrowings                              | 9 090 168         | 9 633 714         |
| Long Term Exchange Fluctuations         | 81 160            | 146 166           |
| <b>LONG TERM LIABILITIES</b>            | <b>9 198 867</b>  | <b>9 809 147</b>  |
| . Current Payables                      | 2 963 874         | 1 289 768         |
| . Other Payables                        | 1 943 508         | 1 389 980         |
| <b>CURRENT LIABILITIES</b>              | <b>4 907 382</b>  | <b>2 679 749</b>  |
| Bank overdrafts                         | 875 000           | 0                 |
| <b>TOTAL LIABILITIES</b>                | <b>14 981 249</b> | <b>12 488 895</b> |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>   | <b>22 534 465</b> | <b>19 395 071</b> |

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

## CONSOLIDATED INCOME STATEMENT

| (In Thousands of MAD)          | 31/12/2022        | 31/12/2021       |
|--------------------------------|-------------------|------------------|
| Turnover                       | 13 603 562        | 7 812 396        |
| Other Revenues                 | 3 037             | 4 080            |
| Operating expense reversals    | 23 903            | 20 077           |
| <b>TOTAL REVENUES</b>          | <b>13 630 503</b> | <b>7 836 553</b> |
| Operating Expenses             | 9 552 546         | 4 244 986        |
| Taxes                          | 24 061            | 23 999           |
| Labor Costs                    | 300 565           | 312 465          |
| Depreciation                   | 840 487           | 824 341          |
| <b>TOTAL EXPENSES</b>          | <b>10 717 659</b> | <b>5 405 791</b> |
| Operating Income               | 2 912 844         | 2 430 762        |
| Financial results              | (380 910)         | (476 874)        |
| Current income                 | 2 531 934         | 1 953 888        |
| Non-current income             | (85 003)          | (73 053)         |
| Income Before Tax              | 2 446 931         | 1 880 835        |
| Corporation Tax                | 770 293           | 600 288          |
| Consolidated Net Income        | 1 676 638         | 1 280 547        |
| <b>NET INCOME GROUP SHARE</b>  | <b>1 302 719</b>  | <b>1 004 834</b> |
| Minority Interests             | 373 919           | 275 713          |
| <b>CONSOLIDATED NET INCOME</b> | <b>1 676 638</b>  | <b>1 280 547</b> |
| Earnings per share (in MAD)    | 55,23             | 42,60            |

**CONSOLIDATED CASH FLOW STATEMENT**

| (in KMAD)   | 31/12/2022         | 31/12/2021         |
|---|--------------------|--------------------|
| <b>CASH FLOW FROM OPERATIONS</b>  |                    |                    |
| <b>Net Income from Integrated Companies</b>   | <b>1 676 638</b>   | <b>1 280 547</b>   |
| Elimination of expenses and proceeds having no incidents on cash nor linked to the business |                    |                    |
| - Operating allowances and non-current provisions   | 810 602            | 798 950            |
| - Deferred tax variance   | 132 889            | (32 513)           |
| - Capital gains from disposals net of tax   | 0                  | 0                  |
| <b>Net working capital variance</b>   | <b>(358 850)</b>   | <b>(92 324)</b>    |
| <b>Net cash flows generated by the activity</b>   | <b>2 261 279</b>   | <b>1 954 660</b>   |
| Acquisition of intangible and fixed assets  | (242 134)          | (213 413)          |
| Disposals of fixed assets net of tax  | 29                 | 586                |
| Incidence of scope change   | 0                  | 0                  |
| <b>Net cash flow related to investment operations</b>                                       | <b>(242 105)</b>   | <b>(212 827)</b>   |
| <b>FLUX DE TRÉSORERIE LIÉS AUX OPÉRATIONS DE FINANCEMENT</b>                                |                    |                    |
| Dividends paid  | (1 029 597)        | (1 010 899)        |
| Capital increase in cash  | 0                  | 0                  |
| Inssuing of loans   | 0                  | 0                  |
| Repayment of loans  | (1 017 977)        | (1 031 553)        |
| <b>Net Cash flow from financing operations</b>  | <b>(2 047 574)</b> | <b>(2 042 452)</b> |
| Cash Variance   | (28 401)           | (300 618)          |
| Opening Cash  | 1 552 645          | 1 853 263          |
| <b>Closing Cash</b>   | <b>1 524 244</b>   | <b>1 552 645</b>   |

**CONSOLIDATED EXPLANATORY NOTES AS OF  
DECEMBER 31, 2022 AND 2021****1. Accounting policies**

The principal accounting policies adopted in the preparation of these consolidated financial statements are stated below:

**1.1. Basis of preparation**

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

**1.1.1. Scope and consolidation methods**

The companies in which the Group exercises direct or indirect exclusive control are fully consolidated. Exclusive control is the direct or indirect power of leading a company's financial and operating policies to take advantage of its activities.

Companies in which the Group directly or indirectly exercises significant influence are consolidated using the equity method.

Significant receivables, debts, income and expenses are eliminated in full for fully consolidated companies.

**1.1.2. Closing dates**

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

**1.2. Valuation methods****1.2.1. Intangible assets**

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 amortized over the same period.

**- Initial Right of possession**

In accordance with the Transfer of Possession Agreement (TPA) and in counter part of the payment of the TPA fee, "ONE" transfers to JLEC its "right of possession" of the units 1&2. This "right of possession" is capitalized as an intangible asset, and amortized over the period of concession (until April 15th, 2044).

**Complementary Right of Possession related to Units 3&4**

TAQA Morocco 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 possession" has been extended to the new Units (3&4), and the corresponding intangible asset are amortized over the remaining period of concession (until April 15th, 2044).

On January 24th, 2020, TAQA Morocco and ONEE signed the extension of the Power Purchase Agreement (PPA) for Units 1 to 4, allowing the alignment of the two PPAs 1 to 4 and 5 & 6 to 2044. In this context, TAQA Morocco has paid the additional right of use for an amount of DH 1.5 billion which was capitalized as an intangible asset and amortized over the duration of the concession (until April 15th, 2044).

**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 Moroccan GAAP (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 (until April 15th, 2044).

**1.2.2. 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.

### 1.2.3. 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.

### 1.2.4. 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.

Unrealized foreign exchange losses are recognized in the income statement through financial provisions, with the exception of those relating to financing debts denominated in US dollars and Euros, which are the subject of quasi-currency hedging transactions resulting from an overall foreign exchange position.

The unrealized gains are not recorded in the income statement.

### 1.2.5. Provisions for risks and charges

As of December 31, 2022, the provisions for risks and charges correspond to the provisions for postemployment benefits subject to an actuarial valuation by an independent firm.

These social benefits are related to the gratuities of electricity for the benefit of the statutory staff of TAQA Morocco.

### 1.2.6. Tax restatements

Deferred tax resulting from the consolidation restatements are calculated by company

## 2. Assets

### 2.1. Net assets

| In thousands of dirhams | Decembre, 31, 2022 |                   |                   | Decembre, 31, 2021 |                   |                   |
|-------------------------|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
|                         | Gross value        | Amorts. Prov.     | Net value         | Gross value        | Amorts. Prov.     | Net value         |
| Intangible assets (*)   | 14 215 457         | 9 503 353         | 4 712 103         | 14 059 719         | 9 126 143         | 4 933 576         |
| Fixed assets (**)       | 12 234 816         | 3 948 466         | 8 286 350         | 12 138 154         | 3 503 080         | 8 635 074         |
| <b>Total</b>            | <b>26 450 273</b>  | <b>13 451 819</b> | <b>12 998 453</b> | <b>26 197 873</b>  | <b>12 629 223</b> | <b>13 568 650</b> |

(\*) Intangible assets correspond mainly to the right of possession of TAQA Morocco for a net amount of DH 4,046,161 thousands.

(\*\*) Fixed assets correspond mainly to the Units 5&6 and the port superstructure.

### 2.2. Financial assets

| In thousands of dirhams | December 31, 2022 |            | December 31, 2021 |            |
|-------------------------|-------------------|------------|-------------------|------------|
|                         |                   |            |                   |            |
| Loans                   |                   | 248        |                   | 276        |
| Other financial assets  |                   | 449        |                   | 449        |
| <b>Total</b>            |                   | <b>697</b> |                   | <b>725</b> |

## 3. Inventories

| In thousands of dirhams | December 31, 2022 |               |                  | December 31, 2021 |               |                  |
|-------------------------|-------------------|---------------|------------------|-------------------|---------------|------------------|
|                         | Gross value       | Amorts. Prov. | Net value        | Gross value       | Amorts. Prov. | Net value        |
| Spare Parts             | 1 089 585         | 33 567        | 1 056 018        | 1 079 072         | 26 713        | 1 052 360        |
| Coal                    | 1 392 367         | 0             | 1 392 367        | 647 741           | 0             | 647 741          |
| Fuel                    | 146 412           | 0             | 146 412          | 39 027            | 0             | 39 027           |
| Other inventories       | 11 346            | 0             | 11 346           | 9 557             | 0             | 9 557            |
| <b>Total</b>            | <b>2 639 710</b>  | <b>33 567</b> | <b>2 606 143</b> | <b>1 775 396</b>  | <b>26 713</b> | <b>1 748 683</b> |

The inventories consist mainly of coal and spare parts.

## 4 Trade receivables

| In thousands of dirhams | December 31, 2022 |               |                  | December 31, 2021 |               |                  |
|-------------------------|-------------------|---------------|------------------|-------------------|---------------|------------------|
|                         | Gross value       | Amorts. Prov. | Net value        | Gross value       | Amorts. Prov. | Net value        |
| Trade receivables       | 2 884 008         | 0             | 2 884 008        | 1 762 562         | 0             | 1 762 562        |
| <b>Total</b>            | <b>2 884 008</b>  | <b>0</b>      | <b>2 884 008</b> | <b>1 762 562</b>  | <b>0</b>      | <b>1 762 562</b> |

Accounts receivable mainly include the two energy invoices of TAQA Morocco for the months of November and December and JLEC 5&6 for the months of August and September in accordance with the payment term of the Power Purchase Agreement.

The increase in trade receivables is mainly due to the increase in energy payments following the increase in the coal price in the international market.

## 5. Other receivables :

| In thousands of dirhams | December 31, 2022 |               |                  | December 31, 2021 |               |                |
|-------------------------|-------------------|---------------|------------------|-------------------|---------------|----------------|
|                         | Gross value       | Amorts. Prov. | Net value        | Gross value       | Amorts. Prov. | Net value      |
| Suppliers advances      | 9 591             | 0             | 9 591            | 11 948            | 0             | 11 948         |
| Employee                | 2 790             | 0             | 2 790            | 2 044             | 0             | 2 044          |
| State                   | 980 118           | 0             | 980 118          | 569 634           | 0             | 569 634        |
| Prepaid                 | 11 037            | 0             | 11 037           | 769               | 0             | 769            |
| <b>Total</b>            | <b>1 003 537</b>  | <b>0</b>      | <b>1 003 537</b> | <b>584 395</b>    | <b>0</b>      | <b>584 395</b> |

## 6. Short term investments

Les titres et valeurs de placement sont constitués des placements des excédents de trésorerie en SICAV monétaires, obligataires et en dépôts à terme.

## 7.Cash

| In thousands of dirhams | December 31, 2022 |                | December 31, 2021 |                |
|-------------------------|-------------------|----------------|-------------------|----------------|
|                         |                   |                |                   |                |
| Cash                    |                   | 1 275 692      |                   | 447 349        |
| Overdrafts              |                   | 875 000        |                   | -              |
| <b>Cash Position</b>    |                   | <b>400 692</b> |                   | <b>447 349</b> |

TAQA Morocco's bank accounts denominated in Dirhams, Euros and Dollars are opened with the following banks: Attijariwafa Bank, BCP, BMCE, Societe Generale and BMCI.

JLEC 5&6 bank accounts denominated in Dirhams, Euros and Dollars are opened with BCP and BNP Paribas London.

## 8. Group equity

The change in Group equity is broken down as follows:

| In thousands of dirhams                | Capital          | Share Premium    | Consolidated reserves | Net income of the year | Consolidated equity |
|--|------------------|------------------|-----------------------|------------------------|---------------------|
|  |                  |                  |                       |                        |                     |
| <b>Balance as of december 31, 2020</b> | <b>2 358 854</b> | <b>1 164 805</b> | <b>1 165 725</b>      | <b>880 159</b>         | <b>5 569 542</b>    |
| Income allocation                      | 0                | 0                | 54 555                | -880 159               | -825 604            |
| Net income as of december 31, 2021     | 0                | 0                | 0                     | 1 004 834              | 1 004 834           |
| <b>Balance as of december 31,2021</b>  | <b>2 358 854</b> | <b>1 164 805</b> | <b>1 220 280</b>      | <b>1 004 834</b>       | <b>5 748 773</b>    |
| Income allocation                      | 0                | 0                | 179 235               | -1 004 834             | -825 599            |
| Net income as of december 31, 2022     | 0                | 0                | 0                     | 1 302 719              | 1 302 719           |
| <b>Balance as of december 31, 2022</b> | <b>2 358 854</b> | <b>1 164 805</b> | <b>1 399 515</b>      | <b>1 302 719</b>       | <b>6 225 893</b>    |

## 9. Provisions for risks and charges

| In thousands of dirhams | December 31, 2022 | December 31, 2021 |
|-------------------------|-------------------|-------------------|
| Provisions for risks    | -                 | -                 |
| Provisions for charges  | 27 539            | 29 267            |
| <b>Total</b>            | <b>27 539</b>     | <b>29 267</b>     |

The provisions for risks and charges correspond to the provisions for employee postemployment benefits subject to an actuarial valuation by an independent firm.

These social benefits are related to the gratuities of electricity for the benefit of the statutory staff of TAQA Morocco.

## 10. Borrowings

| In thousands of dirhams | December 31, 2022 | December 31, 2021 |
|-------------------------|-------------------|-------------------|
| TAQA Morocco            | 3 553 712         | 3 806 105         |
| JLEC 5&6                | 5 503 634         | 5 790 614         |
| Leasing restatements    | 32 823            | 36 995            |
| <b>Total</b>            | <b>9 090 168</b>  | <b>9 633 714</b>  |

### - TAQA Morocco

| Nature of Loan                | Fixed interest rate | Repayment method | Outstanding Amount (Kdh) |                  |
|-------------------------------|---------------------|------------------|--------------------------|------------------|
|                               |                     |                  | 2022                     | 2021             |
| Bond (*)                      | 3,75%               | Biannual         | 2 325 000                | 2 475 000        |
| Bank Loan issued in 2020 (**) | 5,62%               | Quarterly        | 1 228 712                | 1 331 105        |
| <b>Total</b>                  | -                   | -                | <b>3 553 712</b>         | <b>3 806 105</b> |

(\*) As of September 7, 2020, TAQA Morocco issued a bond by private placement with qualified investors for an amount of DH 2.7 billion, with a 18 years tenor, repayable semi-annually, at the fixed rate of 3.75% per annum. In parallel, the bank facility issued in 2009 has been repaid for an amount of DH 2.7 billion on September 22, 2020.

(\*\*) As of September 30, 2020, a bank facility (15 years) was issued for an amount of DH 1.5 billion to finance the payment of the additional right of use.

### - JLEC 5 & 6

| Facility              | Interest rate | Currency | Total amount by facility in original currency | BAM Exchange Rate as of September 30, 2022 | Balance as of September 30, 2022 in thousands of dirham | Balance as of September 30, 2021 in thousands of dirham |
|-----------------------|---------------|----------|---|--|---|---|
| JBIC Direct Loan      | 4,23%         | USD      | 91 369  | 10,996                                     | 1 004 692   | 987 809   |
| NEXI Covered Loan     | 3,92%         | EUR      | 48 731  | 10,732                                     | 522 976   | 609 703   |
| KEXIM Direct Loan     | 4,27%         | EUR      | 65 989  | 10,732                                     | 708 196   | 825 639   |
| KEXIM Covered Loan    | 5,16%         | EUR      | 43 993  | 10,732                                     | 472 131   | 550 426   |
| EUR TERM Facility     | 4,42%         | EUR      | 12 690  | 10,732                                     | 136 192   | 158 777   |
| MAD TERM Facility     | 4,80%         | MAD      | 1 264 992                                     | 1,000                                      | 1 264 992   | 1 508 720   |
| TAQA International BV | 7,00%         | USD      | 126 815                                       | 10,996                                     | 1 394 455   | 1 149 540   |
| <b>Total</b>          |               |          |   |  | <b>5 503 634</b>  | <b>5 790 614</b>  |

## 11. Trade payables

| In thousands of dirhams | December 31, 2022 | December 31, 2021 |
|-------------------------|-------------------|-------------------|
| Trade Payables          | 2 963 874         | 1 289 768         |
| <b>Total</b>            | <b>2 963 874</b>  | <b>1 289 768</b>  |

Coal suppliers represent 85% of the trade payables as of December 31, 2022.

## 12. Other payables

| In thousands of dirhams                       | December 31, 2022 | December 31, 2021 |
|---|-------------------|-------------------|
| Clients advances                              | 90 477            | 28 815            |
| Employee                                      | 75 104            | 67 209            |
| Social security / pension funds               | 10 796            | 10 993            |
| State   | 430 039           | 346 486           |
| Deferred tax liabilities                      | 38 898            | 49 691            |
| Affiliate current accounts (TPV - JLEC 5&6)   | 299 432           | 277 338           |
| Other payables                                | 743 997           | 461 715           |
| Accruals                                      | 200 654           | 136 540           |
| Other provisions for contingencies and losses | 54 111            | 11 194            |
| <b>Total</b>                                  | <b>1 943 508</b>  | <b>1 389 980</b>  |

State debts mainly include the invoiced VAT accounts.

Other creditors consist mainly of the advances invoiced to ONEE for the VAT credit in accordance with the terms of the Power Purchase Agreement, as well as the dividends to be paid by JLEC 5 & 6 to TAQA Power Ventures B.V.

## 13. Turnover

| In thousands of dirhams | December 31, 2022 | December 31, 2021 |
|-------------------------|-------------------|-------------------|
| Capacity revenues       | 4 305 345         | 3 818 956         |
| Energy payments         | 8 989 049         | 3 709 485         |
| Other revenues          | 309 167           | 283 955           |
| <b>Total</b>            | <b>13 603 562</b> | <b>7 812 396</b>  |

## 14. Purchases and other external expenses

| In thousands of dirhams  | December 31, 2022 | December 31, 2021 |
|--------------------------|-------------------|-------------------|
| Coal consumption         | 8 889 048         | 3 629 295         |
| Fuel consumption         | 26 764            | 28 456            |
| Other consumed purchases | 369 047           | 284 525           |
| Other external expenses  | 263 687           | 299 210           |
| Attendance Fees          | 4 000             | 3 500             |
| <b>Total</b>             | <b>9 552 546</b>  | <b>4 244 986</b>  |

## 15. Staff expenses

| In thousands of dirhams | December 31, 2022 | December 31, 2021 |
|-------------------------|-------------------|-------------------|
| Staff expenses          | 300 565           | 312 465           |
| Average headcount       | 482               | 474               |
| <b>Average Salary</b>   | <b>624</b>        | <b>659</b>        |

## 16. Depreciation

| In thousands of dirhams | December 31, 2022 | December 31, 2021 |
|-------------------------|-------------------|-------------------|
| Amortization            | 798 027           | 807 897           |
| Provisions              | 42 460            | 16 444            |
| <b>Total</b>            | <b>840 487</b>    | <b>824 341</b>    |

Provisions are primarily related to provisions for impairment of spare parts inventories.

## 17. Financial income

| In thousands of dirhams                   | December 31, 2022 | December 31, 2021 |
|---|-------------------|-------------------|
| Interests and other financial proceeds    | 17 249            | 28 660            |
| Financial reversals and expense transfers | 8 556             | 9 074             |
| Foreign exchange gain & loss              | 115 511           | (7 646)           |
| Interest expenses                         | (470 402)         | (498 406)         |
| Financial provisions                      | (51 824)          | (8 556)           |
| <b>Total</b>                              | <b>(380 910)</b>  | <b>(476 874)</b>  |

Interest and other financial income correspond to the interests on the surplus cash investments.

Financial reversals correspond to reversals of provisions for foreign exchange losses of the previous year.

Interest expenses correspond to interests related to TAQA Morocco and JLEC 5&6 facilities.

## 18. Non current income

| In thousands of dirhams                            | December 31, 2022 | December 31, 2021 |
|--|-------------------|-------------------|
| Other non current revenues                         | 25 032            | 30 297            |
| Other non current expenses                         | (111 764)         | (75 770)          |
| Non current depreciation and provision allocations | 1 729             | (27 580)          |
| <b>Total</b>                                       | <b>(85 003)</b>   | <b>(73 053)</b>   |

Other non-current expenses include mainly the Social Solidarity Contribution of TAQA Morocco and JLEC 5 & 6.

## 19. Income tax

| In thousands of dirhams | December 31, 2022 | December 31, 2021 |
|-------------------------|-------------------|-------------------|
| Current tax             | 637 404           | 632 801           |
| Deferred tax            | 132 889           | (32 513)          |
| <b>Total</b>            | <b>770 293</b>    | <b>600 288</b>    |

The deferred tax result only from the consolidation restatements (mainly temporary differences).

The tax proof is presented as follows:

| Tax proof  | 2022           | 2021           |
|--|----------------|----------------|
| Income before tax                                    | 2 446 931      | 1 880 835      |
| Profit before tax from consolidated companies        | 2 446 931      | 1 880 835      |
| Income tax rate                                      | 31%            | 31%            |
| <b>Theoretical tax</b>                               | <b>758 549</b> | <b>583 059</b> |
| Tax related to re-integrated depreciation allowances | 2 629          | 2 615          |
| Tax related to re-integrated donations and gifts     | 549            | 213            |
| Tax related to other permanent difference            | -5 359         | -2 597         |
| Tax related to other restatements                    | 13 926         | 16 999         |
| <b>Total tax charge</b>                              | <b>770 293</b> | <b>600 288</b> |

## 20. Off-balance sheet commitments

| In thousands of dirhams                          | December 31, 2022 | December 31, 2021 |
|--|-------------------|-------------------|
| Commitments given (endorsements and sureties)    | 390               | 390               |
| Commitments received (endorsements and sureties) | 1 062 885         | 1 132 179         |

The list of assets of JLEC 5 & 6 that are subject to a security rights in the financing, construction and operation of Units 5 and 6 of the Jorf Lasfar Thermal Power Plant (the «Project») is presented as following :

- ▶ Two pledges covering all the shares (less three shares) of JLEC 6 & 5, representing %100 (less three shares) of its share capital;
- ▶ A real estate mortgage relating to the surface right available to JLEC 6 & 5 on the Units 5 and 6 site and covered by Special Title No. 08/146.616/BIS and Special Title No. 08/146.617/BIS;
- ▶ an agreement for the assignment of trade receivables relating to certain Project contracts and the corresponding assignments of trade receivables;
- ▶ an agreement for the assignment of trade receivables;
- ▶ Delegations of insurance benefits relating to insurance underwritten under the Project;
- ▶ pledges of bank account balances dedicated to JLEC 6 & 5;
- ▶ a pledge of receivables from hedging instruments concluded under the JLEC 6 & 5 project;
- ▶ an assignment of reinsurance indemnity claims relating to reinsurance underwritten under the JLEC 6 & 5 Project;
- ▶ Insurance claims of TAQA Morocco.

## 21. Related parties transactions

The transactions with related parties in 2022 are summarized below:

| Agreement  | Related party   | Transaction type             | Amount recorded in the 2022 income statement (in thousands of dirhams) |
|--|---|------------------------------|--|
| Support services agreement (including the assistance of the finalization of the financial statements, assistance in the reporting obligations and legal aspects).  | TNA   | Re-invoicing                 | 6 653  |
| Taqa Morocco provides services to JLEC 5&6, particularly in the following areas: HR (recruitment, training), technical support, logistics and purchasing IT, implementation of health, safety & environment. | JLEC 5&6  | Re-invoicing                 | 11 310   |
| O&M agreement between TAQA Morocco, TNA and JLEC 5&6.  | JLEC 5&6 and TNA  | Re-invoicing + bonus - malus | 75 057   |
| "IPFPA" (Inter-Project Funding Providers Agreement) and its application protocol "SFIPAP" (Shared Facilities Insurance Proceeds Application Protocol).   | TAQA Morocco - JLEC 5&6   | Re-invoicing                 | 0  |
| "EPA" (Equity Parties Agreement).  | Abu Dhabi National Energy Compagny (TAQA), JLEC 5&6, Taqa Power Ventures BV | Re-invoicing                 | 0  |
| O&M agreement between TAQA Morocco and TNA.  | TNA   | Re-invoicing + bonus - malus | 64 423   |
| Subordinated loans granted to JLEC 5&6 to finance development and construction costs   | TAQA International BV   | Interests                    | 86 419   |

## 22. Contingent liabilities

TAQA Morocco's tax declarations for the 2021 and 2022 financial years are not yet prescribed, and may be subject to tax audits and potential adjustments.

In addition, TAQA Morocco signed, on December 23, 2022, an agreement with the Tax Administration to close the tax audit.

The adjustments resulting from the tax audit did not have a significant impact on the company's results, net situation and liquidity.

On the other hand, the tax declarations of JLEC 5&6 for the financial years 2019 to 2022 are not yet prescribed, and may be subject to audit and potential adjustments.

## 23. Events after the closing

No significant event that could have an impact on the financial position of the Company has occurred since the 2022 year financial closing.

## 24. Consolidation Perimeter

| Subsidiaries | DECEMBER 2022 |           |                    | DECEMBER 2021 |           |                    |
|--------------|---------------|-----------|--------------------|---------------|-----------|--------------------|
|              | % interest    | % control | Method             | % interest    | % control | Method             |
| TAQA MOROCCO | 100           | 100       | Full consolidation | 100           | 100       | Full consolidation |
| JLEC 5&6     | 66            | 66        | Full consolidation | 66            | 66        | Full consolidation |

To the Shareholders of  
**TAQA Morocco S.A.**  
Commune Moulay Abdellah,  
Route régionale 301, PK23, Centrale Thermique de Jorf Lasfar  
El Jadida

## STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS PERIOD FROM JANUARY 1<sup>st</sup> TO DECEMBER 31<sup>st</sup>, 2022

*This is a free translation into English of the statutory auditors' report on the consolidated financial statements of the Group TAQA signed and issued in French and it is provided solely for the convenience of English-speaking users.  
This statutory auditors' general report is prepared according to the rules of preparation and submission of periodic and additional information, required by Moroccan law in such reports. This information presented below expresses the opinion on the consolidated financial statements. This report should be read in conjunction with, and construed in accordance with, Moroccan law and professional auditing standards applicable in Morocco.*

### Opinion

We have audited the accompanying consolidated financial statements of TAQA Morocco S.A. and its subsidiary (The Group), which include the consolidated balance sheet as of December 31, 2022, and the consolidated income statement, the consolidated cash flow statement for the year then ended as well as consolidated additional disclosures. These consolidated financial statements show a consolidated equity of KMAD 7.553.216 including a consolidated net profit of KMAD 1.676.638. These financial statements were approved by the Executive Board on February 22<sup>nd</sup>, 2023, in the evolving context of the health crisis of the Covid-19 epidemic, on the basis of the information available at that date.

We certify that the consolidated financial statements referred to in the first paragraph above are regular and sincere and give, in all material aspects, a fair view of the financial position and assets of the Group as of December 31<sup>st</sup>, 2022, as well as of the results of its operations for the year then ended, in accordance with the accounting principles applicable in Morocco.

### Basis for opinion

We conducted our audit in accordance with professional standards applicable in Morocco. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with ethics' requirements that are relevant to the audit of the financial statement in Morocco, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

We determined that there was no key audit matter to communicate.

### Responsibilities of Management's and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting principles applicable in Morocco, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to frauds or errors, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards applicable in Morocco will always detect a material misstatement when it exists. Misstatements can arise from frauds or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with professional standards applicable in Morocco, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to frauds or errors, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Casablanca, February 22<sup>nd</sup>, 2023

**The Statutory Auditors**



**French original signed by  
Adnane FAOUZI  
Partner**



**French original signed by  
Abdelmajid BENJELLOUN TOUIMI  
Partner**

*This is a translation into English of the statutory auditors' special report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.  
This report should be read in conjunction with, and construed in accordance with, Moroccan law and professional auditing standards applicable in Morocco*

To the Shareholders of

**TAQA Morocco S.A.**

Commune Moulay Abdellah,  
Route régionale 301, PK23, Centrale Thermique de Jorf Lasfar  
El Jadida

**SPECIAL REPORT OF THE STATUTORY AUDITORS**

(English free translation of the original report in French)

**PERIOD FROM JANUARY 1ST TO DECEMBER 31, 2022**

In accordance with our engagement as statutory auditors of your Company, we hereby present our report on regulated agreements in accordance with articles 95 to 99 of Law 17-95 as amended and supplemented.

Our responsibility is to present the characteristics and terms of the agreements notified to us by the Chairman of the Supervisory Board or that we have discovered during our engagement. However, we do not express any opinion regarding their usefulness and appropriateness, nor to look for the existence of other regulated agreements. It is your responsibility, according to the law abovementioned, to approve such agreements.

We have performed the procedures that we considered necessary in accordance with the standards applicable in Morocco. These procedures consisted in verifying the adequacy between the information we obtained and the documentation from which they arise.

**1. AGREEMENTS CONCLUDED DURING THE YEAR**

Your Chairman has not advised us of any new agreement concluded during the year 2022.

**2. AGREEMENTS CONCLUDED DURING THE PREVIOUS YEARS AND WITH CONTINUING EFFECT DURING THIS YEAR**

**2.1. Support Service agreement with JLEC 5&6 (written agreement)**

**Persons concerned:** JLEC 5&6, 66% owned by TAQA Morocco.

**Nature and purpose of the agreement:** The Company signed on January 28, 2013 a support service agreement, particularly in the following areas: human resources, technical support, logistics and purchasing, information systems, as well as the implementation of health, safety and environment procedures.

**Main terms:** TAQA Morocco invoices on a monthly basis to JLEC 5&6 an amount of KMAD 942 VAT excluded.

**Amount of services provided or delivered:** As of December 31, 2022, the amount recognized under this agreement in income amounts to KMAD 11,310. The remaining balance to be collected at this date amounts to KMAD 1,131.

**Amounts received or paid:** As of December 31, 2022, the total collections under this agreement amounts to KMAD 13,729 VAT included.

**2.2. Support Service agreement with TAQA North Africa (written agreement)**

**Persons concerned:** TAQA North Africa, subsidiary of Abu Dhabi National Energy Company PJSC « TAQA ».

**Nature and purpose of the agreement:** The Company signed on February 22, 2013 a support service agreement with TAQA North Africa, particularly in the following areas: assistance in procedures with public administrations, finalization of accounting statements, assistance in reporting obligations as well as legal aspects.

**Main terms:** TAQA North Africa invoices on a monthly basis to TAQA Morocco an amount of KMAD 554 VAT excluded.

**Amount of services provided or delivered:** As of December 31, 2022, the amount recognized under this agreement as an expense amount to KMAD 6,653. The remaining balance to be paid at this date amounts to KMAD 665.

**Amounts received or paid:** As of December 31, 2022, the total payments under this agreement amount to KMAD 7,963 VAT included.

**2.3. Agreement entitled Inter-Project Funding Providers Agreement ("IPFPA") between TAQA Morocco, JLEC 5&6 and the financial institutions of TAQA Morocco and JLEC 5&6 (written agreement)**

**Persons concerned:** JLEC 5&6, 66% owned by TAQA Morocco.

**Nature and purpose of the agreement:** The Company signed on January 10, 2013 the IPFPA governing, among others, the treatment of insurance proceeds for the shared facilities of the power plant as well as the debt levels of TAQA Morocco.

**Main terms:** The "IPFPA" and its "SFIPAP" protocol determine the conditions for opening accounts and allocating insurance proceeds for the shared facilities of the power plant. These agreements also govern the designation of the responsible for organizing, obtaining and managing insurance and reinsurance for shared facilities of the power plant on behalf of the Borrowers (TAQA Morocco and JLEC 5&6) and the debt limit of TAQA Morocco as well as other matters and agreements between the parties.

**Amount of services provided or delivered:** As of December 31, 2022, no transaction has occurred under this agreement.

#### 2.4. Operation and Maintenance Agreement "The O&M Agreement" signed between TAQA Morocco and TAQA North Africa (written agreement).

**Persons concerned:** TAQA North Africa, subsidiary of Abu Dhabi National Energy Company PJSC « TAQA ».

**Nature and purpose of the agreement:** Remuneration for the management of technical assistance services as well as the bonus or penalty on the availability of units 1 to 4 and on the Heat rate.

**Main terms:** This contract, dated September 4, 1997, determines the operation and maintenance subcontracting conditions for units 1 to 4 and port installations.

**Amount of services provided or delivered:** As of December 31, 2022, the amount recognized for management fees and for bonus on the availability of units 1 to 4 amount respectively to KMAD 46,480 and KMAD 17,943. The remaining balance to be paid on that date amount respectively to KMAD 4,793 and KMAD 21,529.

**Amounts received or paid:** As of December 31, 2022, the total payments for management fees and for bonus on the availability of units 1 to 4 amount respectively to KMAD 54,828 VAT included and KMAD 20,625 VAT included.

No invoicing was issued for the Heat rate penalty for the fiscal year ended December 31, 2022.

#### 2.5. Authorization process to increase financing lines and equity financing for TAQA Morocco named Equity Parties Agreement « EPA » between TAQA, TAQA Morocco, JLEC 5&6, TPV, TAQA International BV « TIBV » and the financial institutions of JLEC 5&6 (written agreement)

**Persons concerned:** JLEC 5&6 (66% owned by TAQA Morocco), TAQA Power Ventures BV (holding 34% of the capital of JLEC 5&6), TAQA International BV (held by TAQA Abu Dhabi) and Abu Dhabi National Energy Company (holding 100% of the capital of the Company JLEC 5&6 through the companies TAQA Morocco and TAQA Power Ventures BV).

**Nature and purpose of the agreement:** On June 20, 2012, TAQA Morocco signed the Equity Parties Agreement (EPA) governing the authorization process related to increasing financing lines and equity financing for TAQA Morocco.

**Main terms:** The "EPA" determines the characteristics of funds injections, applicable restrictions, capital structure of TAQA Morocco, debt levels and financing transactions.

**Amount of services provided or delivered:** As of December 31, 2022, no transaction has occurred under this agreement.

#### 2.6. Operation and maintenance agreement signed with JLEC 5&6 and TAQA North Africa (written agreement)

**Persons concerned:** TAQA North Africa, subsidiary of Abu Dhabi National Energy Company PJSC « TAQA » and JLEC 5&6 (66% owned by TAQA Morocco).

**Nature and purpose of the agreement:** TAQA Morocco has signed the "O&M Agreement" with TAQA NORTH AFRICA, JLEC 5&6 and Office National de l'Electricité et de l'Eau Potable « ONEE ». This agreement dated March 5, 2012 and its addendum dated December 12, 2012 determine the subcontracting, operation and maintenance conditions for units 5 & 6 of the plant and common facilities between TAQA Morocco and JLEC 5&6.

**Main terms:** The management fees are calculated according to the services provided for the management of the common facilities on behalf of TAQA Morocco.

**Amount of services provided or delivered:** As of December 31, 2022, the amount recognized for the management of common facilities as an expense amount to KMAD 4,854. The remaining balance to be paid at this date amounts to KMAD 500.

**Amounts received or paid:** As of December 31, 2022, the total payments amount to KMAD 5,868 VAT included.

Casablanca, February 22, 2023

#### Statutory Auditors



French original signed by  
Adnane FAOUZI  
Partner



French original signed by  
Abdelmajid BENJELLOUN TOUIMI  
Partner

### ANNEXE 3 : ÉTAT DES HONORAIRES VERSÉS AUX CONTRÔLEURS DE COMPTES

|  | Deloitte/Ernst & Young |           |           |                   |      |      | Deloitte/Ernst & Young BENJELLOUN TOUIMI CONSULTING |         |         |                   |      |      |
|--|------------------------|-----------|-----------|-------------------|------|------|---|---------|---------|-------------------|------|------|
|  | Amount / Year          |           |           | Percentage / Year |      |      | Amount / Year                                       |         |         | Percentage / Year |      |      |
|  | 2022                   | 2021      | 2020      | 2022              | 2021 | 2020 | 2022  | 2021    | 2020    | 2022              | 2021 | 2020 |
| Statutory Audit, certification, examination of statutory and consolidated accounts | 1.026.375              | 977.500   | 708.500   | 85%               | 85%  | 53%  | 320.000   | 250.000 | 250.000 | 100%              | 100% | 100% |
| <i>Issuer</i>  | 580.125                | 552.500   | 420.000   | 48%               | 48%  | 32%  | 320.000   | 250.000 | 250.000 | 100%              | 100% | 100% |
| <i>Subsidiaries</i>  | 446.250                | 425.000   | 288.500   | 37%               | 37%  | 22%  | 0   | 0       | 0       | 0%                | 0%   | 0%   |
| Other diligence and services directly related to the statutory audit               | 181.125                | 172.500   | 618.500   | 15%               | 15%  | 47%  | 0   | 0       | 0       | 0%                | 0%   | 0%   |
| <i>Issuer</i>  | 102.375                | 97.500    | 330.000   | 8%                | 8%   | 25%  | 0   | 0       | 0       | 0%                | 0%   | 0%   |
| <i>Subsidiaries</i>  | 78.750                 | 75.000    | 288.500   | 7%                | 7%   | 22%  | 0   | 0       | 0       | 0%                | 0%   | 0%   |
| Sub-total  | 1.207.500              | 1.150.000 | 1.327.000 | 100%              | 100% | 100% | 320.000   | 250.000 | 250.000 | 100%              | 100% | 100% |
| Other services provided  |                        |           |           | 0%                | 0%   | 0%   | 0   | 0       | 0       | 0%                | 0%   | 0%   |
| Other  |                        |           |           | 0%                | 0%   | 0%   | 0   | 0       | 0       | 0%                | 0%   | 0%   |
| Other services provided  | 0                      | 0         | 0         | 0%                | 0%   | 0%   | 0   | 0       | 0       | 0%                | 0%   | 0%   |
| Global Total   | 1.207.500              | 1.150.000 | 1.327.000 | 100%              | 100% | 100% | 320.000   | 250.000 | 250.000 | 100%              | 100% | 100% |



**TAQA Morocco**

Centrale Thermique Jorf Lasfar  
B.P.99 - Sidi Bouzid - El Jadida - Maroc  
Tél: +212 523 389 000 - Fax: +212 523 345 375  
[www.taqamorocco.ma](http://www.taqamorocco.ma)