



**INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS**
AT 30 JUNE 2020

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Key figures

(In millions of dirhams)	Note	1 st half-year 2020	1 st half-year 2019
Revenue	4.1.1.2	27,403	27,582
Profit (loss) from Joint-Ventures		77	166
EBITDA		8,495	8,480
Operating profit (loss) before exceptional items		4,459	4,630
Cost of net financial debt	10.1.5	(1,118)	(667)
Net profit (loss) Group share		(659)	2,055
Consolidated equity Group share		71,279	76,771
Net financial debt		53,395	39,068
Net operating investments		5,087	5,856
Basic and diluted earnings per share (in dirhams)		(10.50)	22.53
Dividend per share (in dirhams)	12.2	54.30	40.73

Significant events of the period

OCP contribution to the fight against the Covid-19 pandemic

In order to alleviate the impact of the coronavirus on the national economy, Morocco has decreed, following Royal instructions, the establishment of a special fund to face the COVID-19 pandemic. In a sense of patriotism and solidarity approach and as a leading national player, OCP Group has granted 3 billion dirhams to this fund, thus strengthening the common citizen effort of a number of companies and other contributors.

COVID-19: The Group's strategy to face the global crisis

Since the beginning of 2020, OCP has operated at a normal rate, despite the health emergency measures linked to COVID-19.

Indeed, OCP continues to serve its customers on the national and international market as part of a Business Continuity Plan, which allows the maintenance of mining and chemical production operations at all its sites, at the usual rate, while guaranteeing the safety and health of employees.

At the logistics level, OCP maintains normal loading and unloading activity, in coordination with the port authorities, and relying in particular on new technologies, to ensure continuity.

The Group's business sector, being highly strategic in the global food security chain, has been spared by the various health provisions linked to the COVID-19 pandemic and the economic consequences which flow from it internationally. Demand from OCP customers remains at a normal level and the various Group units operate at full capacity to meet the order books, which are filling up at a regular rate.

Events after the reporting period

On June 26, 2020, The Mosaic Company ("Mosaic"), an OCP competitor on the American market, filed a petition with the United States Department of Commerce ("Commerce") and the United States International Trade Commission ("ITC"), alleging that imports of phosphate fertilizers from Morocco and Russia have been subsidized and are causing or threatening to cause material injury to the U.S. domestic industry, including Mosaic.

On July 16, 2020, Commerce decided to initiate an investigation. Regarding the process before the ITC, the Commission preliminarily ruled on August 10, 2020 that there is a reasonable indication that the domestic industry is injured.

An investigation is currently underway, in which OCP is fully collaborating. In the event of a positive determination by both the DOC and ITC, Commerce would issue a countervailing duty order, and tariffs would be imposed on phosphate fertilizers imports from Morocco.

Consolidated Statement of Profit and Loss

(In millions of dirhams)	Note	1 st half-year 2020	1 st half-year 2019
Revenue	4.1.1.2	27,403	27,582
Production held as inventory		(672)	1,903
Purchases consumed	4.2.2	(9,245)	(11,648)
External expenses	4.2.2	(4,344)	(4,827)
Personnel expenses	5.1	(4,403)	(4,518)
Taxes		(233)	(214)
Profit (loss) from joint ventures		77	166
Exchange gains and losses on operating receivables and payables		(84)	(56)
Other operating income and expenses		(3)	92
EBITDA		8,495	8,480
Amortization, depreciation and operating provisions	8.3 - 9.1	(4,036)	(3,850)
Operating profit (loss) before exceptional items		4,459	4,630
Other non-recurring operating income and expenses	7.1	(3,588)	(803)
Operating profit (loss)		871	3,828
Cost of gross financial debt		(1,293)	(976)
Financial income from cash investments		175	310
Cost of net financial debt	10.1.5	(1,118)	(667)
Exchange gains and losses on financial receivables and payables	10.2.2	(243)	25
Other financial income and expenses	10.2.2	(354)	(108)
Financial profit (loss)		(1,715)	(750)
Profit (loss) before tax		(844)	3,078
Corporate Income Tax	11.2-11.3	271	(941)
Net profit (loss) for the period		(573)	2,137
Net profit (loss) - Group share		(659)	2,055
Net profit (loss) - Non-controlling interests		85	82
Basic and diluted earnings per share in dirhams	12.3	(10.50)	22.53

Consolidated Statement of Comprehensive Income

(In millions of dirhams)	1 st half-year 2020	1 st half-year 2019
Net profit (loss) for the period	(573)	2,137
Actuarial gains or losses	(178)	(302)
Taxes	35	54
Items that will not be reclassified to profit or loss	(143)	(248)
Translation differences	20	8
Share of gains and losses recognized in equity for equity-accounted (CFH variation)*	(269)	(20)
Taxes	59	3
Items that may be reclassified to profit or loss	(189)	(9)
Income and expenses for the period, recognized directly in equity	(332)	(257)
Consolidated comprehensive income	(905)	1,880
<i>Including Group share</i>	<i>(991)</i>	<i>1,798</i>
<i>Including non-controlling interests' share</i>	<i>85</i>	<i>82</i>

(*) Changes in fair value of cash flow hedges are recognized in equity for the effective portion of the hedge. Gains and losses accumulated in equity will be recycled to profit or loss as and when revenue is realized in dollars from April 2024 for the first tranche of 1.25 billion dollar and from October 2025 for the second tranche of 1 billion dollar.

Consolidated Statement of Financial Position

(In millions of dirhams)	Note	30 June 2020	31 December 2019
ASSETS			
Current assets			
Cash and cash equivalents	10.1.3.1	10,755	13,487
Cash financial assets	10.1.3.2	17	573
Inventories	4.2.4	14,583	14,996
Trade receivables	4.1.2.2	9,520	8,142
Other current assets	7.2	17,515	15,124
Total current assets		52,390	52,323
Non-current assets			
Non-current financial assets	10.2.1	1,061	1,020
Investments in equity-accounted companies	6.1	4,761	3,882
Deferred tax assets		550	79
Property, plant and equipment	8.1	109,566	108,464
Intangible assets	8.2	1,707	1,095
Total non-current assets		117,644	114,540
Total Assets		170,034	166,864

Consolidated financial statements

(In millions of dirhams)	Note	30 June 2020	31 December 2019
LIABILITIES			
Current liabilities			
Current loans and financial debts		6,815	7,267
Current provisions	9.2	379	353
Trade payables		14,841	15,010
Other current liabilities	7.3	11,077	6,383
Total current liabilities		33,111	29,014
Non-current liabilities			
Non-current loans and financial debts		57,352	52,292
Non-current provisions for employee benefits	9.2	5,621	5,380
Other non-current provisions	9.2	571	519
Deferred tax liabilities		724	1,031
Other non current liabilities		2	
Total Non-current liabilities		64,270	59,223
Equity Group share			
Issued capital	12.1	8,288	8,288
Paidin capital		18,698	18,698
Consolidated reserves Group share		44,952	47,363
Net profit (loss) Group share		(659)	2,843
Equity Group share		71,279	77,191
Non-controlling interests		1,373	1,436
Total equity		72,653	78,627
Total liabilities and equity		170,034	166,864

Consolidated Statement of Changes in Equity

<i>(In millions of dirhams)</i>	<i>Issued capital</i>	<i>Paid-in capital</i>	<i>Actuarial gains or losses ⁽¹⁾</i>	<i>Hybrid securities ⁽²⁾</i>	<i>Other consolidated reserves</i>
Equity as at 31 December 2018	8,288	18,698	(2,676)	9,489	40,642
Policies' changes as at January 1 st , 2019 ⁽⁶⁾					(71)
Equity as at 1st January 2019	8,288	18,698	(2,676)	9,489	40,570
Allocation of profit (loss) for FY 2018					5,425
Consolidated comprehensive income for 1st half-year 2019			(248)		
Subordinated debt's coupons				(204)	
Change in scope					
Dividends paid					(3,346)
Others					(49)
Equity as at 30 June 2019	8,288	18,698	(2,924)	9,285	42,600
Consolidated comprehensive income for 2nd half-year 2019			(320)		
Subordinated debt's coupons				(210)	
Change in scope					
Dividends paid					
Others					19
Equity as at 31 December 2019	8,288	18,698	(3,244)	9,075	42,618
Allocation of profit (loss) for FY 2019					2,843
Consolidated comprehensive income for 1 st half-year 2020			(143)		
Subordinated debt's coupons				(204)	
Change in scope					
Dividends paid					(4,461)
Others					(257)
Equity as at 30 June 2020	8,288	18,698	(3,386)	8,872	40,744

⁽¹⁾ Defined benefit plans are subject to a provision, determined on the basis of an actuarial valuation of the commitment using the projected unit credit method, taking into account demographic and financial assumptions. Actuarial assumptions are reviewed on an annual basis. Differences related to changes in actuarial assumptions and experience-related adjustments are actuarial gains and losses recorded in non-recyclable equity in accordance with the provisions of IAS 19 revised.

⁽²⁾ OCP SA closed two perpetual subordinated bond issue with early repayment and deferred payment options for a total amount of 10 billion dirhams issued in Five tranches. Given the characteristics of this hybrid issue, the financing is recognized in equity under IFRS9.

⁽³⁾ Unrealized capital loss represents the depreciation of the Group's stake in Heringer.

Translation difference	Financial assets at fair value by OCI ⁽³⁾	Share of gains and losses recognized in equity (CFH variation) ⁽⁴⁾	Net profit (loss)	Total equity Group share	Non-controlling interests ⁽⁵⁾	Total equity
(236)	(521)	(250)	5,425	78,859	1,430	80,290
(236)	(521)	(250)	5,425	78,787	1,430	80,218
			(5,425)			
8		(10)	2,055	1,805	82	1,887
				(204)		(204)
				(3,346)	(170)	(3,516)
				(49)	2	(47)
(228)	(521)	(260)	2,055	76,994	1,345	78,337
(45)		(33)	788	391	91	481
				(210)		(210)
				19		19
(274)	(521)	(292)	2,843	77,191	1,436	78,627
			(2,843)			
20		(209)	(659)	(991)	85	(905)
				(204)		(204)
					(3)	(3)
				(4,461)	(170)	(4,631)
				(257)	25	(232)
(253)	(520)	(500)	(659)	71,279	1,373	72,653

⁽⁴⁾ The group sets up a foreign currency cash-flow hedge in accordance with IAS 39, The hedging strategy results in recognition in OCI (Other Comprehensive Income), for the effective part, of the currency effect on the debt until maturity.

⁽⁵⁾ Represents interests of minority shareholders in the JFCV subsidiary's equity.

⁽⁶⁾ Change in accounting methods related to the first application of IFRIC 23 Interpretation «Uncertainty over Income Tax Treatments» as at January 1st, 2019.

Consolidated Statement of Cash Flows

(In millions of dirhams)	Note	1 st half-year 2020	1 st half-year 2019	FY 2019
EBITDA		8,495	8,480	15,333
Subsidies and donations ⁽¹⁾	7.1	(3,403)	(668)	(1,140)
Other non-current operating income and expenses		(97)	(18)	(91)
Other non-current operating income and expenses- prior period		(3)	(5)	(51)
Profit or loss of associates and joint ventures		(77)	(166)	(360)
Other movements		(456)	(451)	(652)
Funds from operations		4,459	7,173	13,039
Impact of the change in WRC:		(3,338)	(839)	248
Inventories		329	(1,325)	(1,777)
Trade receivables		(1,394)	958	2,142
Trade payables		(677)	914	1,506
Other current assets and liabilities		(1,596)	(1,385)	(1,622)
Taxes paid		(729)	(467)	(1,291)
Total net cash flows related to operating activities		392	5,868	11,996
Acquisitions of PP&E and intangible assets		(5,087)	(5,856)	(13,964)
Disposals of PP&E and intangible assets		13	48	29
Net financial investments		432	2,553	5,032
Impact of changes in scope ⁽²⁾		(948)		
Acquisitions of financial assets		(15)	(54)	(373)
Dividends received		108	248	285
Total net cash flows related to investing activities		(5,496)	(3,060)	(8,990)
Loan issue	10.1.2.4	7,646	15	6,228
Loan repayment		(3,792)	(3,736)	(6,765)
Hybrid securities coupons		(204)	(204)	(414)
Net financial interest payments		(1,271)	(1,102)	(2,199)
Dividends paid to Group shareholders	12.2	0	(1,176)	(3,346)
Dividends paid to minority shareholders		0	0	(170)
Total net cash flows related to financing activities		2,379	(6,203)	(6,666)
Impact of changes in exchange rates on cash and cash equivalents		(4)	(0)	(3)
Net increase/(decrease) in cash and cash equivalents		(2,730)	(3,394)	(3,663)
Opening cash and cash equivalents	10.1.3.1	13,477	17,140	17,140
Closing cash and cash equivalents	10.1.3.1	10,747	13,746	13,477
Change in net cash		(2,730)	(3,394)	(3,663)

⁽¹⁾ The OCP group made a donation of 3 billion dirhams to the Fund against Covid 19. In order to support the State in its efforts to combat the spread of Coronavirus, and its consequences on the national economy.

⁽²⁾ MHC (Maghrib Hospitality Company) is a joint-venture created by OCP and Hassan II Fund for Economic and Social Development. This joint-venture serves the development of hotel sector in Morocco.

Note 1 - Accounting rules and methods

1.1. BASES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

OCP Group's 1st half-year consolidated financial statements ended June 30, 2020 include a set of condensed financial statements prepared and presented in accordance with the disposals of IAS 34 «Interim Financial Reporting». These financial statements should be read in conjunction with the IFRS consolidated financial statements as at December 31, 2019.

They are presented with a comparison at December 31, 2019 and June 30, 2019.

The accounting principles and methods used to prepare OCP Group's 1st half year consolidated financial statements ended June 30, 2020 are identical to those used for the preparation of the consolidated financial statements for the year ended December 31, 2019.

These financial statements are prepared in accordance with the accounting standards IFRS as adopted in the European Union, with the exception of those relating to standards, amendments and interpretations adopted by the European Union and newly applicable as of January 1, 2020 (which had not been applied early by the Group).

1.2. STANDARDS AND INTERPRETATIONS APPLIED AT JANUARY 1, 2020

The standards which are mandatorily applicable from 1st January 2020 have no material impact on OCP's consolidated financial statements at 30 June 2020. These are mainly:

- Definition of a Business (Amendments to IFRS 3): amendments narrowed and clarified the definition of a business. They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business.
- Disclosure Initiative - Definition of Material (Amendments to IAS 1 and IAS 8): The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
- IBOR Reform and its Effects on Financial Reporting - Phase 1: amendment to IFRS 9, IAS 39 and IFRS 7 insofar as they affect Interest Rate Benchmark Reform.

Note 2 - Consolidation scope

2.1. CONSOLIDATION SCOPE

Entity	Country of location	Currency	30 June 2020		31 december 2019	
			Consolidation method	% Interest	Consolidation method	% Interest
Industrial						
OCP SA - Holding	Morocco	MAD	Parent Company	100.00	Parent Company	100.00
Phosboucraa	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company I - JFC I	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company II - JFC II	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company III - JFC III	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company IV - JFC IV	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company V - JFC V	Morocco	MAD	Full	60.00	Full	60.00
Euro Morocco Phosphore - EMA	Morocco	MAD	Equity method	33.33	Equity method	33.33
Indo Morocco Phosphore - IMA	Morocco	MAD	Equity method	33.33	Equity method	33.33
Pakistan Morocco Phosphore - PMP	Morocco	MAD	Equity method	50.00	Equity method	50.00
Paradeep Phosphates Ltd. - PPL	India	INR	Equity method	50.00	Equity method	50.00
Groupe PRAYON	Belgium	EUR	Equity method	50.00	Equity method	50.00
Trading						
OCP AFRICA	Morocco	MAD	Full	100.00	Full	100.00
Black Sea Fertilizer Trading Company	Turkey	TRY	Full	100.00	Full	70.00
OCP Fertilizantes	Brazil	BRL	Full	100.00	Full	100.00
SAFTCO	Swiss	USD	Full	100.00	Full	100.00
OCP North America*	USA	USD	IG	100.00		
Others						
OCP International	Netherlands	USD	IG	100.00	IG	100.00
OCP International SAS	France	EUR	IG	100.00	IG	100.00
Fondation OCP	Morocco	MAD	IG	100.00	IG	100.00
Fondation PB	Morocco	MAD	IG	100.00	IG	100.00
Université MED6 polytechnique - UM6P	Morocco	MAD	IG	100.00	IG	100.00
Lycée d'Excellence de Benguerir - Lydex	Morocco	MAD	IG	100.00	IG	100.00
Association pour la Promotion de l'Enseignement d'Excellence - APEE	Morocco	MAD	IG	100.00	IG	100.00
Foncière Endowment 1 - FE1	Morocco	MAD	IG	100.00	IG	100.00
Jacobs Engineering - JESA	Morocco	MAD	Equity method	50.00	Equity method	50.00
Dupont Ocp Operations Consulting - DOOC	Morocco	MAD	Equity method	50.00	Equity method	50.00
Société d'Aménagement et de Développement de Mazagan - SAEDM	Morocco	MAD	Equity method	51.00	Equity method	51.00
Société d'Aménagement et de Développement Vert - SADV	Morocco	MAD	IG	100.00	IG	100.00
OCP Innovation Fund For Agriculture - OIFFA	Morocco	MAD	IG	100.00	IG	100.00
Maghrib Hospitality Company - MHC*	Morocco	MAD	Equity method	50.00		
OCP Hospitality	Morocco	MAD	IG	100.00	IG	100.00
Société de Transports Régionaux - SOTREG	Morocco	MAD	IG	100.00	IG	100.00
Centre d'Etudes et de Recherches des Phosphates Minéraux (CER)	Morocco	MAD	IG	100.00	IG	100.00
OCP Solutions (Ex SMESI)	Morocco	MAD	IG	100.00	IG	100.00
TEAL Technology & Services - TTS	Morocco	MAD	Equity method	49.00	Equity method	49.00

* New Joint-Venture

2.2. SCOPE CHANGE

The Group's scope of consolidation has changed following the creation of the following two entities:

- Maghrib Hospitality Company-MHC: This entity is jointly owned by OCP and the Hassan II Fund. The capital and the governance of the joint venture is shared equally between the two shareholders: OCP and the Hassan II Fund. Likewise, decisions

on the relevant activities of this joint venture are subject to unanimous voting rights of the shareholders. Therefore, MHC is consolidated using the equity method according to IFRS 11-Partnerships.

- OCP North America (formerly OCP Research): Entity 100 % owned by OCP, it operates in the marketing and distribution of OCP products. OCP North America also offers a variety of services related to market intelligence and analysis and partnership development.

Note 3 - Segment reporting

The presentation of the Group' segment information is made by production:

Northern Axis (Khouribga - Jorf Lasfar): this axis hosts the integrated phosphate chemical processing hub. Phosphate extracted at Khouribga is transported by slurry pipeline to Jorf Lasfar, where it is processed into phosphoric acid and fertilizer. The finished products are exported from the OCP port at Jorf Lasfar..

Central Axis (Youssoufia and Benguerir - Safi) and Phosboucrââ: this axis hosts:

- The integrated phosphate chemical processing hub. The phosphate extracted at Youssoufia and Benguerir is transported by rail to Safi, where it is processed into phosphoric acid and fertilizer. The finished products are exported from the Safi port;
- Phosboucrââ's extraction site. The phosphate that is extracted there is transported by conveyer to the processing center at Laâyoune, then exported by sea from the Laâyoune port.

Head office and other activities: it hosts the corporate activities and the activities of international entities..

3.1 INFORMATION BY OPERATING SEGMENT

(In millions of dirhams)	Northern axis		Central axis & Phosboucrââ		Head-office and other activities		Intersegment eliminations		TOTAL	
	1 st half-year 2020	1 st half-year 2019	1 st half-year 2020	1 st half-year 2019	1 st half-year 2020	1 st half-year 2019	1 st half-year 2020	1 st half-year 2019	1 st half-year 2020	1 st half-year 2019
Revenue	21,919	21,114	5,156	5,857	3,083	1,746	(2,754)	(1,135)	27,403	27,582
Production held as inventory	(1,127)	1,392	51	490	404	20			(672)	1,903
Purchases consumed	(7,037)	(9,083)	(1,339)	(1,846)	(3,452)	(1,723)	2,583	1,003	(9,245)	(11,648)
External expenses	(2,445)	(2,583)	(1,185)	(1,257)	(953)	(1,268)	239	281	(4,344)	(4,827)
Personal expenses	(1,921)	(2,108)	(1,319)	(1,389)	(1,183)	(1,022)	20		(4,403)	(4,518)
Taxes	(106)	(104)	(40)	(38)	(88)	(73)			(233)	(214)
Income from joint ventures	6	107			71	58			77	166
Exchange gains and losses on operating receivables and payables & Other operating income and expenses	49	125	3		(52)	60	(87)	(149)	(87)	37
EBITDA	9,337	8,860	1,328	1,819	(2,169)	(2,200)			8,495	8,480
Amortization, depreciation and operating provisions	(2,986)	(2,402)	(469)	(350)	(581)	(1,098)			(4,035)	(3,850)
Current operating profit (loss)	6,351	6,458	859	1,468	(2,750)	(3,298)			4,459	4,629
Other non-current operating income and expenses	(130)	(175)	(140)	(134)	(3,318)	(493)			(3,588)	(803)
Operating profit (loss)	6,221	6,283	718	1,334	(6,068)	(3,791)			871	3,827

The Group's revenue stood at 27.4 billion dirhams, a slight decrease of 1 % compared to the first half of 2019. Consolidated revenue recorded an increase in volumes of rock and fertilizers intended to the Latin American and European markets. This increase was offset by the decline in the local market, with the drop in rock supplies following the production stoppages of the two joint ventures IMACID and PMP whose partners have been impacted by the pandemic. Prices were lower compared to the same period last year due to an over supplied market as well as lower raw material prices.

The revenue of the northern axis, which represents more than 80 % of the total revenue, reached 21.9 billion dirhams, an increase of 4 % compared to the same period of 2019. Sales of this axis are driven by fertilizer exports to Brazil supported by a good agricultural season, and to India due to the decline in local production following the impact of measures implemented to control the spread of the pandemic.

The revenue of the central axis were lower compared to the first half of 2019, mainly in phosphoric acid, as a result of lower local production in India following the impact of Covid-19.

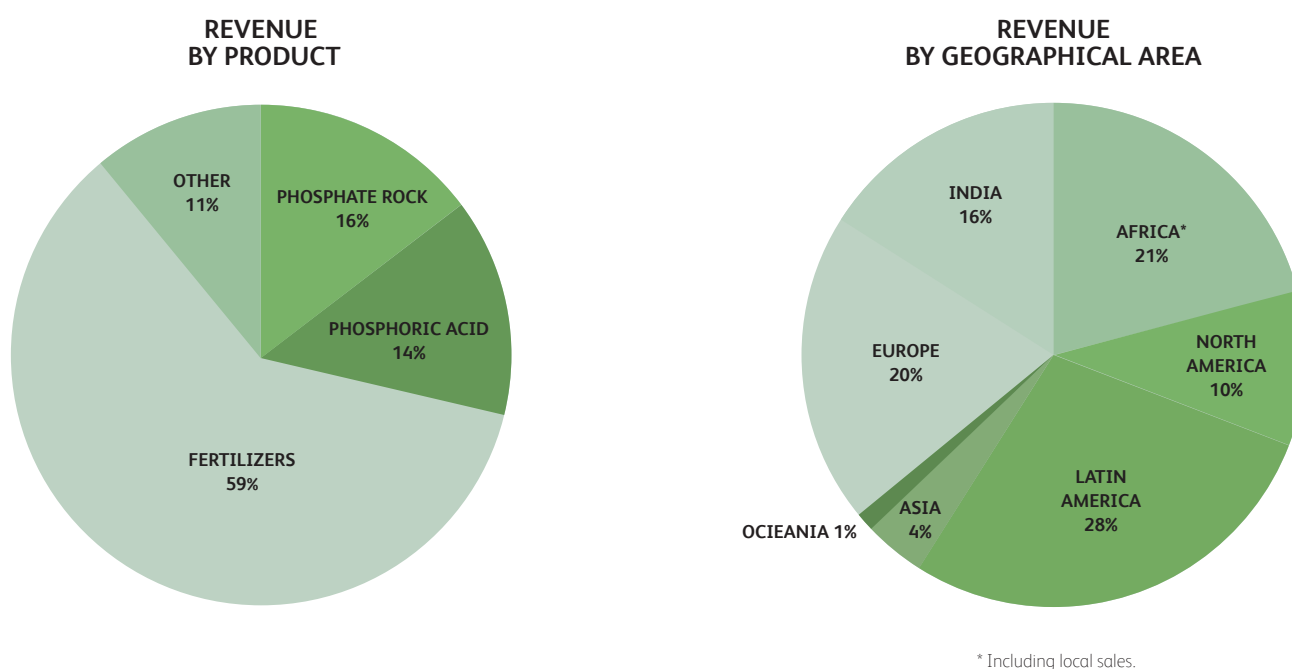
The Group's operating expenses fell by 14 % compared to the first half of 2.9 billion dirhams thanks to lower raw material costs, notably sulfur and sulfuric acid, supported by decreased prices over the period.

The northern axis recorded a decrease of 17 % in its operating expenses, a variation of 2.4 billion dirhams, as sulfur purchases, down by more than 40 %. The same trend is also observed in the central axis where sulfur costs also fell by 40 %.

The Group's EBITDA remains stable compared to the first half of 2019, with lower production held as inventory, offset by lower raw material costs, decreased energy consumption and savings on services and external charges, resulting from the Group's continuous efforts in terms of cost control and optimization.

3.2. REVENUE BY PRODUCT AND BY GEOGRAPHIC AREA

The breakdown of net consolidated sales by product and by geographic area as of 30 June 2020 is detailed as follows:



The Group generates revenues with a diversified clientele. No client alone generates more than 10 % of the consolidated turnover.

It should also be noted that 99 % of the consolidated assets are located in Morocco (excluding foreign companies consolidated by the equity method).

Note 4 - Operational data

4.1. OPERATING REVENUE

4.1.1 REVENUE

4.1.1.1 ACCOUNTING TREATMENT OF REVENUE

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts and volume rebates allowed. Revenue is recognized upon the transfer of the significant risks and rewards of ownership of the goods, and when the amount of revenue can be reasonably estimated. This transfer of ownership is made at the time of delivery of goods for local sales and as per Incoterms for export sales:

- **Sales carried out FOB (Free on Board):** transfer of risk takes place when the goods are placed on board the ship at the port of shipment. This primarily concerns sales related to the mining activities.
- **Sales carried out under the incoterm CFR (Cost and Freight):** OCP bears, in addition, the transport costs to the destination port, loading costs, export formalities and the related duties and taxes.

4.1.1.2 INFORMATION BY PRODUCT FAMILY

(In millions of dirhams)	1 st half-year 2020	1 st half-year 2019
Phosphates	4,447	4,703
Phosphoric acid	3,931	5,693
Fertilizers	16,135	14,403
Other income	2,891	2,782
Revenue	27,403	27,582

(In millions of dirhams)	Phosphates		Phosphoric acid		Fertilizers	
Main markets	1 st half-year 2020	1 st half-year 2019	1 st half-year 2020	1 st half-year 2019	1 st half-year 2020	1 st half-year 2019
Local sales	717	1,136	698	674	172	229
South America	1,182	906	261	303	5,401	4,387
Europe	1,199	1,086	1,226	1,673	2,445	1,986
Africa		2		43	3,548	4,373
North America	70		59		2,332	2,577
India	694	840	1,436	2,542	1,862	152
Asia	420	582	252	458	366	695
Oceania	165	152			9	5
Total	4,447	4,703	3,931	5,693	16,135	14,403

(In millions of dirhams)	Phosphates		Phosphoric acid		Fertilizers	
Breakdown by third parties	1 st half-year 2020	1 st half-year 2019	1 st half-year 2020	1 st half-year 2019	1 st half-year 2020	1 st half-year 2019
Revenue	6,126	7,813	3,931	5,693	18,678	15,318
Outside the group	3,727	3,142	3,295	4,062	16,135	14,439
Joints ventures	720	1,562	636	1,631		-35
Intercompany sales	1,680	3,110			2,544	915
Eliminations	1,680	3,110			2,544	915
Total	4,447	4,703	3,931	5,693	16,135	14,403

Revenue realized in the first half of 2020 is slightly down compared to the first half of 2019:

Phosphates sales are down 5 % between the two semesters, this decrease is mainly explained by the increase in volumes exported to Latin America, mainly to Mexico at our client INNOPHOS following an anticipatory storage strategy, and at Fertinal impacted by the production stoppage in the first half of 2019 following a fire. The Group was able to benefit from a good agricultural season in Brazil. This increase was offset by the decrease in volumes sold on the local market following the production stoppages of the two joint- ventures IMACID and PMP impacted by the epidemic situation among Indian and Pakistani partners.

Finally, in Europe, the increase in expeditions, particularly to Poland, Belarus and Lithuania due to lower prices.

It should be noted that average prices decreased from \$ 81/T FOB to \$ 74/T FOB on the international market between the two first half of 2020 and 2019.

Sales of Phosphoric acid fell by 31 % between the first half of 2019 and the first half of 2020, or -1.8 billion dirhams. This decline is mainly explained by the drop in prices which is correlated with the fall in sulfur prices as well as the drop in volumes exported mainly to India following the reduction and / or the production stoppage in several factories due to the sanitary measures related to Covid-19.

Fertilizer sales, for their part, recorded an increase of 1.7 billion dirhams between the first two semesters of 2020 and 2019 (+ 12 %), explained by a positive volume effect due to the increase in exports to Brazil induced by a good agricultural season, in Europe explained by strong demand, and in India explained by the increase in fertilizer imports following the drop in production rate due to the conditions of the Covid-19 pandemic.

Finally, increased volumes on the African continent due to calls for tenders won in Ethiopia at the end of 2019 for a total volume of 880 Kt.

This increase was slightly offset by a decrease in volumes exported to Asia, especially Bangladesh following government restrictions on imports.

The prices of Fertilizers recorded a decrease in the international market explained by the fall in the prices of sulfur and ammonia linked to the oversupply in the market. The average market price per tonne fell from \$ 356 / T in the first half of 2019 to \$ 287/T in the first half of 2020.

Other revenues are mainly comprised of «Freight» business and other ancillary products, particularly the sale of liquid sulfur, urea, potassium chloride, etc. This line amounts to 2.9 billion dirhams, ie + 6 % in the first half of 2020 compared to the same period in 2019.

4.1.2 TRADE RECEIVABLES

4.1.2.1 ACCOUNTING TREATMENT OF TRADE RECEIVABLES

This category includes operating receivables, deposits and guarantees, as well as loans. Upon initial recognition, loans and receivables are recorded in the balance sheet at their fair value plus transaction costs directly attributable to the acquisition or issue of the asset. At the closing date, these assets are measured using the amortized cost method. A loss in value is recorded depending on the risk of non-recovery.

4.1.2.2 ANALYSIS OF TRADE RECEIVABLES

(In millions of dirhams)	30 June 2020	31 December 2019
Trade receivables invoiced	10,527	9,133
Provisions - trade receivables	(1,007)	(991)
Net trade receivables	9,520	8,142

Trade receivables increased by 1.4 billion dirhams between December 31, 2019 and June 30, 2020, i.e. + 17 %.

Provisions –trade receivables are mainly related to the depreciation of the receivables of the customer Heringer due to his financial difficulties for an amount 411 million dirhams in December 2019 which remains stable in June 2020.

4.1.3 MANAGEMENT OF EXCHANGE RISK AND CREDIT RISKS

4.1.3.1 EXCHANGE RISK

The Group's exposure to risk mainly results from the performance of a large part of its operating flows and its financial flows in currencies other than that in which the Group keeps its books (MAD), mainly the US dollar and the Euro. OCP Group hedges its currency flows through natural hedging (foreign Currencies revenues - foreign currency expenses) and transfers the balance on the market through spot transactions.

4.1.3.2 FOREIGN EXCHANGE RISK ON FINANCING FLOWS

Setting up foreign exchange hedge accounting:

As part of these activities, OCP realizes sales in dollars and has issued two bonds in dollars in fine respectively on April 25, 2014 and April 22, 2015. The first debt of 1.25 billion dollar comes to maturity on April 25, 2024 and the second debt of 1 billion dollar matures on October 22, 2025. At each closing, these debts generate a foreign exchange rate effect in income under IAS 21. In this context, OCP aimed to limit this impact by using hedge accounting under IAS 39.

Evaluation of the hedging relationship in the COVID-19 context:

In this particular context of the Covid-19 observed in the first half of 2020, OCP affirms that the circumstances of the pandemic will not be likely to reduce the level of activity and Group revenue. Thus, in its interim closure of the consolidated accounts in the first half of 2020, the Group achieved a revenue of 2.8 billion dollar (27.4 billion dirhams) remaining at a stable level compared to the revenue achieved in the first half of 2019. Subsequent to this half year closing.

Consequently, the assumptions validating the effectiveness of the hedging relationship remain fully maintained.

Thus, a total amount of 269 million dirhams is accounted for in other comprehensive income in the first half of 2020 in accordance with IAS 39 provisions regarding cash flow hedge accounting.

According to the strategy initially described, OCP expects the hedge to be highly effective; it must be regularly tested over the life of the transaction and must be between 80 % and 125 %.

4.1.3.3 CREDIT RISKS

The credit risk stems in particular from the client risk in the event that the customers are unable to fulfill their commitments under the agreed conditions, bank and political risk. OCP Group is present in more than fifty countries in the world. Its Revenue is mainly generated by export sales. OCP Group counts among its clients large international groups that have been in business relations with the Group for several years. Credit risk management is based on the following elements:

- OCP has a comprehensive credit risk hedging policy based on periodic assessments of the financial strength of its clients and counterparties.
- The Group carries out a very active monitoring of trade receivables and counterparty risks. The monitoring is also permanent and rigorous with preventive reminders and in case of exceeding deadlines.
- Reporting and monitoring indicators are produced monthly to assess the payment performance of customers and counterparties. The Group covers credit risk through a nonrecourse credit insurance and factoring program signed with worldclass players.

4.2 PURCHASES CONSUMED AND EXTERNAL CHARGES

4.2.1 ACCOUNTING TREATMENT OF OPERATING CHARGES

Operating expenses are those related the operating business cycle of the company. They correspond to the expenses which contribute to sustainable wealth creation. The main operating expenses are generally the consumption of raw materials, consumable, non-storable materials and supplies expenditure, external consumptions, staff costs (see Note5 : expenses and employee benefits) and taxes.

In accordance with the principle of matching revenues and expenses, revenues and expenses are directly related to each other and recorded in the same period.

4.2.2 ANALYSIS OF PURCHASES CONSUMED AND EXTERNAL CHARGES

Purchases consumed:

<i>(In millions of dirhams)</i>	<i>1st half-year 2020</i>	<i>1st half-year 2019</i>
Purchases of materials and supplies	(597)	(410)
Purchases of raw materials	(5,331)	(7,082)
Sulfur	(2,284)	(3,991)
Ammonia	(2,078)	(1,938)
Sulfuric acid	(292)	(720)
KCL	(293)	(278)
Other raw materials	(385)	(155)
Auxiliary materials	(471)	(482)
Energy consumption	(1,156)	(1,490)
Electric energy	(567)	(639)
Fuel	(319)	(507)
Diesel	(228)	(289)
Others	(41)	(56)
Spare parts	(417)	(571)
Purchases of works, studies and services	(887)	(1,158)
Water supply	(69)	(71)
Other purchases	(318)	(384)
Purchased consumables of materials and supplies	(9,245)	(11,648)

Purchases consumed decreased by 1.8 billion dirhams between the first half of 2019 and first half of 2020. This variation is mainly due to the decrease in purchases of sulfur and sulfuric acid explained by a very sharp drop in prices.

In fact, sulfur purchases decreased by 1.7 billion dirhams following a 45 % drop in the price per tonne during the first semester of 2020 (\$ 71/T during the first half of 2020 compared to \$ 131/T during the first half of 2019) as a result of the oversupplied international market.

Sulfuric acid consumption decreased by 429 million dirhams, which is also explained by a drop in the price per tonne, which went from \$ 94/T in the first half of 2019 to \$ 33 / t in the first half of this year.

Energy consumption amounted to 1.1 billion dirhams in the first half of 2020, a decrease of 23 % over the first half of 2019. This is mainly due to higher consumption of electricity produced internally following the start-up of new production lines, combined with a drop in the price of fuel and diesel.

The other items relating to the provision of services, spare parts and other purchases consumed showed decreases due to the cost control efforts undertaken by the Group.

External expenses:

(In millions of dirhams)	1 st half-year 2020	1 st half-year 2019
ONCF transport on sales	(429)	(438)
Shipping on sales-Freight	(1,664)	(1,737)
Other operating transport	(410)	(471)
Consulting and fees	(134)	(238)
Contributions and donations	(230)	(258)
Maintenance and repairs	(738)	(769)
Leases and lease expenses	(59)	(90)
Travel and entertainment expenses	(70)	(114)
Insurance premiums	(144)	(127)
Advertising, publications and public relations	(66)	(145)
Postal and telecommunications expenses	(74)	(42)
Study, analysis, research and documentation	(52)	(119)
Remuneration of personnel outside the company	(79)	(78)
Other external expenses	(195)	(200)
External expenses	(4,344)	(4,827)

External charges in the first half of 2020 reached 4.3 billion dirhams, down 10% compared to the first half of 2019, mainly explained by the drop in transport costs of 143 million dirhams between the first two semesters following the reduction in maritime transport expenses of -73 million dirhams. Expenditure on rail transport remained virtually unchanged. Although the volumes transported on all rail axes have been reduced; Gantour axis (-408 KT) and Khouribga-port of Casablanca axis (-104 KT), the prices per kilometer tonne increased between the two periods.

Overall, this item highlights the efforts made by the Group in terms of cost optimization and management.

4.2.3 RISKS RELATED TO RAW MATERIALS

No changes were made to the management of risks related to raw materials in the first half of 2020.

4.2.4 INVENTORIES

(In millions of dirhams)	30 June 2020			31 December 2019		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Consumable materials and supplies	5,746	(1,531)	4,215	5,332	(1,499)	3,832
In-process inventory	6,759	(39)	6,720	6,758	(13)	6,744
Finished products	3,813	(164)	3,649	4,466	(48)	4,419
Total Inventories	16,317	(1,734)	14,583	16,556	(1,560)	14,996

Inventories of consumables and supplies consist mainly of non-strategic spare parts for installations. Due to their short useful lifetime, these spare parts are not classified as an immobilization. The risk of obsolescence of parts is an indication of impairment that is reviewed annually to estimate whether any impairment is required.

4.2.5 TRADE PAYABLES

<i>(In millions of dirhams)</i>	<i>30 June 2020</i>	<i>31 December 2019</i>
Trade payables	4,377	5,460
Fixed assets liabilities	10,464	9,550
Trade payables	14,841	15,010

Trade payables correspond to payables and fixed assets liabilities. This items recorded an increase of 914 million dirhams as of June 30, 2020 compared to December 31, 2019, explained by the continuity of the Group's investment program. This variation was offset by the decrease of 1,083 million dirhams in trade payables at June 30, 2020 compared to December 31, 2019.

As a result of the advanced digitization of all of its supplier invoice processing, from receipt to payment, the Group has been able to maintain its good payment performance.

Note 5 - Expenses and employee benefits

5.1 PERSONNEL EXPENSES

(In millions of dirhams)	1 st half-year 2020	1 st half-year 2019
Employee remuneration and related social charges	(3,666)	(3,525)
Retirement benefits and medical cover	(732)	(986)
Other employee benefits	(5)	(7)
Personnel expenses	(4,403)	(4,518)

Personnel expenses in the first half of 2020 amounted to 4.4 billion dirhams, a slight decrease of 2.5 % compared to the first half of 2019. This decline is explained by the increase in the payroll following the implementation of the 2019 Protocol of Agreement as well as the decrease in the social measures in favor of the personnel (Leisure, summer camps, etc.).

5.2 POST EMPLOYMENT BENEFIT AND OTHER BENEFITS

5.2.1 MAIN ACTUARIAL ASSUMPTIONS USED

All defined benefit obligations have been calculated on the basis of actuarial calculations based on assumptions such as the discount rate, the medical inflation rate, future salary increases, the employee turnover rate and the number of employees and mortality tables.

The Group reassessed the consumption curve and the medical inflation rate on the basis of the spending history for the period 2017-2019. The Group also reassessed the rate of childcare on the basis of the same 2017-2019 history. This rate went from 8 % to 7 %. Likewise, the Group has assumed part of its social commitments relating to certain categories of management costs. The total of these reassessments increased the social commitments relating to the medical plans. The impact was recorded in the line «Actuarial gains and losses for the period» for 224 million dirhams.

5.2.2 OBLIGATIONS RELATED TO SOCIAL LIABILITIES

(In millions of dirhams)	Post-employment benefits				Other long-term benefits	Total employee benefits
	Pension supplement	Medical plans	Fixed retirement allocation	Total post-employment benefits		
Net obligations recognized at 31 December 2019	526	3,986	748	5,260	120	5,380
Benefits paid	(5)	(252)	(36)	(293)	(4)	(297)
Service cost	2	46	58	106		106
Expenses related to discounting of obligations	12	83	16	111		111
Actuarial losses or (gains) for the period	29	156	(6)	178		178
Contributions		143		143		143
Other changes	(1)			(1)		(1)
Net obligations recognized at 30 June 2020	563	4,162	780	5,505	116	5,621

5.3 KEY MANAGEMENT COMPENSATION

Key management includes the Chairman and Chief Executive Officer, Deputy Executive Officers, Executive Vice-Presidents, seniors Vice-Presidents, Vice-Presidents and advisors to the Chief Executive Officer.

(In millions of dirhams)	1 st half-year 2020	1 st half-year 2019
Short-term employee benefits	41	39
Post-employment benefits	10	10
Total management compensation	51	49

Note 6 - Investments in Joint Ventures and associates

6.1 ANALYSIS OF INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The Group's investments in joint ventures and associates are analyzed as follows:

<i>(In millions of dirhams)</i>	<i>30 June 2020</i>	<i>31 december 2019</i>
Paradeep Phosphates Limited- PPL	1,073	1,099
Groupe PRAYON	1,251	1,184
Pakistan Maroc Phosphore - PMP	695	775
Euro Maroc Phosphore - EMA	182	164
Indo Maroc Phosphore - IMA	319	362
Société d'Aménagement et de Développement de Mazagan - SAEDM*	284	289
Teal Technology Services - TTS*	12	12
Maghrib Hospitality Company - MHC	995	
Others**	(49)	(1)
Total interests in joint-ventures	4,761	3,882

* SAEDM and TTS being two associated companies.

** includes JESA, TEAM and DOOC.

As part of the alliance announced at the end of 2019 between OCP group, ONCF and the Hassan II Fund, which aimed at the development of the high-end hotel sector, the two partners OCP and Hassan II Fund At the start of 2020, they created the joint venture: Maghrib Hospitality Company - MHC. Owned equally by the two partners, this joint venture acquired in March 2020 52 % of the capital of the company La Mamounia and 80 % of the shares of the Management Company of the Michlifen Hotel from the ONCF.

In light of the current circumstances relating to Covid-19, and although the tourism sector was among the sectors most affected by this pandemic, MHC studied the impact of this indication of impairment on the recoverable value of its participation in the company Mamounia , based on forecasts of discounted future cash flows and concludes that the assets acquired will not be subject to any impairment. It should be noted that the estimated cash flows took into account the closure of the hotel for renovation from March 2020 until September 2020. This closure has been scheduled regardless of the circumstances relating to the pandemic.

6.2 BALANCE SHEETS AND INCOME STATEMENTS OF ASSOCIATES AND JOINT VENTURES

The note hereafter details at 100 % the lines of the balance sheet and income statement of the equity accounted associates and joint ventures for the first half of 2020:

Balance sheet

(In millions of dirhams)	PRAYON	EMAPHOS	IMACID	PMP	PPL	SAEDM	MHC	Others*
ASSETS								
Current assets								
Cash and cash equivalents	356	34	80	38	30	51	4	692
Cash financial assets		1						
Inventories	1,951	242	219	112	1,272	1,107		
Trade receivables	759	321	476	726	2,965			1,518
Current tax receivables			22	38				41
Other current assets	178	551	371	611		79	2	775
Total current assets	3,244	1,149	1,167	1,525	4,266	1,237	6	3,026
Non-current assets								
Non-current financial assets	12				38			8
Investments in equity-accounted companies	1,208							
Equity securities	17					1	2,348	121
Deferred tax assets	145							
Property, plant and equipment	1,864	80	474	639	1,929	4		52
Intangible assets	104	170	20	11	2	(1)		15
Total non-current assets	3,348	249	494	650	1,968	3	2,348	195
Total Assets	6,591	1,398	1,661	2,175	6,235	1,240	2,354	3,221

(In millions of dirhams)	PRAYON	EMAPHOS	IMACID	PMP	PPL	SAEDM	MHC	Others*
LIABILITIES								
Current liabilities								
Current loans and financial debts	1,399				2,159			
Current provisions	10		1		100			2
Trade payables	1,005	633	513	610	1,414	235		1,039
Current tax liabilities	49	5	3	7	137			3
Other current liabilities	392	72	124	153	85	8	365	962
Total current liabilities	2,855	710	641	770	3,896	243	365	2,006
Non-current liabilities								
Non-current loans and financial debts	780	133		1		441		
Non-current provisions for employee benefits	195							
Other non-current provisions	25				36			
Deferred tax liabilities	225				80			
Other non-current liabilities	23							
Total non-current liabilities	1,248	133		1	116	441		
Equity - Group share	552	180	620	800	740	608	2,000	116
Paid-in capital		110						
Reserves	1,810	209	241	437	1,264	(1)		13
Retained earnings			184	178		(42)		1,170
Net profit (loss) - Group share	126	56	(25)	(12)	219	(9)	(11)	(84)
Total equity	2,488	555	1,020	1,404	2,223	556	1,989	1,215
Total liabilities and equity	6,591	1,398	1,661	2,175	6,235	1,240	2,354	3,221

* Includes JESA, TEAM and DOOC.

Notes to the Consolidated Financial Statements

Income statement

<i>(In millions of dirhams)</i>	<i>PRAYON</i>	<i>EMAPHOS</i>	<i>IMACID</i>	<i>PMP</i>	<i>PPL</i>	<i>SAEDM</i>	<i>MHC</i>	<i>Others*</i>
Revenue	2,211	920	652	892	2,592			1,254
Production held as inventory	(31)	(57)	(16)	(69)	50	69		(2)
Purchases consumed	(1,240)	(707)	(473)	(619)	(1,784)	(90)		(612)
External expenses	(421)	(73)	(156)	(150)	(258)	(12)	(9)	(98)
Personnel expenses	(293)			(5)	(85)	(6)		(507)
Taxes		(2)	(1)					(3)
Exchange gains and losses on operating receivables and payables		(3)	(5)	2				
Other operating income and expenses	10		2	(8)	(80)	28		(8)
EBITDA	236	78	3	44	434	(11)	(9)	25
Amortization, depreciation and operating provisions	(83)	(4)	(23)	(52)	(61)	(1)	-	(7)
Operating profit (loss) before exceptional items	154	75	(20)	(8)	373	(12)	(9)	18
Other non-current operating income and expenses		(1)	(2)	(2)	(4)			(97)
Operating profit (loss)	154	73	(21)	(10)	368	(12)	(9)	(79)
Cost of net financial debt		(1)	(1)	6	(72)	(11)	(2)	2
Exchange gains and losses on financial receivables and payables					(62)			
Other financial income and expenses	(25)		1		2	14		
Financial profit (loss)	(25)	(1)	(1)	6	(131)	3	(2)	2
Profit (loss) before tax	129	72	(22)	(5)	237	(9)	(11)	(77)
Corporate tax	(3)	(16)	(3)	(7)	(18)	-	-	(7)
Net profit (loss) for the period	126	56	(25)	(12)	219	(9)	(11)	(84)

* Includes JESA, TEAM and DOOC.

Note 7 – Other operating items

7.1 ANALYSIS OF OTHER OPERATING ITEMS

(In millions of dirhams)	1 st half-year 2020	1 st half-year 2019
Gains and losses on other assets	22	13
Subsidies granted	(252)	(294)
Donations, legacies, liberalities	(3,165)	(374)
Others	(193)	(147)
Other non-current operating income and expenses	(3,588)	(803)

Other non-recurring operating income and expenses decreased by 2.8 billion dirhams between the first half of 2020 and the same period of 2019. This variation is mainly explained by the contribution of OCP (3 billion dirhams) to the Special Fund for the management of the Covid-19 pandemic

7.2 OTHER CURRENT ASSETS

(In millions of dirhams)	30 june 2020			31 december 2019		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Receivables from suppliers, advances and payments on account	8,279	(6)	8,273	7,478	(6)	7,472
Personnel	58	(1)	57	68	(1)	67
Social organizations	350	(32)	318	316	(32)	284
State (excluding corporate income tax)	7,969		7,969	6,945		6,945
Tax receivables	619		619	39		39
Other receivables	302	(24)	279	330	(13)	317
Total other current assets	17,577	(63)	17,515	15,177	(52)	15,124

The receivables from suppliers recorded an increase of 0.8 billion dirhams at the end of June 2020 compared to the end of december 2019 following in particular the start of industrial projects.

“State (excluding corporate income tax)” mainly includes VAT, the phosphate exploitation fee and other taxes, and other taxes and duties. The Group VAT credit stood at 5.9 billion dirhams as of June 30, 2020 compared to 4.7 billion dirhams as of December 31, 2019.

The tax receivables due on June 30, 2020 represent the excess of advance payments on corporate tax paid in 2019 over the corporate income relating to the same period (2019).

The Other receivables at June 30, 2020 mainly includes deferred charges relating to social cohesion, donations and insurance expenses paid during the first half for the whole year 2020 .

7.3 OTHER CURRENT LIABILITIES

(In millions of dirhams)	30 june 2020	31 december 2019
Trade receivable credit balances, advances and payments on account	935	1,511
State	1,021	992
Social payables	1,298	1,227
Tax liabilities	330	212
Other creditors	7,492	2,441
Total other current liabilities	11,077	6,383

The variation of -576 million dirhams recorded in “Trade receivables credit balances, advances and payments on account” corresponds to the decrease in credits on sales granted to customers between December 31, 2019 and June 30, 2020.

Other current liabilities increased by 5.1 billion dirhams between December 31, 2019 and June 30, 2020, specially recorded on the other creditors item. This increase is mainly due to the recognition of dividends payable of 4.5 billion dirhams at the end of June 2020 for the net profit of the previous year.

Note 8 – Property, plant & equipment and intangible assets

Despite the health emergency crisis related to COVID-19, OCP continues to operate at a normal rate to serve its customers on the national and international market as part of a Business Continuity Plan.

The Group has maintained a regular production plan without stops and continues to supply its customers worldwide without interruptions (without any production stops or disruptions of export ports). In addition, the forecast landing of the Group's performance indicators affirms the maintenance of the margin rate at its usual level due to the expected increase in revenue and cost containment.

All of these elements are detailed in the Significant events of the period and in the notes relating to segment information and operating data corresponding respectively to notes 3 and 4.

Consequently, taking into account all of these indicators, the Group's assets show no indication of impairment as of 30 June 2020.

8.1 PROPERTY, PLANT & EQUIPMENT

(In millions of dirhams)	31 december 2019	Aquisitions	Amortization	Reductions / Reversals	Reclassifi- cation	Translation difference	Other changes	30 june 2020
Gross amount:								
Land	6,201	7			165	1		6,373
Buildings	50,451	243		(19)	1,294			51,970
Technical installations, equipment and tools	97,110	592		(28)	535			98,210
Transport equipment	893	13		(20)	(14)			872
Furniture, office equipment and various fittings	3,325	80		(3)	91			3,494
Right of use of other tangible assets *	4,116	47		(2)	15	1	63	4,241
Other property, plant and equipment	9,904	3,812		(1)	(2,230)	1	54	11,540
Total gross amount	172,001	4,794		(73)	(143)	2	117	176,699
Depreciations:								
Land	(1,121)		(11)					(1,133)
Buildings	(12,913)		(603)	19	21			(13,476)
Technical installations, equipment and tools	(45,017)		(2,317)	23	(30)			(47,341)
Transport equipment	(727)		(19)	20	30			(696)
Furniture, office equipment and various fittings	(1,452)		(113)	3	(4)			(1,566)
Right of use of other tangible assets	(1,505)		(233)		(15)			(1,754)
Other property, plant and equipment	(799)		(227)	15	(12)			(1,022)
Impairment losses								
Buildings	(3)		(145)					(148)
Total depreciation and impairment losses	(63,537)		(3,668)	84	(12)			(67,133)
Net carrying amount	108,464	4,794	(3,668)	11	(155)	2	117	109,566

The main increases during the first half of 2020 concern the mining and chemical activities and relate to the following projects:

Mining activity:

In Khouribga Mine:

- Commissioning of flexible conveyors in the Storage section of the Béni Amir mine with an annual capacity of 5.5 millions of tons.

In Laâyoune Mine:

- Start-up of the laundromat. It aims to treat new phosphate layers to ensure rational and balanced exploitation of the deposit (annual capacity of 3 million tonnes), and to reduce the consumption of energy products planned for drying the rock intended for export.

Chemical activity:

- Commissioning of three of the four fertilizer storage hangars after increasing their capacity to 50,000 tons each.
- Commissioning of two sulfur melting and filtration lines at Jorf Lasfar. Each of the two lines has a capacity of 1,500 T / d.
- Continuation of stage 2 of the seawater pumping and distribution project, this project aims to increase the potential for taking up seawater in Jorf Lasfar with an additional capacity of 61K m³/h extendable to 110K m³/h, allowing the supply of industrial complex extension projects.

8.2 INTANGIBLE ASSETS VARIATION

(In millions of dirhams)	31 december 2019	Aquisitions	Dotations	Reclassification	30 june 2020
Gross amount:					
R&D assets	100	2		8	110
Patents, trademarks, rights and similar items	76	7		69	153
Licences and software	642	202		11	854
Other intangible assets	849	319		63	1,231
Total gross amount	1,668	531		151	2,348
Amortization:					
Amortization of R&D assets	(55)		(11)		(66)
Amortization of patents, trademarks, rights and similar items	(59)		(8)	2	(66)
Amortization of licences and software	(268)		(19)		(287)
Amortizaion of other intangible assets	(190)		(31)	(1)	(222)
Total amortization and impairment losses	(572)		(70)		(641)
Net carrying amount	1,095	531	(70)	151	1,707

The increase in intangible assets corresponds to technical services carried out mainly with JV TEAL as well as a set of study and engineering services realised out with various industrial operators.

8.3 NET DEPRECIATION AND AMORTIZATION

(In millions of dirhams)	1 st half-year 2020	1 st half-year 2019
Net depreciation and amortization	(3,717)	(3,406)

Net depreciation and amortization increased by 9.1 % (+ 311 million dirhams) in the first half of 2020 compared to the first half of 2019, driven by the increase of the investments implemented in 2019.

Note 9 – Provisions and contingent liabilities

9.1 NET PROVISIONS

(In millions of dirhams)	1 st half-year 2020	1 st half-year 2019
Net provisions	(320)	(444)

Net provisions amount to 320 million dirhams during the first half of 2020, down by 124 million dirhams compared to the first half of 2020 following the recognition of the Heringer provision in 2019 for 110 million dirhams.

9.2 PROVISIONS FOR LIABILITIES AND CHARGES

Current and non-current provisions can be broken down as follows:

(In millions of dirhams)	31 December 2019	Increase	Reversals		Other changes	30 June 2020
			Used	Unused		
Non-current provisions	5,900	70	(5)		227	6,192
Provisions for employee benefits	5,380	3			237	5,621
Provisions for environmental risks & for site rehabilitation	320					320
Other non-current provisions	200	66	(5)		(10)	251
Current provisions	353	16	(2)		13	379
Other current provisions	353	16	(2)		13	379
Total provisions	6,253	86	(7)		240	6,571

The provisions for employee benefits cover benefits related to the death benefit, medical plans, fixed retirement allocations and other long-term benefits.

The environment risks and rehabilitation of mining soils is an integral part of the OCP's sustainable development policy. The Group anticipates the rehabilitation of the land from the beginning of the extraction. Its approach involves recovering the topsoil and storing it during the operation of the mine. Subsequently, at the end of the operation, these excavated materials are used to create a regular ground and prepare the soil for agricultural use. The Group also takes advantage of the opportunity to initiate agricultural and forestry activities that benefit the communities. This approach is based on the involvement of the local populations as well as the authorities and associations or agencies concerned at the start of the project.

9.3 CONTINGENT LIABILITIES

Contingent liabilities concern bank guarantees and other items arising from the Group's ordinary activities. OCP Group does not expect these items to result in significant liabilities.

9.4 COMMITMENT GIVEN

(In millions of dirhams)	30 June 2020	31 December 2019
Letters of credit	1,847	1,774
Miscellaneous rights and commitments	709	650
Total Commitments given	2,556	2,424

Note 10 – Financial instruments, net debt and net cost of financing

10.1 CASH MANAGEMENT FINANCIAL ASSETS, FINANCIAL LIABILITIES, NET DEBT AND NET COST OF FINANCING

10.1.1 DEFINITIONS AND ACCOUNTING TREATMENT

Financial liabilities

Financial liabilities include financial loans and debts, and bank overdrafts, they are initially recognized at the fair value of the amount required to settle the corresponding obligation, less related costs. Upon subsequent measurement, these financial liabilities are recognized at amortized cost, using the effective interest rate method. The interest calculated at the effective interest rate is recognized in the item “Cost of gross financial debt” over the term of the financial debt.

Financial assets and liabilities are classified as current when expected maturity of the instrument cash flows is less than one year.

Cash and cash equivalents

“Cash and cash equivalents” include cash as well as short-term investments (with a maturity of less than three months) classified in this category as long as the following criteria are met:

- Highly liquid
- Easily convertible to a known cash amount
- Subject to a negligible risk of change in value.

Short-term investments primarily correspond to cash unit trusts measured at fair value at the closing date, and changes in fair value are recognized in financial profit or loss.

Cash management financial assets

Cash financial assets mainly correspond to term deposits. These are investments whose maturity and income conditions are determined when they are made and which the Group intends and has the means to keep until their maturity. They are measured at amortized cost. Remuneration of term deposits is recognized in financial profit or loss.

Net debt

Net debt is defined as the sum of current and non-current financial debt less cash and cash equivalents and financial cash assets.

Cost of net financial debt

The cost of net financial debt includes the cost of gross debt plus financial income from cash investments:

- Cost of gross debt: This includes interest charges calculated using the effective interest rate method, the costs of early repayment of loans or cancelation of lines of credit.
- Financial income from cash investments: This is composed of income from investments of cash and cash equivalents as well as financial cash assets.

Notes to the Consolidated Financial Statements

10.1.2 ANALYSIS OF FINANCIAL DEBTS

10.1.2.1 BREAKDOWN OF FINANCIAL DEBTS BY TYPE

The table below shows the breakdown of the Group's financial debts by type:

(In millions of dirhams)	30 june 2020	31 december 2019
Current financial debts		
Government credits	65	64
Long-term bank loans, portion due in less than one year	5,053	5,347
Finance leases, portion due in less than one year	822	484
Accrued interest not yet due	572	574
Other credits	303	797
Total current financial debts	6,815	7,267
Non-current financial debts		
Government credits	278	303
Long-term bank loans, portion due in more than one year	25,845	20,930
Bond issue	27,229	26,840
Finance leases, portion due in more than one year	2,326	1,645
Other credits	1,674	2,573
Total non-current financial debts	57,352	52,292
Total financial debts	64,167	59,559

10.1.2.2 ANALYSIS OF FINANCIAL DEBTS: RATES AND MATURITIES

The table below shows the breakdown of total loans according to interest rate, maturity date and currency:

(In millions of dirhams)	Interest rate	Weighted average interest rate	Weighted average residual maturity	30 june 2020
Government credits				
Denominated in EUR	[1,30 % -2,50 %]	2.09 %		65
Long-term bank loans, portion due in less than one year				5,053
Denominated in USD	[2,94 % -4,15 %]	3.57 %		1,367
Denominated in MAD	[3,25 % -3,95 %]	3.61 %		3,212
Denominated in EUR	[1,13 % -4,47 %]	2.38 %		475
Finance lease debts				
Denominated in MAD	[3,50 % -4,70 %]	3.58 %		822
Accrued interest not yet due				572
Other credits				303
Total current financial debts				6,815
Government credits				
Denominated in EUR	[1,30 % -2,50 %]	2.39 %	11	278
Long-term bank loans, portion due in more than one year				25,845
Denominated in EUR	[1,13 % -4,47 %]	2.02 %	9	4,408
Denominated in MAD	[3,30 % -3,95 %]	3.83 %	4	17,785
Denominated in USD	[2,94 % -4,15 %]	3.56 %	5	3,652
Finance lease debts				
Denominated in MAD	[3,50 % -4,70 %]	3.96 %	1	2,326
Bond issue				27,229
Denominated in USD				
Denominated in MAD	[4,50 % -6,88 %]	5.49 %	9	27,229
Other credits				1,674
Total non-current financial debts				57,352
Total financial debts				64,167

Notes to the Consolidated Financial Statements

10.1.2.3 FINANCIAL DEBTS MATURITIES

The table below shows the maturities of financial debts as at 30 June 2020:

(in millions of dirhams)	<1 yr	1-5 yrs	> 5 yrs	Total at 30 June 2020
Medium and long-term debt	6,815	48,195	9,157	64,167

10.1.2.4 THE GROUP'S MAIN FINANCING AGREEMENTS

The Group's financing agreements concluded during the first half of 2020 amount to 7,646 million dirhams and are mainly relating to the following agreement:

- OCP SA concluded loans totaling 5 billion dirhams with Moroccan banks. As of June 30, 2020, the lines outstanding were 5 billion dirhams.

10.1.3 ANALYSIS OF FINANCIAL ASSETS

10.1.3.1 CASH AND CASH EQUIVALENT

(In millions of dirhams)	30 June 2020	31 December 2019
Cash	2,765	2,848
Cash equivalents	7,990	10,639
Total cash and cash equivalents	10,755	13,487
Bank (credit balances)	8	4
Cash and cash equivalents in the consolidated statement of Cash Flows	10,747	13,483

10.1.3.2 CASH MANAGEMENT FINANCIAL ASSETS

(In millions of dirhams)	30 June 2020	31 December 2019
Cash financial assets	17	573
Total	17	573

Cash management financial assets include mainly term deposits with a maturity more than three months and less than one year. These term deposits are contracted mostly by OCP SA.

10.1.3.3 MATURITIES AND FAIR VALUE OF FINANCIAL CASH ASSETS

Financial cash assets maturities

The investment portfolio must remain sufficiently liquid to respond to the financing needs generated by the Group's operations and investment.

As such, assets portfolio is composed of a very short-term and liquid instruments providing for daily operating needs, and short-term instruments in order to improve yields and be in line with targets.

(In millions of dirhams)	0-3 months	3-6 months	6-12 months	>1 year	Total
Money market funds	4,946				4,946
Term deposit	2,000	917	144		3,061
Total	6,946	917	144		8,007

10.1.4 ANALYSIS OF NET DEBT

10.1.4.1 NET DEBT BY CATEGORY

(In millions of dirhams)	30 june 2020	31 december 2019
Financial credits	31,256	26,646
Bonds	27,229	26,840
Other loans and assimilated debts	3,644	3,934
Bank overdrafts	8	10
Gross financial and bond debt	62,137	57,430
Financial debts from IFRS 16 leases	2,030	2,129
Other Financial debts	2,030	2,129
Cash equivalents	7,990	10,639
Cash	2,765	2,848
Financial assets for cash management	17	573
Financial assets	10,772	14,060
Net financial and bond debt	51,365	43,370
Total gross financial debt	64,167	59,559
Total net financial debt	53,395	45,499

Reconciliation of net financial debt with cash flow in statement of Cash Flows:

(In millions of dirhams)	30 june 2020	31 december 2019
Net change in cash	2,730	3,663
Change in marketable securities	557	5,081
Insurance / repayment of loans	4,608	1,572
Other variations	2	(10)
Change in net financial debt	7,896	10,306

10.1.5 COST OF NET DEBT

The cost of net debt can be broken down as follows:

(In millions of dirhams)	1 st half-year 2020	1 st half-year 2019
Interest expenses	(1,293)	(976)
Cost of gross financial debt	(1,293)	(976)
Financial income from cash investments	112	106
Other financial income	63	204
Financial income from cash investments	175	310
Cost of net financial debt	(1,118)	(667)

The increase in the cost of net financial debt, which amounts to 317 million dirhams, is explained by a decrease in the capitalization of borrowing costs due to the continued commissioning of industrial projects. Capitalized interest charges fell from 469 million dirhams in the first half of 2019 to 281 million dirhams in the first half of 2020.

10.2 OTHER FINANCIAL ASSETS

10.2.1 NON-CURRENT FINANCIAL ASSETS

(In millions of dirhams)	30 june 2020			31 december 2019		
	Gross	Revaluation	Net	Gross	Revaluation	Net
Financial assets at fair value by OCI	1,097	(604)	493	1,103	(564)	539
Financial assets at fair value through profit or loss	27		27	27		27
Receivables from fixed assets disposals	53	(5)	49	39	(5)	35
Other financial receivables	492	(1)	491	420	(1)	419
Total non-current financial assets	1,670	(609)	1,061	1,589	(569)	1,020

Financial assets revalued at fair value through equity correspond to non-consolidated securities held by OCP.SA and its subsidiaries, notably OCP International. The revaluation mainly concerns the depreciation of Heringer shares following its financial difficulties.

Other financial receivables mainly correspond to receivables from OCP Hospitality towards its new joint venture MHC for an amount of 350 million dirhams.

10.2.2 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses are as follows:

(In millions of dirhams)	1 st half-year 2020	1 st half-year 2019
Exchange income from financing operations	(243)	25
VAT credit discount charge / income	(297)	(67)
Other	(58)	(42)
Other financial income and expenses	(597)	(83)

Other financial income and expenses increased by 514 million dirhams compared to the first semester of 2019. Mainly explained by the variation in MAD/\$ exchange rates on loans and financial debts denominated in foreign currencies. The exchange rate at the end of June 2020 amounted to MAD/\$ 9.72 compared to 9.59 at the end of December 2019. And on the other hand, by the financial burden generated by the updating of the VAT credit relating to the first semester in June 2020, which amounts to 241 million dirhams.

Certain contractual provisions and terms of the debt

The Group's financing agreements contain standard market terms including the commitment to have at least an «Investment Grade» rating. This commitment must be respected for 5 institutions: KfW, European Investment Bank, French Development Agency, Islamic Development Bank, African Development Bank.

On May 13, 2020, Fitch downgraded the Issuer's credit rating from BBB- to BB + and changed the outlook from stable to negative as a result of weaker-than-expected credit metrics and a negative outlook assigned to the Kingdom of Morocco's credit rating.

10.2.3 COMMITMENTS RECEIVED

(In millions of dirhams)	30 june 2020	31 december 2019
Unused borrowings	6,943	8,705
Other commitments received for contracts	10,141	9,624
Loans guaranteed by the State	343	368
Total Commitments received	17,426	18,697

Note 11 – Corporate Income taxes

11.1 ACCOUNTING TREATMENT OF INCOME TAXES

Corporate Income tax include the current tax expense (or income) and the deferred tax expense (or income). Tax is recognized in profit or loss, unless it relates to items that are recognized directly in equity, in which case it is recognized in equity. The tax rates used are those that have been enacted or substantially enacted as of the closing date.

Deferred tax is determined according to the balance sheet approach. The Group applies the liability method. OCP Group recognizes deferred tax for all temporary differences that exist between the tax bases and the carrying amounts of the assets and liabilities in the balance sheet except for goodwill.

Tax assets relating to temporary differences, net of chargeable deferred tax liabilities, and loss carry-forwards are only recognized if it is probable that a likely future profit, determined with sufficient precision, will be generated by the taxable entity.

A Group entity shall offset current tax assets and current tax liabilities if, and only if, the entity:

- Has a legally enforceable right to set off the recognized amounts;
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities, whatever their maturity, must be offset when they are levied by the same tax authority and concern the same taxable entity that has the right to set off current tax assets against current tax liabilities.

From 1st January 2019, IFRIC 23 “Uncertainty over Income Tax Treatments” supplements IAS 12 “Income Taxes” by specifying arrangements for measuring and recognizing uncertainty relating to income tax.

Procedures carried out by the Group did identify a first time application impacts that have been accounted for in equity.

11.2 ANALYSIS OF TAX EXPENSE

(In millions of dirhams)	1 st half-year 2020	1 st half-year 2019
Current tax expense/current tax income	(399)	(815)
Deferred tax expense/deferred tax income	670	(126)
Corporate income tax	271	(941)

11.3 RECONCILIATION BETWEEN THE TOTAL TAX EXPENSE AND THE THEORETICAL TAX EXPENSE

(In millions of dirhams)	1 st half-year 2020	1 st half-year 2019
+Net income - Group share	(659)	2,055
+Net income - Minorities' share	85	82
-Share of profit (loss) of equity-accounted companies	(77)	(166)
+/-Tax for the period	(271)	941
Consolidated accounting income before tax	(922)	2,912
+/- Permanent differences*	449	619
= Consolidated taxable income	(473)	3,531
Theoretical tax rate	22.14 %	20.44 %
=Theoretical tax **	105	(722)
Tax losses	22	23
Difference in tax rate related to OCP S.A	132	(197)
Other items	12	(46)
= Corporate income tax tax	271	(941)
including		
current tax	(399)	(815)
deferred tax	670	(126)

(*) The main permanent differences are the previous exercises' expenses, tax control expenses subsidies and non-deductible donations and dividends received from unconsolidated entities.

(**) The theoretical tax rate takes into account local sales taxed at 31 % and export sales realized in foreign currency taxed at 17.5 %.

11.4 DEFERRED TAX ASSETS AND LIABILITIES

The trend in deferred tax assets and liabilities is as follows

<i>(In millions of dirhams)</i>	<i>31 december 2019</i>	<i>Activity changes in income</i>	<i>Change in consolidation scope</i>	<i>30 june 2020</i>
Gross deferred tax assets	79	471		550
Unrecognized deferred tax assets				
Net deferred tax assets	79	471		550
Deferred tax liabilities	1,031	(308)		724

The breakdown by type of deferred tax asset and liability is as follows:

<i>(In millions of dirhams)</i>	<i>30 june 2020</i>	<i>31 december 2019</i>
Temporary differences	1,491	1,323
Eliminations of intercompany transactions	492	632
Intangible assets	175	(348)
Tangible assets	20	20
Financial assets available for sale	49	49
Other asset items	56	5
Provisions for employee benefits	1,617	1,617
Other provisions	664	664
Tax loss carryforwards	306	73
Offsetting	(4,320)	(3,956)
Total deferred tax assets	550	79

<i>(In millions of dirhams)</i>	<i>30 june 2020</i>	<i>31 december 2019</i>
Temporary differences	3	3
Eliminations of intercompany transactions	(223)	(223)
Intangible assets	107	109
Tangible assets	4,982	4,659
Financial assets at fair value by OCI	49	49
Inventories	399	399
Other assets items	(241)	(238)
Other provisions	55	93
Tax loss carryforwards	(316)	(91)
Other	228	228
Offsetting	(4,320)	(3,956)
Total deferred tax liabilities	724	1,031

Note 12 – Equity, perpetual subordinated debt, dividends and earnings per share

12.1 ISSUED CAPITAL

As at 30 June 2020, the share capital amounts to 8,288 million dirhams. It is composed of 82,875,000 shares with a nominal value of 100 dirhams. 729,300 OCP shares are held by its subsidiary SADV.

<i>(In number of shares)</i>	<i>Ordinary shares</i>
Outstanding at 1st January 2020	82,875,000
Issues of shares for cash in 1st half-year 2020	
Outstanding at 30 June 2020	82,875,000
Nominal value	100 Dirhams

12.2 DIVIDENDS

Dividends paid during the first half of 2020 for 4,461 millions of dirhams correspond to a net dividend per share of 54.30 dirhams.

	<i>1st half-year 2020</i>	<i>1st half-year 2019</i>
Amount of dividends (in millions of dirhams)	4,461	3,346
Dividend per share (in dirhams)	54.30	40.73

12.3 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the parent company, OCP SA, by the weighted average number of ordinary shares outstanding excluding treasury stock.

	<i>1st half-year 2020</i>	<i>1st half-year 2019</i>
Net profit, Group share (in millions of dirhams)*	(862)	1,850
Average number of shares in circulation as at 30 June	82,875,000	82,875,000
Average number of own shares in circulation during the period	729,300	729,300
Number of shares used for the calculation of income	82,145,700	82,145,700
Basic and diluted net earnings per share	(10.50)	22.53

^(*) In accordance with IAS 33.19 and 12, adjusted net profit includes the cost of the coupon attributable to holders of subordinated shares issued by the OCP Group (-204 million dirhams).

Note 13 – Relations with Shareholders

The State of Morocco and BCP group are the shareholder of OCP. As such, they receive annual dividends in accordance with the company's dividend distribution policy. The dividends to be paid are proposed by the Board of Directors to the General Meeting of Shareholders. Their amount depends on several parameters, in particular the profits made, cash available and the company's financial structure, as well as other factors that the Board of Directors may consider to be relevant.

OCP has been a Société Anonyme (public limited liability company) since March 2008. Prior to that date, OCP, as a public enterprise, benefited from the State guarantee for loans taken out with foreign organizations.

<i>Loan subject</i>	<i>Loan currency</i>	<i>Date of loan</i>	<i>Amount in millions of dirhams as at 30 June 2020</i>	<i>Amount in millions of dirhams as at 31 December 2019</i>
AFD outstanding loans consolidation signed in 1990 and 1997	EUR	2005	270	279
Sidi Chennane mining operations	EUR	2002	67	82
Renewal of the sulphur unit circulation tank and supply circuit	EUR	2007	6	6
Acquisition of two hydraulic excavators	EUR	2001	1	1
TOTAL	EUR		343	368

In the same way as all companies resident in Morocco, OCP is subject to the tax legislation in force, which requires the payment of duties, taxes and levies to the Moroccan State.

The following table illustrates the transactions made with The state of Morocco or with state-owned companies on the one hand, and on the other, with other stockholders :

<i>(In millions of dirhams)</i>	<i>30 June 2020</i>		<i>31 December 2019</i>	
	<i>State and State-controlled enterprises</i>	<i>Other shareholder (BCP)</i>	<i>State and State-controlled enterprises</i>	<i>Other shareholder (BCP)</i>
Interest on investments	38	25	84	63
Utility costs	441		1,014	
Other operating expenses	168		272	
Interest on loans	17	76	20	101
Social charges	253		538	
Transport expenses ONCF	486		962	
Subscription ONCF / lump-sum contributions	200		400	
Assets and inventories purchases			95	

<i>(In millions of dirhams)</i>	<i>30 June 2020</i>		<i>31 December 2019</i>	
	<i>State and State-controlled enterprises</i>	<i>Other shareholder (BCP)</i>	<i>State and State-controlled enterprises</i>	<i>Other shareholder (BCP)</i>
Trade payables	631		531	
Other receivables	565		702	
Cash and cash equivalents	280	1,241	382	2,365
Investments	2,500		2,000	
Loans	1,808	4,412	807	4,635

Deloitte.

Bd Sidi Mohammed Benabdellah
Bâtiment C – Tour Ivoire 3 – 3^{ème} étage
La Marina
Casablanca – Maroc

EY

Building a better
working world

37, Bd Abdellatif Benkaddour
20050 Casablanca
Maroc

OCP S.A.

**ATTESTATION D'EXAMEN LIMITE SUR LA SITUATION INTERMEDIAIRE
DES COMPTES CONSOLIDES ETABLIE AU 30 JUIN 2020**

Nous avons procédé à un examen limité de la situation intermédiaire des comptes consolidés de la société OCP S.A. et ses filiales (Groupe OCP) comprenant l'état de la situation financière consolidée, le compte de résultat consolidé et l'état du résultat global consolidé, l'état de variation des capitaux propres consolidés, l'état des flux de trésorerie consolidés et une sélection de notes annexes au terme du semestre couvrant la période du 1^{er} janvier au 30 juin 2020. Cette situation intermédiaire fait ressortir un montant de capitaux propres consolidés de MMAD 72.653 compte tenu d'une perte nette consolidée de MMAD 573.

Cette situation intermédiaire a été établie sous la responsabilité de la Direction en date du 9 septembre 2020 dans un contexte évolutif de crise liée au Covid-19 sur la base des éléments disponibles à cette date. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur cette situation intermédiaire.

Nous avons effectué notre examen limité selon les normes de la profession au Maroc. Ces normes requièrent que l'examen limité soit planifié et réalisé en vue d'obtenir une assurance modérée que la situation intermédiaire des états financiers consolidés cités au premier paragraphe ci-dessus ne comporte pas d'anomalie significative. Un examen limité comporte essentiellement des entretiens avec le personnel de la société et des vérifications analytiques appliquées aux données financières ; il fournit donc un niveau d'assurance moins élevé qu'un audit. Nous n'avons pas effectué un audit et, en conséquence, nous n'exprimons donc pas d'opinion d'audit.

Sur la base de notre examen limité, nous n'avons pas relevé de faits qui nous laissent penser que les états consolidés, ci-joints, ne donnent pas une image fidèle du résultat des opérations du semestre écoulé ainsi que de la situation financière et du patrimoine du Groupe OCP établis au 30 juin 2020, conformément aux normes comptables internationales (IAS/IFRS) telles qu'adoptées par l'Union Européenne.

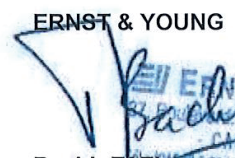
Casablanca, le 18 septembre 2020

Les Auditeurs Contractuels

DELOITTE AUDIT


Bd Sidi Mohammed Benabdellah
Bâtiment "C" – Tour Ivoire 3, La Marina
Casablanca
Tél: 0522 22 40 25 / 05 22 22 47 34
Fax: 05 22 22 40 78 / 47 59
Sakina BENSOUDA KORACHI
Associée

ERNST & YOUNG


Bd Abdellatif Benkaddour
20050 Casablanca
Tél: (212-2) 2 95 79 00 - Fax: (212-2) 2 39 02 26
Bachir TAZI
Associé

