



**INTERIM CONDENSED  
CONSOLIDATED FINANCIAL  
STATEMENTS**  
AT 30 JUNE 2021

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## Key figures

| (In millions of dirhams)                                 | Note    | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 |
|--|---------|--------------------------------|--------------------------------|
| <b>Revenue</b>   | 4.1.1.2 | <b>32,479</b>                  | <b>27,403</b>                  |
| Profit (loss) from Joint-Ventures                        |         | 367                            | 77                             |
| <b>EBITDA</b>  |         | <b>12,533</b>                  | <b>8,495</b>                   |
| Operating profit (loss) before exceptional items         |         | 8,624                          | 4,459                          |
| Cost of net financial debt                               | 10.1.5  | (1,088)                        | (1,118)                        |
| <b>Net profit (loss) Group share</b>                     |         | <b>4,634</b>                   | <b>(659)</b>                   |
| Consolidated equity Group share                          |         | 75,084                         | 71,279                         |
| Net financial debt                                       |         | 48,351                         | 53,395                         |
| Net operating investments                                |         | 4,301                          | 5,087                          |
| <b>Basic and diluted earnings per share (in dirhams)</b> | 12.3    | <b>54.04</b>                   | <b>(10.50)</b>                 |
| <b>Dividend per share (in dirhams)</b>                   | 12.2    | <b>61.85</b>                   | <b>54.30</b>                   |

## Significant events of the period

- In June 2021, an agreement was concluded between the Moroccan State and a consortium of Moroccan banks, in the presence of OCP Group, for the reimbursement by way of factoring without recourse, of the amount of the VAT credit of MAD 6 billion. The total cost of the operation is MAD 1.1 billion.
- On June 23, 2021, OCP Group successfully issued an international bond loan of \$ 1.5 billion, including \$ 750 million over 10 years at a rate of 3.75 % per year and \$ 750 million over 30 years at a rate of 5.125 % per year.

This operation was accompanied by the partial redemption of the 2014 10-year bonds at 41.36 % and 2015 - 10.5 years at 44.44 % for respectively 517 and 444 million dollars.

## Events after the reporting period

On July 27, 2021, the joint-venture Maghrib Hospitality Company-MHC completed the acquisition of the Michelifin assets including the hotel and the Golf. This operation includes the land and buildings relating to the hotel, the hotel and the Golf's business assets , for a total amount of 1.1 billion dirhams excl.taxes.

## Consolidated Statement of Profit and Loss

| (In millions of dirhams)  | Note          | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 |
|---|---------------|--------------------------------|--------------------------------|
| Revenue   | 4.1.1.2       | 32,479                         | 27,403                         |
| Production held as inventory                                    |               | 302                            | (672)                          |
| Purchases consumed  | 4.2.2         | (11,604)                       | (9,245)                        |
| External expenses   | 4.2.2         | (4,246)                        | (4,344)                        |
| Personnel expenses  | 5.1           | (4,781)                        | (4,403)                        |
| Taxes   |               | (222)                          | (233)                          |
| Profit (loss) from joint ventures                               |               | 367                            | 77                             |
| Exchange gains and losses on operating receivables and payables |               | 196                            | (84)                           |
| Other operating income and expenses                             |               | 43                             | (3)                            |
| <b>EBITDA</b>   |               | <b>12,533</b>                  | <b>8,495</b>                   |
| Amortization, depreciation and operating provisions             | 8.3 - 9.1     | (3,909)                        | (4,036)                        |
| <b>Operating profit (loss) before non recurring items</b>       |               | <b>8,624</b>                   | <b>4,459</b>                   |
| Other non-recurring operating income and expenses               | 7.1           | (566)                          | (3,588)                        |
| <b>Operating profit (loss)</b>                                  |               | <b>8,059</b>                   | <b>871</b>                     |
| Cost of gross financial debt                                    |               | (1,152)                        | (1,293)                        |
| Financial income from cash investments                          |               | 64                             | 175                            |
| <b>Cost of net financial debt</b>                               | <b>10.1.5</b> | <b>(1,088)</b>                 | <b>(1,118)</b>                 |
| Exchange gains and losses on financial receivables and payables | 10.2.2        | 17                             | (243)                          |
| Other financial income and expenses                             | 10.2.2        | (1,805)                        | (354)                          |
| <b>Financial profit (loss)</b>                                  |               | <b>(2,876)</b>                 | <b>(1,715)</b>                 |
| <b>Profit (loss) before tax</b>                                 |               | <b>5,183</b>                   | <b>(844)</b>                   |
| Corporate Income Tax  | 11.2          | (485)                          | 271                            |
| <b>Net profit (loss) for the period</b>                         |               | <b>4,698</b>                   | <b>(573)</b>                   |
| Net profit (loss) - Group share                                 |               | 4,634                          | (659)                          |
| Net profit (loss) - Non-controlling interests                   |               | 64                             | 85                             |
| <b>Basic and diluted earnings per share in dirhams</b>          | <b>12.3</b>   | <b>54.04</b>                   | <b>(10.50)</b>                 |

## Consolidated Statement of Comprehensive Income

| (In millions of dirhams)   | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 |
|--|--------------------------------|--------------------------------|
| <b>Net profit (loss) for the period</b>                                  | <b>4,698</b>                   | <b>(573)</b>                   |
| Actuarial gains or losses  | (342)                          | (178)                          |
| Taxes  | 68                             | 35                             |
| <b>Items that will not be reclassified to profit or loss</b>             | <b>(274)</b>                   | <b>(143)</b>                   |
| Translation differences  | (72)                           | 20                             |
| Revaluation of financial assets at fair value through equity*            | 4                              | (269)                          |
| Share of gains and losses recognized in equity for equity-accounted      | (1)                            | 59                             |
| <b>Items that may be reclassified to profit or loss</b>                  | <b>(69)</b>                    | <b>(189)</b>                   |
| <b>Income and expenses for the period, recognized directly in equity</b> | <b>(343)</b>                   | <b>(332)</b>                   |
| <b>Consolidated comprehensive income</b>                                 | <b>4,355</b>                   | <b>(905)</b>                   |
| Including Group share  | 4,291                          | (991)                          |
| Including non-controlling interests' share                               | 64                             | 85                             |

(\*) Changes in fair value of cash flow hedges are recognized in equity for the effective portion of the hedge

## Consolidated Statement of Financial Position

| (In millions of dirhams)                  | Note     | 30 June 2021   | 31 December 2020 |
|---|----------|----------------|------------------|
| <b>ASSETS</b>                             |          |                |                  |
| <b>Current assets</b>                     |          |                |                  |
| Cash and cash equivalents                 | 10.1.3.1 | 15,085         | 6,428            |
| Cash financial assets                     |          | 2,503          | 7                |
| Inventories                               | 4.2.4    | 13,934         | 13,552           |
| Trade receivables                         | 4.1.2.2  | 9,068          | 8,657            |
| Other current assets                      | 7.2      | 14,797         | 17,689           |
| <b>Total current assets</b>               |          | <b>55,387</b>  | <b>46,333</b>    |
| <b>Non-current assets</b>                 |          |                |                  |
| Non-current financial assets              | 10.2.1   | 2,012          | 1,119            |
| Investments in equity-accounted companies | 6.1      | 5,682          | 5,286            |
| Deferred tax assets                       | 11.4     | 663            | 620              |
| Property, plant and equipment             | 8.1      | 109,575        | 109,493          |
| Intangible assets                         | 8.2      | 2,323          | 2,476            |
| <b>Total non-current assets</b>           |          | <b>120,253</b> | <b>118,994</b>   |
| <b>Total Assets</b>                       |          | <b>175,640</b> | <b>165,326</b>   |

## Consolidated financial statements

| <i>(In millions of dirhams)</i>              | <i>Note</i>         | <i>30 June 2021</i> | <i>31 December 2020</i> |
|--|---------------------|---------------------|-------------------------|
| <b>LIABILITIES</b>                           |                     |                     |                         |
| <b>Current liabilities</b>                   |                     |                     |                         |
| Current loans and financial debts            | 10.1.2.1 - 10.1.2.2 | 12,326              | 11,795                  |
| Current provisions                           | 9.2                 | 479                 | 448                     |
| Trade payables                               | 4.2.5               | 16,348              | 15,332                  |
| Other current liabilities                    | 7.3                 | 8,464               | 5,661                   |
| <b>Total current liabilities</b>             |                     | <b>37,617</b>       | <b>33,236</b>           |
| <b>Non-current liabilities</b>               |                     |                     |                         |
| Non-current loans and financial debts        | 10.1.2.1 - 10.1.2.2 | 53,613              | 46,964                  |
| Non-current provisions for employee benefits | 9.2                 | 5,954               | 5,646                   |
| Other non-current provisions                 | 9.2                 | 589                 | 591                     |
| Deferred tax liabilities                     | 11.4                | 1,444               | 1,295                   |
| Other non-current liabilities                |                     |                     | 3                       |
| <b>Total non-current liabilities</b>         |                     | <b>61,600</b>       | <b>54,500</b>           |
| <b>Equity - Group share</b>                  |                     |                     |                         |
| Issued capital                               | 12.1                | 8,288               | 8,288                   |
| Paid-in capital                              |                     | 18,698              | 18,698                  |
| Consolidated reserves - Group share          |                     | 43,465              | 45,927                  |
| Net profit (loss) - Group share              |                     | 4,634               | 3,231                   |
| <b>Equity - Group share</b>                  |                     | <b>75,084</b>       | <b>76,143</b>           |
| Non-controlling interests                    |                     | 1,338               | 1,447                   |
| <b>Total equity</b>                          |                     | <b>76,423</b>       | <b>77,591</b>           |
| <b>Total equity and liabilities</b>          |                     | <b>175,640</b>      | <b>165,326</b>          |

## 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 <sup>(1)</sup></i> | <i>Subordinated debt <sup>(2)</sup></i> | <i>Other consolidated reserves</i> |
|--|-----------------------|------------------------|---|---|------------------------------------|
| <b>Equity as at 31 December 2019</b>                                       | <b>8,288</b>          | <b>18,698</b>          | <b>(3,244)</b>                                  | <b>9,075</b>                            | <b>42,618</b>                      |
| Allocation of profit (loss) for FY 2019                                    |                       |                        |   |   | 2,843                              |
| <b>Consolidated comprehensive income for 1<sup>st</sup> half-year 2020</b> |                       |                        | <b>(143)</b>                                    |   |                                    |
| Subordinated debt's coupons  |                       |                        |   | (204)                                   |                                    |
| Change in scope  |                       |                        |   |   |                                    |
| Dividends paid   |                       |                        |   |   | (4,461)                            |
| Others   |                       |                        |   |   | (257)                              |
| <b>Equity as at 30 June 2020</b>   | <b>8,288</b>          | <b>18,698</b>          | <b>(3,386)</b>                                  | <b>8,872</b>                            | <b>40,744</b>                      |
| <b>Consolidated comprehensive income for 2<sup>nd</sup> half-year 2020</b> |                       |                        | <b>(97)</b>                                     |   |                                    |
| Subordinated debt's coupons  |                       |                        |   | (206)                                   |                                    |
| Others   |                       |                        |   |   | 77                                 |
| <b>Equity as at 31 December 2020</b>                                       | <b>8,288</b>          | <b>18,698</b>          | <b>(3,483)</b>                                  | <b>8,665</b>                            | <b>40,820</b>                      |
| Allocation of profit (loss) for FY 2020                                    |                       |                        |   |   | 3,231                              |
| <b>Consolidated comprehensive income for 1<sup>st</sup> half-year 2021</b> |                       |                        | <b>(274)</b>                                    |   |                                    |
| Subordinated debt's coupons  |                       |                        |   | (195)                                   |                                    |
| Dividends paid <sup>(6)</sup>  |                       |                        |   |   | (5,081)                            |
| Others   |                       |                        |   |   | (75)                               |
| <b>Equity as at 30 June 2021</b>   | <b>8,288</b>          | <b>18,698</b>          | <b>(3,757)</b>                                  | <b>8,471</b>                            | <b>38,897</b>                      |

<sup>(1)</sup> 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.

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

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

| <i>Translation difference</i> | <i>Assets at fair value through equity<sup>(3)</sup></i> | <i>Share of gains and losses recognized in equity for equity-accounted (CFH variation)<sup>(4)</sup></i> | <i>Net profit (loss)</i> | <i>Total equity - Group share</i> | <i>Non-controlling interests<sup>(5)</sup></i> | <i>Total equity</i> |
|-------------------------------|--|--|--------------------------|-----------------------------------|--|---------------------|
| <b>(274)</b>                  | <b>(521)</b>   | <b>(292)</b>   | <b>2 843</b>             | <b>77,191</b>                     | <b>1,436</b>                                   | <b>78,626</b>       |
|                               |  |  | (2,843)                  |                                   |  |                     |
| <b>20</b>                     |  | <b>(209)</b>   | <b>(659)</b>             | <b>(991)</b>                      | <b>85</b>                                      | <b>(905)</b>        |
|                               |  |  |                          | (204)                             |  | (204)               |
|                               |  |  |                          |                                   | (3)  | (3)                 |
|                               |  |  |                          | (4,461)                           | (170)  | (4,631)             |
|                               |  |  |                          | (257)                             | 25   | (232)               |
| <b>(253)</b>                  | <b>(521)</b>   | <b>(500)</b>   | <b>(659)</b>             | <b>71,279</b>                     | <b>1,373</b>                                   | <b>72,653</b>       |
| <b>(148)</b>                  |  | <b>1,346</b>   | <b>3,889</b>             | <b>4,992</b>                      | <b>78</b>                                      | <b>5,067</b>        |
|                               |  |  |                          | (206)                             |  | (206)               |
|                               |  |  |                          | 79                                | (4)  | 76                  |
| <b>(401)</b>                  | <b>(521)</b>   | <b>846</b>   | <b>3,231</b>             | <b>76,143</b>                     | <b>1,447</b>                                   | <b>77,591</b>       |
|                               |  |  | (3,231)                  |                                   |  |                     |
| <b>(72)</b>                   |  | <b>3</b>   | <b>4,634</b>             | <b>4,291</b>                      | <b>64</b>                                      | <b>4,355</b>        |
|                               |  |  |                          | <b>(195)</b>                      |  | <b>(195)</b>        |
|                               |  |  |                          | (5,081)                           | (173)  | (5,254)             |
|                               |  |  |                          | (75)                              |  | (75)                |
| <b>(474)</b>                  | <b>(521)</b>   | <b>851</b>   | <b>4,634</b>             | <b>75,084</b>                     | <b>1,338</b>                                   | <b>76,423</b>       |

<sup>(4)</sup> OCP 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.

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

<sup>(6)</sup> Dividends of MAD 5,081 million were paid in the amount of MAD 2,353 million and dividends of MAD 173 million have not yet been paid to minority shareholders.



## Consolidated Statement of Cash Flows

| <i>(In millions of dirhams)</i>                                  | <i>Note</i> | <i>30 June 2021</i> | <i>30 June 2020</i> | <i>31 December 2020</i> |
|--|-------------|---------------------|---------------------|-------------------------|
| <b>EBITDA</b>  |             | <b>12,533</b>       | <b>8,495</b>        | <b>18,657</b>           |
| Subsidies and donations  |             | (430)               | (3,403)             | (3,963)                 |
| Other non-current expenses and income                            |             | (7)                 | (3)                 | (68)                    |
| Other non-current charges from previous periods                  |             | 13                  | (97)                | (23)                    |
| Results of joint ventures  |             | (367)               | (77)                | (342)                   |
| Other movements  |             | (1,952)             | (456)               | (895)                   |
| <b>Funds from operations</b>                                     |             | <b>9,791</b>        | <b>4,459</b>        | <b>13,366</b>           |
| <b>Impact of the change in WRC:</b>                              |             | <b>4,503</b>        | <b>(3,338)</b>      | <b>(2,287)</b>          |
| <i>Inventories</i>   |             | (323)               | 329                 | 1,324                   |
| <i>Trade receivables</i>   |             | (513)               | (1,394)             | (546)                   |
| <i>Trade payables</i>  |             | 926                 | (677)               | (38)                    |
| <i>Other current assets and liabilities</i>                      |             | 4,412               | (1,596)             | (3,027)                 |
| Taxes paid   |             | (634)               | (729)               | (1,288)                 |
| <b>Total net cash flows related to operating activities</b>      |             | <b>13,660</b>       | <b>392</b>          | <b>9,791</b>            |
| Acquisitions of PP&E and intangible assets                       |             | (4,301)             | (5,087)             | (9,566)                 |
| Disposals of PP&E and intangible assets                          |             | (40)                | 13                  | 174                     |
| Net financial investments  |             | (3,344)             | 432                 | (58)                    |
| Impact of changes in scope                                       |             | (24)                | (948)               | (947)                   |
| Acquisitions of financial assets                                 |             | (10)                | (15)                | (32)                    |
| Disposal of financial assets                                     |             |                     |                     | 3                       |
| Dividends received   |             | 96                  | 108                 | 158                     |
| <b>Total net cash flows related to investing activities</b>      |             | <b>(7,623)</b>      | <b>(5,496)</b>      | <b>(10,269)</b>         |
| Loan issue   |             | 16,262              | 7,646               | 7,750                   |
| Loan repayment   |             | (11,874)            | (3,792)             | (6,689)                 |
| TSDI coupon's  |             | (195)               | (204)               | (410)                   |
| Net financial interest payments                                  |             | (1,143)             | (1,271)             | (2,550)                 |
| Dividends paid   |             | (2,353)             |                     | (4,631)                 |
| <b>Total net cash flows related to financing activities</b>      |             | <b>697</b>          | <b>2,379</b>        | <b>(6,530)</b>          |
| Impact of changes in exchange rates on cash and cash equivalents |             | 2                   | (4)                 | (44)                    |
| <b>Net increase/(decrease) in cash and cash equivalents</b>      |             | <b>6,736</b>        | <b>(2,730)</b>      | <b>(7,051)</b>          |
| Opening cash and cash equivalents                                | 10.1.3.1    | 6,425               | 13,477              | 13,477                  |
| Closing cash and cash equivalents                                | 10.1.3.1    | 13,161              | 10,747              | 6,425                   |
| <b>Change in net cash</b>  |             | <b>6,736</b>        | <b>(2,730)</b>      | <b>(7,051)</b>          |

## Note 1 - Accounting rules and methods

### 1.1. BASES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

OCP Group's 1<sup>st</sup> half-year consolidated financial statements ended June 30, 2021 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, 2020.

They are presented with a comparison at December 31, 2020 and June 30, 2020.

The accounting principles and methods used to prepare OCP Group's 1<sup>st</sup> 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, 2020. These financial statements are prepared in accordance with the accounting standards IFRS as adopted in the European Union.

### 1.2. STANDARDS AND INTERPRETATIONS APPLIED AT JANUARY 1<sup>ST</sup>, 2020

There were no standards and interpretations that were to apply from January 1<sup>st</sup>, 2021.

## Note 2 - Consolidation scope

### 2.1. CONSOLIDATION SCOPE

| Entité  | Country of location | Currency   | 30 June 2021                 |               | 31 December 2020             |               |
|---|---------------------|------------|------------------------------|---------------|------------------------------|---------------|
|   |                     |            | Consolidation Equity method  | % Interest    | Consolidation Equity method  | % Interest    |
| <b>Industrial</b>   |                     |            |                              |               |                              |               |
| <b>OCP SA - Holding</b>   | <b>Morocco</b>      | <b>MAD</b> | <b>Parent company (Full)</b> | <b>100.00</b> | <b>Parent company (Full)</b> | <b>100.00</b> |
| Phosboucrââ   | 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 Maroc Phosphore - EMA  | Morocco             | MAD        | Equity method                | 33.33         | Equity method                | 33.33         |
| Indo Maroc Phosphore - IMA  | Morocco             | MAD        | Equity method                | 33.33         | Equity method                | 33.33         |
| Pakistan Maroc 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         |
| Fertinagro Biotech  | Spain               | EUR        | Equity method                | 20.00         | Equity method                | 20.00         |
| <b>Trading</b>  |                     |            |                              |               |                              |               |
| OCP AFRICA  | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| OCP Fertilizantes   | Brazil              | BRL        | Full                         | 100.00        | Full                         | 100.00        |
| Black Sea Fertilizer Trading Company                                | Turkey              | TRY        | Full                         | 100.00        | Full                         | 100.00        |
| SAFTCO  | Swiss               | USD        | Full                         | 100.00        | Full                         | 100.00        |
| OCP North America   | USA                 | USD        | Full                         | 100.00        | Full                         | 100.00        |
| <b>Others</b>   |                     |            |                              |               |                              |               |
| OCP International   | Netherlands         | USD        | Full                         | 100.00        | Full                         | 100.00        |
| OCP International SAS   | France              | EUR        | Full                         | 100.00        | Full                         | 100.00        |
| Fondation OCP   | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| Association pour la Promotion de l'Enseignement d'Excellence - APEE | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| Foncière Endowment 1 - FE1  | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| Université MED6 Polytechnique Endowment Holding - UM6PEH            | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| Université MED6 Polytechnique - UM6P                                | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| Lycée d'Excellence de Benguérir - Lydex                             | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| Fondation PB  | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| Jacobs Engineering - JESA   | Morocco             | MAD        | Equity method                | 50.00         | Equity method                | 50.00         |
| Dupont Ocp Operations Consulting - DOOC                             | Morocco             | MAD        | Full                         | 100.00        | 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        | Full                         | 100.00        | Full                         | 100.00        |
| OCP Innovation Fund For Agriculture - OIFFA                         | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| Maghrib Hospitality Company-MHC                                     | Morocco             | MAD        | Equity method                | 50.00         | Equity method                | 50.00         |
| OCP Hospitality   | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| Société de Transports Régionaux - SOTREG                            | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| Centre d'Etudes et de Recherches des Phosphates Minéraux - CER      | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| OCP Solutions   | Morocco             | MAD        | Full                         | 100.00        | Full                         | 100.00        |
| TEAL Technology & Services - TTS                                    | Morocco             | MAD        | Equity method                | 49.00         | Equity method                | 49.00         |

### 2.2. SCOPE CHANGE

The OCP Group increased its stake in the Dupont OCP Operations Consulting entity to hold 100% of its capital. This entity is now controlled by OCP and fully consolidated.

## Note 3 - Segment reporting

The presentation of the Group's 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 Benguéir – Safi) and Phosboucrââ:** this axis hosts:

- The integrated phosphate chemical processing hub. The phosphate extracted at Youssoufia and Benguéir 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                      |                                   | Head-office and Other activities  |                                   | Intersegment eliminations         |                                   | TOTAL                             |                                   |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  | 1 <sup>st</sup> half-year<br>2021 | 1 <sup>st</sup> half-year<br>2020 | 1 <sup>st</sup> half-year<br>2021 | 1 <sup>st</sup> half-year<br>2020 | 1 <sup>st</sup> half-year<br>2021 | 1 <sup>st</sup> half-year<br>2020 | 1 <sup>st</sup> half-year<br>2021 | 1 <sup>st</sup> half-year<br>2020 | 1 <sup>st</sup> half-year<br>2021 | 1 <sup>st</sup> half-year<br>2020 |
|  | <b>Revenue</b>                    | <b>25,683</b>                     | <b>21,919</b>                     | <b>6,742</b>                      | <b>5,156</b>                      | <b>2,805</b>                      | <b>3,083</b>                      | <b>(2,751)</b>                    | <b>(2,755)</b>                    | <b>32,479</b>                     |
| Production held as inventory   | (421)                             | (1,127)                           | 88                                | 51                                | 635                               | 404                               |                                   |                                   | 302                               | (672)                             |
| Purchases consumed   | (8,875)                           | (7,037)                           | (1,826)                           | (1,339)                           | (3,495)                           | (3,452)                           | 2,592                             | 2,583                             | (11,604)                          | (9,245)                           |
| External expenses  | (2,491)                           | (2,445)                           | (991)                             | (1,185)                           | (988)                             | (953)                             | 224                               | 239                               | (4,246)                           | (4,344)                           |
| Personnel expenses   | (2,231)                           | (1,921)                           | (1,385)                           | (1,319)                           | (1,171)                           | (1,183)                           | 5                                 | 20                                | (4,781)                           | (4,403)                           |
| Taxes  | (81)                              | (106)                             | (36)                              | (40)                              | (105)                             | (88)                              |                                   |                                   | (222)                             | (234)                             |
| Profit (loss) of associates and joint ventures accounted for using the equity method | 263                               | 6                                 |                                   |                                   | 104                               | 71                                |                                   |                                   | 367                               | 77                                |
| Exchange gains and losses on operating receivables and payables                      | (10)                              | 29                                |                                   | 3                                 | 206                               | (116)                             |                                   |                                   | 196                               | (84)                              |
| Other operating income and expenses  |                                   | 20                                |                                   |                                   | 113                               | 64                                | (70)                              | (87)                              | 43                                | (4)                               |
| <b>EBITDA</b>  | <b>11,836</b>                     | <b>9,337</b>                      | <b>2,595</b>                      | <b>1,328</b>                      | <b>(1,895)</b>                    | <b>(2,170)</b>                    |                                   |                                   | <b>12,533</b>                     | <b>8,495</b>                      |
| Amortization, depreciation and operating provisions                                  | (2,701)                           | (2,986)                           | (553)                             | (469)                             | (654)                             | (581)                             |                                   |                                   | (3,909)                           | (4,036)                           |
| <b>Current operating profit (loss)</b>   | <b>9,135</b>                      | <b>6,351</b>                      | <b>2,042</b>                      | <b>859</b>                        | <b>(2,551)</b>                    | <b>(2,751)</b>                    |                                   |                                   | <b>8,624</b>                      | <b>4,459</b>                      |
| Other non-current operating income and expenses                                      | (116)                             | (130)                             | (113)                             | (140)                             | (337)                             | (3,318)                           |                                   |                                   | (566)                             | (3,588)                           |
| <b>Operating profit (loss)</b>   | <b>9,019</b>                      | <b>6,221</b>                      | <b>1,929</b>                      | <b>718</b>                        | <b>(2,889)</b>                    | <b>(6,069)</b>                    |                                   |                                   | <b>8,059</b>                      | <b>870</b>                        |

The Group's revenue amounted to MAD 32.5 billion, up 19% compared to the first half of 2020, due to higher selling prices.

The revenue of the northern axis, which represents 79% of the total revenue, reached MAD 25.7 billion, an increase of 17% compared to the same period of 2020. This increase is mainly driven by the rise of fertilizers sales following the increase in the price of sulfur and ammonia.

Sales of the central axis also increased compared to the first half of 2020, mainly in phosphoric acid, as a result of the recovery in demand in India, Turkey, Brazil and Mexico.

The acid prices are rising, correlated with rising raw material and fertilizer prices.

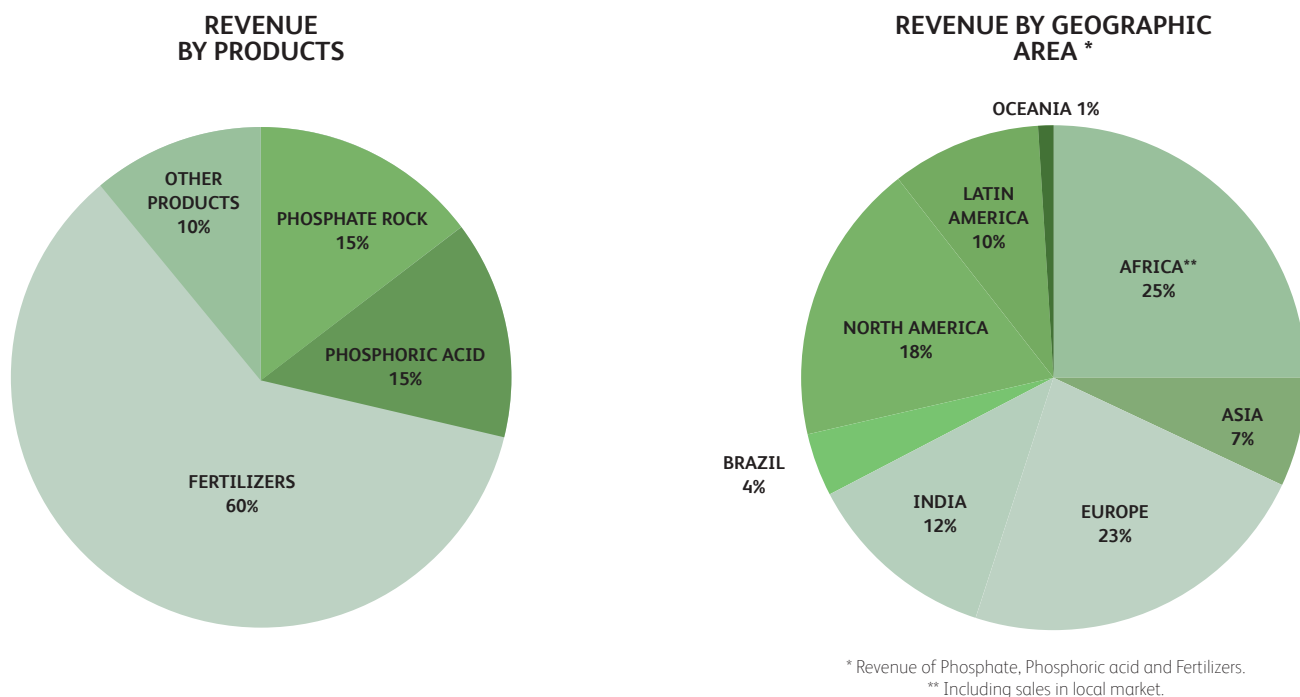
The Group's operating expenses are up 14% compared to the first half of 2020, i.e. an increase of MAD 2.6 billion, mainly observed in the item of raw purchases, which increased by MAD 2.5 billion. In fact, the optimization measures taken by the Group in 2020 and still in effect in 2021 have enabled the Group to limit the increase in the rest of operating expenses.

The northern axis recorded an increase of 19% of its operating expenses, a variation of MAD 2.2 billion compared to the first half of 2020, observed on the purchases of raw materials. The operating costs of the center axis are also increasing, by MAD 355 million, on the purchases of raw materials as well.

The Group's EBITDA is up 48% compared to the first half of 2020 driven by the growth observed in revenue and supported by the control of operating expenses 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 country and by product as at 30 June 2021 is detailed as follows:



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

It should also be noted that 98% of the consolidated assets are located in Morocco.

## 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:

- **Les ventes réalisées en mode 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.
- **Les ventes réalisées en mode 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 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 |
|--------------------------|--------------------------------|--------------------------------|
| Phosphates               | 4,914                          | 4,447                          |
| Phosphoric Acid          | 4,984                          | 3,931                          |
| Fertilizers              | 19,320                         | 16,135                         |
| Other income             | 3,261                          | 2,891                          |
| <b>Revenue</b>           | <b>32,479</b>                  | <b>27,403</b>                  |

| (In millions of dirhams) | Phosphates                     |                                | Phosphoric Acid                |                                | Fertilizers                    |                                |
|--------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                          | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 |
| <b>Main markets</b>      |                                |                                |                                |                                |                                |                                |
| <b>Local sales</b>       | <b>1,303</b>                   | <b>717</b>                     | <b>637</b>                     | <b>698</b>                     | <b>263</b>                     | <b>172</b>                     |
| Europe                   | 1,392                          | 1,199                          | 2,186                          | 1,226                          | 3,607                          | 2,445                          |
| North America            |                                | 70                             |                                | 59                             | 1,273                          | 2,332                          |
| India                    | 795                            | 694                            | 1,401                          | 1,436                          | 1,377                          | 1,862                          |
| Africa                   | 3                              |                                |                                |                                | 4,458                          | 3,548                          |
| South America            | 708                            | 1,182                          | 761                            | 261                            | 6,707                          | 5,401                          |
| Asia                     | 590                            | 420                            |                                | 252                            | 1,475                          | 366                            |
| Oceania                  | 123                            | 165                            |                                |                                | 159                            | 9                              |
| <b>Total</b>             | <b>4,914</b>                   | <b>4,447</b>                   | <b>4,984</b>                   | <b>3,931</b>                   | <b>19,320</b>                  | <b>16,135</b>                  |

| (In millions of dirhams)          | Phosphates                     |                                | Phosphoric Acid                |                                | Fertilizers                    |                                |
|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                                   | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 |
| <b>Breakdown by third parties</b> |                                |                                |                                |                                |                                |                                |
| <b>Revenue</b>                    | <b>7,736</b>                   | <b>6,126</b>                   | <b>4,984</b>                   | <b>3,931</b>                   | <b>21,736</b>                  | <b>18,678</b>                  |
| Outside the group                 | 3,586                          | 3,727                          | 4,396                          | 3,295                          | 19,320                         | 16,135                         |
| Joints ventures                   | 1,329                          | 720                            | 589                            | 636                            |                                |                                |
| Intercompany sales                | 2,822                          | 1,680                          |                                |                                | 2,416                          | 2,544                          |
| <b>Eliminations</b>               | <b>2,822</b>                   | <b>1,680</b>                   |                                |                                | <b>2,416</b>                   | <b>2,544</b>                   |
| <b>Total</b>                      | <b>4,914</b>                   | <b>4,447</b>                   | <b>4,984</b>                   | <b>3,931</b>                   | <b>19,320</b>                  | <b>16,135</b>                  |

Revenue realized in the first half of 2021 is up 18.6 % compared to the first half of 2020.

### **Phosphates sales increased by 10.5% during the first half of 2021 compared to the same period of 2020**

Globally, the rise in prices offset the drop in volumes sold for export.

Sales volumes recorded a decrease observed mainly in Latin America and North America, this decrease was partially offset by the increase in sales in Asia, Europe and locally.

In fact, the drop in volumes in Latin America, mainly in Mexico, is explained by an anticipatory storage strategy taking advantage of the favorable freight rate in the region at the end of 2020, and in Brazil mainly at Mosaic Fertilizantes do Brazil due to the impact of the competitive prices of the Bayovar mine.

The decline in sales in North America is explained by a higher shipped level during the first half of 2020 following the closure of the Bayovar mine due to the spread of the Covid-19 pandemic, which enabled OCP Group to sell more in the region during the first half of 2020.

Sales in Asia recorded an increase mainly in Pakistan, explained by the return to a normal production level after shutdowns caused by the spread of Covid-19 in the country in the first half of 2020.

In addition, in Europe, an increase in shipments is recorded in Norway. The collapse of the Murmansk bridge in Russia allowed OCP to place more volumes in compensation.

Finally, sales on the local market recorded an increase catching up from the drop in production and the prolonged idling observed in the first half of 2020 in the PMP and IMACID joint ventures as a result of the pandemic.

Phosphate prices increased in the first half of 2021, from \$ 74 / T FOB in the first half of 2020 to \$ 84 / T FOB in the first half of 2021.

### **Phosphoric acid sales increased by 26.8% between the first half of 2020 and the same period of 2021, or MAD +1.1 billion**

This increase is explained by the rise in sales prices in correlation with the increase in input prices, recording an impact of MAD +1.6 billion between both first semesters of 2020 and 2021.

This increase offset the decline in exported volumes to Asia and Oceania, mainly explained by an arbitrage of sales in favor of JVs in this region, as well as locally explained by the drop in supplies of pre-treated acid from Emaphos.

Sales in Latin America increased due to new volumes served in Mexico for the Fertinal Group as well as in Brazil following the return of ICL Brasil to the OCP customer portfolio.

### **Fertilizer sales also recorded an increase of MAD 3.2 billion between both first semesters of 2020 and 2021 (+ 19.7%):**

This increase is explained by the rise in the prices of fertilizers on the international market following the increase in the purchase prices of inputs, in particular Ammonia, sulfuric acid and sulfur. The average market price per ton therefore grew up from \$ 287 / T in the first half of 2020 to \$ 409 / T in the first half of 2021.

This price increase largely offset the decline in volumes observed first in North America, more specifically in the United States, where the new import tax of 19.97 % is imposed on OCP following the request filed by Mosaic in 2020. Then, in Latin America, where volumes exported to Brazil experienced postponed loads and Argentina where inventory levels were high due to the allocation of import subsidies.

In addition, sales increased in Africa where the Group won the call for tenders in Benin, and to a lesser extent in Asia, particularly in Bangladesh and Pakistan where demand has recovered compared to the same period in 2020.

The other products mainly concern the «Freight» activity and other ancillary products, in particular the sale of liquid sulfur, urea, ammonium nitrate, potassium chloride, etc. This line amounts to MAD 3.3 billion in the first half of 2021 against MAD 2.9 billion recorded in the first half of 2020.

#### 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 2021 | 31 December 2020 |
|--------------------------------|--------------|------------------|
| Trade receivables invoiced     | 10,198       | 9,758            |
| Provisions - trade receivables | (1,130)      | (1,101)          |
| <b>Net trade receivables</b>   | <b>9,068</b> | <b>8,657</b>     |

Trade receivables increased by MAD 411 million between December 31, 2020 and June 30, 2021, i.e. + 5 %, in correlation with the high level of sales during this first half of 2021.

It should be noted that the trade receivables are mainly related to the depreciation of the receivables of the customer Heringer due to its financial difficulties for an amount MAD 466 million in December 2019. This impairment as of 30 June 2021 remains stable.

#### 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 comes to maturity on April 25, 2024 and the second debt of \$ 1 billion 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.

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 % .

Since the partial buyback of the bonds on June 23, 2021, for respectively 41.36 % of the 2024 tranche (\$ 517 million) and 44.44 % of the 2025 tranche (\$ 444.4 million), the hedging reserves cumulative cash flows corresponding to this buyback will be maintained in recyclable reserves for a total amount of MAD 496 million and will be recycled gradually when the revenue is achieved from April 2024 for the 2024 tranche and October 2025 for the 2025 tranche. The remainder of these unredeemed tranches continue to serve as hedging instruments for future sales that would be achievable in 2024 and 2025.

##### 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 applies a preventive policy, in particular by using credit insurance and other forms of guarantees and cover applicable to trade receivables provided by leading financial institutions, as well as by setting up a program for the disposal of receivables without recourse to renowned banking and factoring establishments.

### 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>1<sup>st</sup> half-year 2021</i> | <i>1<sup>st</sup> half-year 2020</i> |
|--|--------------------------------------|--------------------------------------|
| <b>Purchases of materials and supplies</b>             | <b>(598)</b>                         | <b>(597)</b>                         |
| <b>Purchases of raw materials</b>                      | <b>(7,873)</b>                       | <b>(5,331)</b>                       |
| <i>Sulfur</i>  | <i>(4,074)</i>                       | <i>(2,284)</i>                       |
| <i>Ammonia</i>   | <i>(2,604)</i>                       | <i>(2,078)</i>                       |
| <i>Sulfuric acid</i>                                   | <i>(713)</i>                         | <i>(292)</i>                         |
| <i>KCL</i>   | <i>(302)</i>                         | <i>(293)</i>                         |
| <i>Other raw materials</i>                             | <i>(181)</i>                         | <i>(385)</i>                         |
| <b>Auxiliary materials</b>                             | <b>(382)</b>                         | <b>(471)</b>                         |
| <b>Energy consumption</b>                              | <b>(1,262)</b>                       | <b>(1,145)</b>                       |
| <i>Electrical energy</i>                               | <i>(616)</i>                         | <i>(567)</i>                         |
| <i>Fuel</i>  | <i>(420)</i>                         | <i>(319)</i>                         |
| <i>Diesel fuel</i>                                     | <i>(173)</i>                         | <i>(228)</i>                         |
| <i>Others</i>  | <i>(53)</i>                          | <i>(41)</i>                          |
| <b>Spare parts</b>                                     | <b>(351)</b>                         | <b>(417)</b>                         |
| <b>Purchase of works, studies and services</b>         | <b>(878)</b>                         | <b>(887)</b>                         |
| <b>Water supply</b>                                    | <b>(83)</b>                          | <b>(69)</b>                          |
| <b>Other consumed purchases</b>                        | <b>(178)</b>                         | <b>(318)</b>                         |
| <b>Purchased consumables of materials and supplies</b> | <b>(11,604)</b>                      | <b>(9,245)</b>                       |

Purchases of raw materials show an increase of MAD 2.4 billion between the first half of 2020 and that of 2021. This variation is mainly due to the increase in consumed purchases of sulfur.

In fact, sulfur purchases increased by MAD 1.8 billion following an increase in the volumes consumed in line with the increase in the production of phosphoric acid, as well as an increase in the price of the current tonne this first half 2021 (\$ 131 / T CFR in first half of 2021 compared to \$ 71 / T CFR in first half of 2020) due to an increase in demand greater than that of international supply.

## Notes to the Consolidated Financial Statements

Ammonia consumption also shows an increase of MAD 525 million which is also explained by an increase in the price per ton which goes from \$ 235 / T CFR during the first half of 2020 to \$ 329 / T in the first half of 2021 the same uptrend due to strong international demand.

Energy consumption amounted to MAD 1.3 billion during the first half of 2021, up by 2% compared to the first half of 2020. This increase is explained by a higher level of fuel consumption mainly at Gantour due to the increase in the processing activity and at Safi following the revisions of the sulfuric lines.

Furthermore, the cost management and optimization efforts implemented by the Group have also allowed to post a decrease in other items relating to other purchases consumed.

### External expenses:

| <i>(In millions of dirhams)</i>                | <i>1<sup>st</sup> half-year 2021</i> | <i>1<sup>st</sup> half-year 2020</i> |
|--|--------------------------------------|--------------------------------------|
| Transport ONCF on sales                        | (439)                                | (429)                                |
| Sea transport on sales                         | (1,831)                              | (1,664)                              |
| Other operating transport                      | (439)                                | (410)                                |
| Consulting and fees                            | (219)                                | (134)                                |
| Contributions and donations                    | (204)                                | (230)                                |
| Maintenance and repairs                        | (475)                                | (738)                                |
| Leases and lease charges                       | (80)                                 | (59)                                 |
| Travel and entertainment expenses              | (24)                                 | (70)                                 |
| Insurance premiums                             | (149)                                | (144)                                |
| Advertising, publications and public relations | (43)                                 | (66)                                 |
| Postal and telecommunications expenses         | (76)                                 | (74)                                 |
| Studies, analysis, research and documentation  | (69)                                 | (52)                                 |
| Remuneration of personnel outside the company  | (76)                                 | (79)                                 |
| Other external expenses                        | (123)                                | (195)                                |
| <b>External expenses</b>                       | <b>(4,246)</b>                       | <b>(4,344)</b>                       |

External expenses during the first half of 2021 reached MAD 4.2 billion, slightly down by 2% compared to the first half of 2020. This drop is mainly observed in the item of maintenance and repair charges following the continuation of efforts to reduce and optimize maintenance costs.

### 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 2021.

### 4.2.4 INVENTORIES

| <i>(In millions of dirhams)</i> | <i>30 June 2021</i> |                     |               | <i>31 December 2020</i> |                     |               |
|---------------------------------|---------------------|---------------------|---------------|-------------------------|---------------------|---------------|
|                                 | <i>Gross</i>        | <i>Depreciation</i> | <i>Net</i>    | <i>Gross</i>            | <i>Depreciation</i> | <i>Net</i>    |
| Consumables                     | 5 942               | (1 569)             | 4 365         | 5 834                   | (1 519)             | 4 315         |
| Work in progress                | 6 399               | (76)                | 6 323         | 6 759                   | (88)                | 6 671         |
| Finished products               | 3 494               | (257)               | 3 246         | 2 800                   | (234)               | 2 566         |
| <b>Total Inventories</b>        | <b>15 835</b>       | <b>(1 901)</b>      | <b>13 934</b> | <b>15 393</b>           | <b>(1 841)</b>      | <b>13 552</b> |

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.

Total inventories at the end of June 2021 amounted to MAD 13.9 billion, up slightly by 3 % compared to the end of December 2020, this mainly relating to the increase in inventories of finished products mainly those of Acid and Fertilizer. This increase was partially offset by the decline in work-in-progress mainly relating to Roche following the orientation of the activity towards a strategy of recovery and valuation of inventories at the Gantour and Khouribga sites.

### 4.2.5 TRADE PAYABLES

| <i>(In millions of dirhams)</i> | <i>30 June 2021</i> | <i>31 December 2020</i> |
|---------------------------------|---------------------|-------------------------|
| Trade payables                  | 5,810               | 4,915                   |
| Debt to acquire fixed assets    | 10,538              | 10,416                  |
| <b>Trade payables</b>           | <b>16,348</b>       | <b>15,332</b>           |

Trade payables correspond to payables and fixed assets liabilities. The latter, which are used to finance the Group's investment program, recorded an increase of 6.6 % as of June 30, 2021 compared to December 31, 2020 following the restart of new projects.

## Note 5 - Expenses and employee benefits

### 5.1. PERSONNEL EXPENSES

| <i>(In millions of dirhams)</i>                  | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 |
|--|--------------------------------|--------------------------------|
| Employee remuneration and related social charges | (3,822)                        | (3,666)                        |
| Retirement benefits and other employee benefits  | (958)                          | (732)                          |
| Other expenses                                   |                                | (5)                            |
| <b>Personnel expenses</b>                        | <b>(4,781)</b>                 | <b>(4,403)</b>                 |

Personnel costs in the first half of 2021 are up by MAD 378 million compared to the first half of 2020. This increase is mainly explained by the increase in the payroll following the implementation of the 2020 Protocol of Agreement, and by increasing social measures in a context benefiting from the easing of restrictions compared to a situation of total containment during the same period in 2020.

This increase is also explained by the entry into the scope of new subsidiaries and the takeover of Dupont and by the increase in payroll at UM6P, OCP Solutions and APEE.

### 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 main assumptions used are as follows:

|  | 30 June 2021 | 31 December 2020 |
|--|--------------|------------------|
| <b>Discount rate</b>                     |              |                  |
| Pension supplement                       | 3.29%        | 3.50%            |
| Medical plans                            | 3.29%        | 3.50%            |
| <b>Expected salary increase rate</b>     | <b>5.10%</b> | <b>5.10%</b>     |
| <b>Rate of increase in medical costs</b> | <b>2.00%</b> | <b>2.00%</b>     |

The discount rates used are obtained by reference to the rates of return on bonds issued by the Moroccan State to which a base risk premium is added to estimate the rates of return on bonds of first category companies with maturity equivalent to the duration.

The medical consumption curve supported as part of the calculation of the commitment has been maintained; it corresponds to the average medical consumption curve by age estimated in 2020 based on the history of medical expenditure over the years 2017, 2018 and 2019.

In addition, with regard to the outsourcing of the health plan to AMO, OCP has chosen 2023 as the changeover year instead of 2022 previously used.

The Group maintained the consumption curve and the medical inflation rate reassessed in 2020 based on the historical expenditure for the 2017-2019 period.

The Group also maintained the rate of child care based on the same 2017-2019 history, being equal to 7%.

Likewise, the Group maintained the same management expense rates used in 2020; corresponding to the recovery of part of its social commitments relating to certain categories of management fees.

The total of these reassessments increased the social commitments relating to the medical plans.

## 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 |                          |                         |
| <b>Net obligations recognized at 1<sup>st</sup> January 2020</b> | <b>526</b>               | <b>3,986</b>  | <b>748</b>                  | <b>5,260</b>                   | <b>120</b>               | <b>5,380</b>            |
| Benefits paid  | (11)                     | (574)         | (41)                        | (625)                          |                          | (625)                   |
| Service cost   | 2                        | 49            | 61                          | 112                            |                          | 112                     |
| Expenses related to discounting of obligations                   | 21                       | 141           | 28                          | 190                            |                          | 190                     |
| Actuarial losses or (gains) for the period                       | 60                       | 247           | (6)                         | 301                            |                          | 301                     |
| Contributions  |                          | 289           |                             | 289                            |                          | 289                     |
| Other changes  | (1)                      |               |                             | (1)                            |                          | (1)                     |
| <b>Net obligations recognized at 1<sup>st</sup> January 2021</b> | <b>598</b>               | <b>4,137</b>  | <b>790</b>                  | <b>5,525</b>                   | <b>120</b>               | <b>5,646</b>            |
| Benefits paid  | (10)                     | (323)         | (19)                        | (352)                          | 1                        | (351)                   |
| Service cost   | 1                        | 18            | 30                          | 49                             |                          | 49                      |
| Expenses related to discounting of obligations                   | 10                       | 72            | 13                          | 96                             |                          | 96                      |
| Actuarial losses or (gains) for the period                       | (89)                     | 371           | 60                          | 342                            |                          | 342                     |
| Contributions  |                          | 38            |                             | 38                             |                          | 38                      |
| Other changes  | 135                      |               |                             | 135                            |                          | 135                     |
| <b>Net obligations recognized at 30 June 2021</b>                | <b>645</b>               | <b>4,313</b>  | <b>874</b>                  | <b>5,832</b>                   | <b>121</b>               | <b>5,954</b>            |

## 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 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 |
|--------------------------------------|--------------------------------|--------------------------------|
| Short-term employee benefits         | 40                             | 41                             |
| Post-employment benefits             | 9                              | 10                             |
| <b>Total management compensation</b> | <b>50</b>                      | <b>51</b>                      |

## 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:

| (In millions of dirhams)                                    | 30 June 2021 | 31 December 2020 |
|---|--------------|------------------|
| Paradeep Phosphates Limited-PPL                             | 1,154        | 1,132            |
| Groupe Prayon   | 1,274        | 1,274            |
| Pakistan Maroc Phosphore-PMP                                | 788          | 732              |
| Euro Maroc Phosphore-EMA                                    | 272          | 196              |
| Indo Maroc Phosphore-IMA                                    | 461          | 370              |
| Fertinagro Biotech*   | 397          | 384              |
| Société d'Aménagement et de Développement de Mazagan-SAEDM* | 288          | 288              |
| Maghrib Hospitality Company-MHC*                            | 1,098        | 953              |
| Teal Technology Services-TTS*                               | 17           | 12               |
| Others  | (66)         | (55)             |
| <b>Total interests in joint-ventures</b>                    | <b>5,681</b> | <b>5,286</b>     |

\* FERTINAGRO, SAEDM, MHC and TTS being associated companies.

As a continuation of the pandemic observed throughout the first half of 2021, the Group maintained the same assumptions for calculating the recoverable amount of its participation in La Mamounia as they were used at the end of March 2021. As a reminder, the impairment test carried out in March did not generate any impairment impact.

### 6.2. BALANCE SHEETS AND INCOME STATEMENTS OF ASSOCIATES AND JOINT VENTURES

The note hereafter details the balance sheet and income statement of the joint ventures and associates for the first half 2021:

#### Balance sheet

| (In millions of dirhams)                  | PRAYON       | EMAPHOS      | IMACID       | PMP          | PPL          | SAEDM        | MHC          | FERTINAGRO   | Other        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Assets</b>                             |              |              |              |              |              |              |              |              |              |
| <b>Current assets</b>                     |              |              |              |              |              |              |              |              |              |
| Cash and cash equivalents                 | 489          | 180          |              | 92           | 33           | 87           | 59           | 787          | 670          |
| Cash financial assets                     |              | 4            |              |              | 293          |              |              |              |              |
| Inventories                               | 1,918        | 317          | 194          | 247          | 1,534        | 1,200        |              | 984          |              |
| Trade receivables                         | 570          | 404          | 889          | 789          | 1,463        |              |              | 1,241        | 1,575        |
| Current tax receivables                   |              |              | 20           | 34           |              |              |              |              | 53           |
| Other current assets                      | 131          | 204          | 865          | 670          | 964          | 112          | 498          | 34           | 804          |
| <b>Total current assets</b>               | <b>3,108</b> | <b>1,109</b> | <b>1,968</b> | <b>1,832</b> | <b>4,287</b> | <b>1,398</b> | <b>557</b>   | <b>3,047</b> | <b>3,102</b> |
| <b>Non-current assets</b>                 |              |              |              |              |              |              |              |              |              |
| Non-current financial assets              | 11           |              |              |              | 61           |              |              | 194          | 9            |
| Investments in equity-accounted companies | 867          |              |              |              |              |              |              |              |              |
| Equity securities                         | 16           |              |              |              |              | 1            | 2,454        |              | 135          |
| Deferred tax assets                       | 126          |              |              |              | 15           |              |              |              |              |
| Property, plant and equipment             | 2,063        | 173          | 494          | 576          | 1,770        | 4            | 300          | 906          | 55           |
| Intangible assets                         | 102          | 210          | 22           | 8            | 1            | 7            | 24           | 99           | 30           |
| <b>Total non-current assets</b>           | <b>3,186</b> | <b>383</b>   | <b>516</b>   | <b>584</b>   | <b>1,847</b> | <b>11</b>    | <b>2,778</b> | <b>1,199</b> | <b>229</b>   |
| <b>Total Assets</b>                       | <b>6,294</b> | <b>1,492</b> | <b>2,483</b> | <b>2,416</b> | <b>6,133</b> | <b>1,409</b> | <b>3,335</b> | <b>4,246</b> | <b>3,332</b> |

## Notes to the Consolidated Financial Statements

| (In millions of dirhams)                     | PRAYON       | EMAPHOS      | IMACID       | PMP          | PPL          | SAEDM        | MHC          | FERTINAGRO   | Other        |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>LIABILITIES</b>                           |              |              |              |              |              |              |              |              |              |
| <b>Current liabilities</b>                   |              |              |              |              |              |              |              |              |              |
| Current loans and financial debts            | 1,178        |              | 28           |              | 1,604        |              |              |              |              |
| Current provisions                           | 13           |              | 1            |              | 88           |              |              |              | 7            |
| Trade payables                               | 1,216        | 514          | 833          | 594          | 1,584        | 315          | 12           |              | 907          |
| Current tax liabilities                      |              | 8            | 101          | 76           | 12           |              |              |              | 17           |
| Other current liabilities                    | 400          | 2            | 55           | 129          | 260          | 165          | 1,377        | 2,371        | 1,188        |
| <b>Total current liabilities</b>             | <b>2,807</b> | <b>524</b>   | <b>1,019</b> | <b>799</b>   | <b>3,549</b> | <b>481</b>   | <b>1,389</b> | <b>2,371</b> | <b>2,119</b> |
| <b>Non-current liabilities</b>               |              |              |              |              |              |              |              |              |              |
| Non-current loans and financial debts        | 744          | 132          |              |              | 180          | 365          |              |              |              |
| Non-current provisions for employee benefits | 184          |              |              |              |              |              |              |              |              |
| Other non-current provisions                 | 21           |              |              |              | 26           |              |              |              | 1            |
| Deferred tax liabilities                     | 211          |              |              |              | 113          |              |              |              |              |
| Other non-current liabilities                | 10           |              |              |              |              |              |              |              | 12           |
| <b>Total non-current liabilities</b>         | <b>1,170</b> | <b>132</b>   |              |              | <b>319</b>   | <b>365</b>   |              | <b>12</b>    |              |
| Equity -Group share                          | 528          | 347          | 620          | 800          | 691          | 608          | 2,000        | 646          | 66           |
| Paid-in capital                              |              | 110          |              |              |              |              |              |              |              |
| Reserves                                     | 1,666        | 305          | 266          | 559          | 1,494        | (1)          | (18)         | 874          | 9            |
| Retained earnings                            |              |              | 187          |              |              | (43)         | (18)         | 219          | 1,092        |
| Net profit (loss)-Group share                | 123          | 75           | 391          | 257          | 80           | (1)          | (18)         | 123          | 46           |
| <b>Total equity</b>                          | <b>2,317</b> | <b>836</b>   | <b>1,464</b> | <b>1,617</b> | <b>2,265</b> | <b>564</b>   | <b>1,946</b> | <b>1,863</b> | <b>1,213</b> |
| <b>Total equity and liabilities</b>          | <b>6,294</b> | <b>1,492</b> | <b>2,483</b> | <b>2,416</b> | <b>6,133</b> | <b>1,409</b> | <b>3,335</b> | <b>4,246</b> | <b>3,332</b> |

### Income statement

| (In millions of dirhams)  | PRAYON     | EMAPHOS    | IMACID     | PMP        | PPL         | SAEDM      | MHC         | FERTINAGRO  | Other     |
|---|------------|------------|------------|------------|-------------|------------|-------------|-------------|-----------|
| Revenue   | 4,402      | 864        | 1,805      | 1,419      | 3,505       |            |             | 2,471       | 1,092     |
| Production held as inventory                                    | (146)      | (33)       | 59         | 44         | (1,063)     | (1)        |             | 89          |           |
| Purchases consumed  | (2,495)    | (655)      | (1,132)    | (899)      | (1,734)     |            |             | (1,699)     | (501)     |
| External expenses   | (886)      | (68)       | (211)      | (170)      |             |            | (5)         | (344)       | (65)      |
| Personnel expenses  | (606)      |            |            | (5)        | (81)        |            |             | (289)       | (463)     |
| Taxes   |            | (1)        | (1)        | (1)        | (49)        |            |             |             | (3)       |
| Exchange gains and losses on operating receivables and payables |            | (2)        | (11)       | (13)       |             |            |             |             | (1)       |
| Other operating income and expenses                             | 19         | (1)        | 11         | 12         | (405)       |            |             | 2           | 11        |
| <b>EBITDA</b>   | <b>288</b> | <b>105</b> | <b>519</b> | <b>388</b> | <b>174</b>  | <b>(1)</b> | <b>(5)</b>  | <b>230</b>  | <b>69</b> |
| Amortization, depreciation and operating provisions             | (159)      | (4)        | (25)       | (54)       | (52)        |            |             | (53)        | (8)       |
| <b>Operating profit (loss) before exceptional items</b>         | <b>129</b> | <b>100</b> | <b>493</b> | <b>333</b> | <b>123</b>  | <b>(1)</b> | <b>(5)</b>  | <b>177</b>  | <b>62</b> |
| Other non-current operating income and expenses                 |            | (2)        | (3)        | (5)        |             |            |             |             |           |
| <b>Operating profit (loss)</b>                                  | <b>129</b> | <b>98</b>  | <b>491</b> | <b>328</b> | <b>123</b>  | <b>(1)</b> | <b>(5)</b>  | <b>177</b>  | <b>62</b> |
| Cost of net financial debt                                      |            | (1)        | 1          | 5          |             |            | (15)        |             | 2         |
| Exchange gains and losses on financial receivables and payables |            |            |            |            |             |            |             |             |           |
| Other financial income and expenses                             | (55)       |            |            |            | (43)        |            | 2           | (12)        |           |
| <b>Financial profit (loss)</b>                                  | <b>74</b>  | <b>(1)</b> | <b>1</b>   | <b>5</b>   | <b>(43)</b> |            | <b>(13)</b> | <b>(12)</b> | <b>2</b>  |
| Profit (loss) from joint ventures                               | 66         |            |            |            |             |            |             | 4           |           |
| <b>Profit (loss) before tax</b>                                 | <b>140</b> | <b>97</b>  | <b>492</b> | <b>333</b> | <b>80</b>   | <b>(1)</b> | <b>(18)</b> | <b>169</b>  | <b>63</b> |
| Corporate Income Tax  | (17)       | (22)       | (101)      | (76)       |             |            |             | (39)        | (17)      |
| Non-controlling interests                                       |            |            |            |            |             |            |             | (7)         |           |
| <b>Net profit (loss) for the period</b>                         | <b>122</b> | <b>75</b>  | <b>391</b> | <b>257</b> | <b>80</b>   | <b>(1)</b> | <b>(18)</b> | <b>123</b>  | <b>46</b> |

Teal Technology & Services-TTS and OCP have entered into a Master Services Agreement through which TTS provides data management (data center), digital transformation and outsourcing services for existing activities.

## Note 7 – Other operating items

### 7.1. ANALYSIS OF OTHER OPERATING ITEMS

| <i>(In millions of dirhams)</i>                        | <i>1st half-year 2021</i> | <i>1st half-year 2020</i> |
|--|---------------------------|---------------------------|
| Gains and losses on other assets                       | 13                        | 22                        |
| Subsidies granted                                      | (244)                     | (252)                     |
| Donations and gifts                                    | (186)                     | (3,165)                   |
| Others   | (149)                     | (193)                     |
| <b>Other non-current operating income and expenses</b> | <b>(566)</b>              | <b>(3,588)</b>            |

Other non-recurring operating income and expenses amounted to MAD -566 million during the first half of 2021, down MAD 3 billion compared to the first half of 2020. This decrease in expenses is explained by the one time contribution of OCP (MAD 3 billion) to the Special National Fund for the management of Covid-19 pandemic during first half 2020.

### 7.2. OTHER CURRENT ASSETS

| <i>(In millions of dirhams)</i>                              | <i>30 June 2021</i> |                     |               | <i>31 December 2020</i> |                     |               |
|--|---------------------|---------------------|---------------|-------------------------|---------------------|---------------|
|  | <i>Gross</i>        | <i>Depreciation</i> | <i>Net</i>    | <i>Gross</i>            | <i>Depreciation</i> | <i>Net</i>    |
| Receivables from suppliers, advances and payments on account | 8,679               |                     | 8,679         | 8,003                   |                     | 8,003         |
| Personnel  | 79                  | (1)                 | 78            | 66                      | (1)                 | 65            |
| Social organizations   | 331                 | (32)                | 299           | 342                     | (32)                | 310           |
| State (excluding corporate income tax)                       | 4,185               |                     | 4,185         | 8,963                   |                     | 8,963         |
| Tax receivables  | 650                 |                     | 650           | 11                      |                     | 11            |
| Other receivables  | 930                 | (25)                | 905           | 361                     | (24)                | 336           |
| <b>Total other current assets</b>                            | <b>14,854</b>       | <b>(57)</b>         | <b>14,797</b> | <b>17,746</b>           | <b>(57)</b>         | <b>17,689</b> |

“State (excluding corporate income tax)” mainly includes VAT, the phosphate exploitation fee and other taxes. The decrease observed on the State line relates to the reimbursement of the VAT credit following the conclusion during the first half of 2021 of the new financing contract. The receivables relating to the VAT credit were reimbursed following the agreement signed between the State, OCP Group and Moroccan banks. This is a non-recourse factoring contract with transfer of all risks and rewards to the banks. This operation enabled the Group to derecognize the VAT credit for its current and non-current part totaling MAD 6 billion in return for the recognition of a gross financial debt of MAD 1.1 billion corresponding to the overall cost of factoring. This debt will be repaid over a 10-year schedule.

The «other debtors» item mainly includes prepaid expenses relating to social cohesion, donations and insurance charges paid during the first half of 2021.

### 7.3. OTHER CURRENT LIABILITIES

| <i>(In millions of dirhams)</i>                                    | <i>30 June 2021</i> | <i>31 December 2020</i> |
|--|---------------------|-------------------------|
| Trade receivable credit balances, advances and payments on account | 1,243               | 816                     |
| State - TVA  | 605                 | 932                     |
| Social payables  | 1,437               | 1,275                   |
| Tax liabilities  | 197                 | 42                      |
| Other creditors  | 4,983               | 2,596                   |
| <b>Total other current liabilities</b>                             | <b>8,464</b>        | <b>5,661</b>            |

Other current liabilities recorded an increase of MAD 3.7 billion between December 2020 and June 2021. Mainly recorded on the item other creditors, this increase is mostly due to the recognition of dividends payable of MAD 2.8 billion at the end of June 2021 for the previous year.



## Note 8 – Property, plant & equipment and intangible assets

### 8.1. PROPERTY, PLANT & EQUIPMENT

| (In millions of dirhams)                         | 31 December 2020 | Aquisitions  | Dotations      | Reductions / Reversals | Reclassification | Translation difference | Other changes | 30 June 2021    |
|--|------------------|--------------|----------------|------------------------|------------------|------------------------|---------------|-----------------|
| <b>Gross amount:</b>                             |                  |              |                |                        |                  |                        |               |                 |
| Land   | 6,482            | 1            |                | (2)                    | 56               | (1)                    |               | 6,535           |
| Buildings  | 53,675           | (28)         |                | (71)                   | 1,065            | (4)                    |               | 54,636          |
| Technical installations, equipment and tools     | 99,362           | 232          |                | (14)                   | 1,476            | (1)                    | (1)           | 101,054         |
| Transport equipment                              | 898              | 4            |                |                        | (4)              |                        |               | 898             |
| Furniture, office equipment and various fittings | 3,602            | 117          |                | (14)                   | 151              | (2)                    | 2             | 3,856           |
| Right of use of other tangible assets            | 4,266            | 47           |                | (2)                    |                  |                        |               | 4,310           |
| Other property, plant and equipment              | 12,078           | 3,283        |                | (7)                    | (2,737)          |                        | 1             | 12,617          |
| <b>Total gross amount</b>                        | <b>180,362</b>   | <b>3,654</b> |                | <b>(111)</b>           | <b>8</b>         | <b>(9)</b>             | <b>2</b>      | <b>183,906</b>  |
| <b>Depreciations:</b>                            |                  |              |                |                        |                  |                        |               |                 |
| Land   | (1,145)          |              | (10)           |                        |                  |                        |               | (1,155)         |
| Buildings  | (13,859)         |              | (604)          | 71                     |                  |                        |               | (14,392)        |
| Technical installations, equipment and tools     | (49,971)         |              | (2,458)        | 13                     | (16)             | 1                      |               | (52,431)        |
| Transport equipment                              | (833)            |              | (20)           |                        | 1                |                        |               | (852)           |
| Furniture, office equipment and various fittings | (1,583)          |              | (138)          | 1                      |                  | 1                      | (1)           | (1,722)         |
| Right of use of other tangible assets            | (1,963)          |              | (153)          |                        |                  |                        |               | (2,117)         |
| Other property, plant and equipment              | (1,372)          |              | (170)          | 1                      | 17               |                        |               | (1,525)         |
| <b>Impairment losses</b>                         |                  |              |                |                        |                  |                        |               |                 |
| Land   | (141)            |              |                | 4                      |                  |                        |               | (137)           |
| Buildings  | (3)              |              |                |                        |                  |                        |               | (2)             |
| <b>Total depreciation and impairment losses</b>  | <b>(70,869)</b>  |              | <b>(3,555)</b> | <b>91</b>              | <b>1</b>         | <b>2</b>               | <b>(1)</b>    | <b>(74,332)</b> |
| <b>Net carrying amount</b>                       | <b>109,493</b>   | <b>3,654</b> | <b>(3,555)</b> | <b>(20)</b>            | <b>9</b>         | <b>(7)</b>             | <b>1</b>      | <b>109,575</b>  |

| (In millions of dirhams)                         | 31 December 2019 | Aquisitions  | Dotations      | Reductions / Reversals | Reclassification | Translation difference | Other changes | 31 December 2020 |
|--|------------------|--------------|----------------|------------------------|------------------|------------------------|---------------|------------------|
| <b>Gross amount:</b>                             |                  |              |                |                        |                  |                        |               |                  |
| Land   | 6,201            | 100          |                |                        | 180              | 1                      |               | 6,482            |
| Buildings  | 50,451           | 864          |                | (19)                   | 2,378            |                        |               | 53,675           |
| Technical installations, equipment and tools     | 97,110           | 708          |                | (38)                   | 1,582            |                        |               | 99,362           |
| Transport equipment                              | 893              | 20           |                | (20)                   | 5                |                        |               | 898              |
| Furniture, office equipment and various fittings | 3,325            | 138          |                | (4)                    | 145              | (4)                    | 2             | 3,602            |
| Right of use of other tangible assets            | 4,116            | 95           |                | (5)                    |                  | (4)                    | 63            | 4,266            |
| Other property, plant and equipment              | 9,904            | 7,071        |                | (110)                  | (4,828)          | (1)                    | 42            | 12,078           |
| <b>Total gross amount</b>                        | <b>172,001</b>   | <b>8,996</b> |                | <b>(196)</b>           | <b>(538)</b>     | <b>(8)</b>             | <b>107</b>    | <b>180,362</b>   |
| <b>Depreciations:</b>                            |                  |              |                |                        |                  |                        |               |                  |
| Land   | (1,121)          |              | (164)          |                        |                  |                        |               | (1,286)          |
| Buildings  | (12,913)         |              | (977)          | 5                      | 26               |                        |               | (13,859)         |
| Technical installations, equipment and tools     | (45,017)         |              | (4,961)        | 36                     | (29)             |                        |               | (49,971)         |
| Transport equipment                              | (727)            |              | (39)           | 20                     | (86)             |                        |               | (833)            |
| Furniture, office equipment and various fittings | (1,452)          |              | (238)          | 4                      | 102              | 1                      |               | (1,583)          |
| Right of use of other tangible assets            | (1,505)          |              | (458)          |                        |                  |                        |               | (1,963)          |
| Other property, plant and equipment              | (799)            |              | (639)          | 79                     | (13)             |                        |               | (1,372)          |
| <b>Impairment losses</b>                         |                  |              |                |                        |                  |                        |               |                  |
| Buildings  | (3)              |              |                |                        |                  |                        |               | (3)              |
| <b>Total depreciation and impairment losses</b>  | <b>(63,537)</b>  |              | <b>(7,477)</b> | <b>152</b>             | <b>(7)</b>       |                        |               | <b>(70,869)</b>  |
| <b>Net carrying amount</b>                       | <b>108,464</b>   | <b>8,996</b> | <b>(7,477)</b> | <b>(44)</b>            | <b>(546)</b>     | <b>(7)</b>             | <b>107</b>    | <b>109,493</b>   |

The main increases during the first half of 2021 concern the mining and chemical activities and include the following projects:

### For the Mining Activity:

- Start-up of new construction sites for the laundromat in Benguerir. The objective being to ensure a production of 3 MT / year by 2020 and 9 MTSM by 2025 in order to meet the needs of the Safi site, while reducing the cost of transport by train to Youssoufia and Safi by transporting the washed floated product instead of the crude phosphate.
- Review of plot plans and start of passage authorization requests for the Benguerir Slurry Pipeline.
- The Boucraâ mining site has seen several achievements, mainly the finalization of the earthworks of the storage halls and the civil engineering work of the storage tanks of the fertilizer complex. This complex aims to enhance the phosphates of Boucraâ by producing phosphoric acid and fertilizers with an annual capacity of one million tonnes of DAP / MAP equivalent fertilizer and 0.5 million tonnes of  $P_2O_5$ . In addition, the site has started in situ testing of tubular piles for the access bridge to the new phosphate port and has launched the first phase of development of the new substation.
- During the first half of the year, the Boucraâ site also saw the launch of the dewatering and excavation works of the Booster Wall of the new phosphate port and the launch of the prefabrication of the caissons and metal caps of the said port.

### For the Chemical activity:

- Overall progress of 95 % for the purchases of the new TSPS lines project. This project aims to build three fertilizer production units with a capacity of one million tonnes per year of DAP equivalent with the possibility of TSP production.
- Testing and commissioning of the fourth sulfur melting & filtration line at the Jorf Lasfar site.
- Start of production of the NPS product from the JFC 4 unit by manufacturing a first cargo of 15 KT.
- Project to rehabilitate and increase the capacities of the installations in order to follow the development of the Jorf platform, through the launch of the dismantling work of the screw gantries and the progress of the manufacturing work of the new metal structure of said screw gantries.

## 8.2. INTANGIBLE ASSETS VARIATION

| (In millions of dirhams)                                      | 31 December 2020 | Aquisitions | Dotations    | Reclassification | 30 June 2021   |
|---|------------------|-------------|--------------|------------------|----------------|
| <b>Gross amount:</b>  |                  |             |              |                  |                |
| R&D assets  | 115              |             |              |                  | 115            |
| Patents, trademarks, rights and similar items                 | 155              | 5           |              |                  | 160            |
| Licences and software   | 1,972            | 9           |              |                  | 1,981          |
| Other intangible assets                                       | 955              | 224         |              | (24)             | 1,155          |
| <b>Total gross amount</b>                                     | <b>3,197</b>     | <b>238</b>  |              | <b>(24)</b>      | <b>3,411</b>   |
| <b>Amortization:</b>  |                  |             |              |                  |                |
| Amortization of R&D assets                                    | (75)             |             | (9)          |                  | (83)           |
| Amortization of patents, trademarks, rights and similar items | (76)             |             | (12)         | 2                | (86)           |
| Amortization of licences and software                         | (298)            |             | (8)          | (11)             | (317)          |
| Amortizaion of other intangible assets                        | (274)            |             | (336)        | 9                | (601)          |
| <b>Total amortization and impairment losses</b>               | <b>(723)</b>     |             | <b>(365)</b> |                  | <b>(1,088)</b> |
| <b>Net carrying amount</b>                                    | <b>2,476</b>     | <b>238</b>  | <b>(365)</b> | <b>(24)</b>      | <b>2,323</b>   |

## Notes to the Consolidated Financial Statements

| <i>(In millions of dirhams)</i>                               | <i>31 December 2019</i> | <i>Aquisitions</i> | <i>Dotations</i> | <i>Reclassification</i> | <i>30 June 2020</i> |
|---|-------------------------|--------------------|------------------|-------------------------|---------------------|
| <b>Gross amount:</b>  |                         |                    |                  |                         |                     |
| R&D assets  | 100                     | 7                  |                  | 8                       | 115                 |
| Patents, trademarks, rights and similar items                 | 76                      | 10                 |                  | 69                      | 155                 |
| Licences and software   | 642                     | 1,321              |                  | 10                      | 1,972               |
| Other intangible assets                                       | 849                     | (175)              |                  | 281                     | 955                 |
| <b>Total gross amount</b>                                     | <b>1,668</b>            | <b>1,163</b>       |                  | <b>367</b>              | <b>3,197</b>        |
| <b>Amortization:</b>  |                         |                    |                  |                         |                     |
| Amortization of R&D assets                                    | (55)                    |                    | (20)             |                         | (75)                |
| Amortization of patents, trademarks, rights and similar items | (59)                    |                    | (20)             | 3                       | (76)                |
| Amortization of licences and software                         | (268)                   |                    | (31)             |                         | (298)               |
| Amortizaion of other intangible assets                        | (190)                   |                    | (81)             | (3)                     | (274)               |
| <b>Total amortization and impairment losses</b>               | <b>(572)</b>            |                    | <b>(151)</b>     | <b>1</b>                | <b>(723)</b>        |
| <b>Net carrying amount</b>                                    | <b>1,095</b>            | <b>1,163</b>       | <b>(151)</b>     | <b>368</b>              | <b>2,476</b>        |

### 8.3. NET DEPRECIATION AND AMORTIZATION

| <i>(In millions of dirhams)</i>          | <i>1<sup>st</sup> half-year 2021</i> | <i>1<sup>st</sup> half-year 2020</i> |
|--|--------------------------------------|--------------------------------------|
| <b>Net depreciation and amortization</b> | <b>(3,726)</b>                       | <b>(3,717)</b>                       |

Net depreciation and amortization increased by MAD +9 million in the first half of 2021 compared to the first half of 2020, driven by the increase of the investments implemented.

## Note 9 – Provisions and contingent liabilities

### 9.1. NET PROVISIONS

| <i>(In millions of dirhams)</i> | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 |
|---------------------------------|--------------------------------|--------------------------------|
| <b>Net provisions</b>           | <b>(183)</b>                   | <b>(320)</b>                   |

Net provisions amount to MAD 183 million during the first half of 2021, down MAD 137 million compared to the first half of 2020 following the recognition of the Heringer provision in 2020 for MAD 213 million (\$21 million)..

### 9.2. PROVISIONS FOR LIABILITIES AND CHARGES

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

| <i>(In millions of dirhams)</i>    | 31 December 2020 | Dotations  | Reversals   |        | Other changes | 30 June 2021 |
|------------------------------------|------------------|------------|-------------|--------|---------------|--------------|
|                                    |                  |            | Used        | Unused |               |              |
| <b>Non-current provisions</b>      | <b>6,237</b>     | <b>78</b>  | <b>(67)</b> |        | <b>295</b>    | <b>6,543</b> |
| Provisions for employee benefits   | 5,646            | 9          |             |        | 299           | 5,954        |
| Provisions for site rehabilitation | 296              |            |             |        |               | 296          |
| Other non-current provisions       | 295              | 69         | (67)        |        | (4)           | 293          |
| <b>Current provisions</b>          | <b>448</b>       | <b>43</b>  | <b>(12)</b> |        |               | <b>479</b>   |
| Other current provisions           | 448              | 43         | (12)        |        |               | 479          |
| <b>Total provisions</b>            | <b>6,686</b>     | <b>121</b> | <b>(78)</b> |        | <b>294</b>    | <b>7,022</b> |

#### Assessment of provisions for employee benefits

The provisions for employee benefits cover benefits related to the death benefit, medical plans, fixed retirement allocations and other long-term benefits. Details of these benefits are given in Note 5 “Employee charges and benefits”..

#### Assessment of provisions for site rehabilitation

The 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. In addition to respecting the peculiarities of soils and local climatic conditions, the crops and activities introduced are based on local know-how. The old Khouribga mine attests to the value of this approach.

### 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

| <i>(In millions of dirhams)</i>      | 30 June 2021 | 31 December 2020 |
|--------------------------------------|--------------|------------------|
| Letters of credit                    | 1,372        | 1,650            |
| Miscellaneous rights and commitments | 598          | 728              |
| <b>Total Commitments given</b>       | <b>1,971</b> | <b>2,378</b>     |

The commitments given correspond to customs guarantees and those from customers, import letters of credit, as well as the various rights and commitments given, recorded and not proven.

The commitments given at the end of June 2021 recorded a decrease of MAD 407 million compared to the end of December 2020, mainly due to the decrease in flow-through outstandings and guarantees given by OCP SA, respectively by MAD 278 million and MAD 145 million.

## 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 cancellation 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.

## 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:

| <i>(In millions of dirhams)</i>                         | 30 June 2021  | 31 December 2020 |
|---|---------------|------------------|
| <b>Current financial debts</b>                          |               |                  |
| Government credits                                      | 62            | 64               |
| Long-term bank loans, portion due in less than one year | 7,797         | 10,142           |
| Finance leases, portion due in less than one year       | 238           | 253              |
| Bond issue  | 9             |                  |
| Accrued interest not yet due                            | 448           | 572              |
| Bank overdrafts   | 1,924         |                  |
| Other credits   | 1,847         | 764              |
| <b>Total current financial debts</b>                    | <b>12,326</b> | <b>11,795</b>    |
| <b>Non-current financial debts</b>                      |               |                  |
| Government credits                                      | 208           | 244              |
| Long-term bank loans, portion due in more than one year | 19,639        | 18,213           |
| Bond issue  | 29,762        | 24,936           |
| Finance leases, portion due in more than one year       | 1,504         | 1,569            |
| Others credits  | 2,499         | 2,003            |
| <b>Total non-current financial debts</b>                | <b>53,612</b> | <b>46,964</b>    |
| <b>Total financial debts</b>                            | <b>65,938</b> | <b>58,760</b>    |

## 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:

| <i>(In millions of dirhams)</i>                                | Interest rate    | Weighted average interest rate | Weighted average residual maturity | 30 June 2021  |
|--|------------------|--------------------------------|------------------------------------|---------------|
| <b>Government credits</b>                                      |                  |                                |                                    |               |
| Denominated in EUR   | [1.30 % -2.50 %] | 2.10 %                         |                                    | 62            |
| <b>Long-term bank loans, portion due in less than one year</b> |                  |                                |                                    | <b>7,797</b>  |
| Denominated in USD   | [2.94 % -4.15 %] | 3.57 %                         |                                    | 1,255         |
| Denominated in MAD   | [3.00 % -3.95 %] | 3.79 %                         |                                    | 6,040         |
| Denominated in EUR   | [0.63 % -4.47 %] | 2.37 %                         |                                    | 502           |
| <b>Finance lease debts</b>                                     |                  |                                |                                    |               |
| Denominated in MAD   | [3.50 % -4.70 %] | 3.93 %                         |                                    | 238           |
| <b>Bond issue</b>  |                  |                                |                                    |               |
| Denominated in USD   | [3.75 % -6.88 %] | 4.50 %                         |                                    | 9             |
| <b>Accrued interest not yet due</b>                            |                  |                                |                                    | <b>448</b>    |
| <b>Bank overdrafts</b>   |                  |                                |                                    |               |
| Denominated in MAD   |                  |                                |                                    | 1,924         |
| <b>Other credits</b>   |                  |                                |                                    | <b>1,847</b>  |
| <b>Total current financial debts</b>                           |                  |                                |                                    | <b>12,326</b> |
| <b>Government credits</b>                                      |                  |                                |                                    |               |
| Denominated in EUR   | [1.30 % -2.50 %] | 2.48 %                         | 11                                 | 208           |
| <b>Long-term bank loans, portion due in more than one year</b> |                  |                                |                                    | <b>19,639</b> |
| Denominated in USD   | [2.94 % -3.91 %] | 3.55 %                         | 4                                  | 2,096         |
| Denominated in MAD   | [3.00 % -3.90 %] | 3.64 %                         | 4                                  | 13,645        |
| Denominated in EUR   | [0.63 % -4.47 %] | 1.94 %                         | 6                                  | 3,899         |
| <b>Finance lease debts</b>                                     |                  |                                |                                    |               |
| Denominated in MAD   | [3.50 % -4.70 %] | 4.41 %                         | 1                                  | <b>1,504</b>  |
| <b>Bond issue</b>  |                  |                                |                                    |               |
| Denominated in USD   | [3.75 % -6.88 %] | 5.14 %                         | 14                                 | 29,762        |
| <b>Other credits</b>   |                  |                                |                                    | <b>2,499</b>  |
| <b>Total non-current financial debts</b>                       |                  |                                |                                    | <b>53,612</b> |
| <b>Total financial debts</b>                                   |                  |                                |                                    | <b>65,938</b> |

## Notes to the Consolidated Financial Statements

### 10.1.2.3 FINANCIAL DEBT MATURITIES

The table below shows the maturities of financial debts as at 30 June 2021:

| <i>(In millions of dirhams)</i>  | < 1 yr        | 1-5 yrs       | > 5 yrs       | Total at 30 June 2021 |
|----------------------------------|---------------|---------------|---------------|-----------------------|
| <b>Medium and long-term debt</b> | <b>12,326</b> | <b>33,052</b> | <b>20,561</b> | <b>65,938</b>         |

### 10.1.2.4 THE GROUP'S MAIN FINANCING AGREEMENTS

Below is a description of the Group's main financing contracts as of June 30, 2021:

- During the first half of 2021, OCP concluded medium and long-term financing with international financial institutions for a total amount of 450 million dollars.
- OCP SA issued, on June 23, 2021, a bond loan of 750 million US dollars at 10 years, offering a coupon of 3.75 % and a bond loan of 750 million US dollars at 30 years , offering a coupon of 5.125 % .

### 10.1.3 ANALYSIS OF FINANCIAL ASSETS

#### 10.1.3.1 CASH AND CASH EQUIVALENT

| <i>(In millions of dirhams)</i>  | 30 June 2021  | 31 December 2020 |
|--|---------------|------------------|
| Cash   | 7,748         | 2,938            |
| Cash equivalents   | 7,338         | 3,490            |
| <b>Total cash and cash equivalents</b>                                       | <b>15,085</b> | <b>6,428</b>     |
| Bank (credit balances)   | 1,923         | 1                |
| <b>Cash and cash equivalents in the consolidated statement of Cash Flows</b> | <b>13,162</b> | <b>6,427</b>     |

#### 10.1.3.2 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.

| <i>(In millions of dirhams)</i> | 0-1 month    | 1-6 months | 6-12 months  | >1 year | Total        |
|---------------------------------|--------------|------------|--------------|---------|--------------|
| Money market funds              | 7,175        |            |              |         | 7,175        |
| Term deposit                    |              | 18         | 2,648        |         | 2,666        |
| <b>Total</b>                    | <b>7,175</b> | <b>18</b>  | <b>2,648</b> |         | <b>9,841</b> |

## 10.1.4 ANALYSIS OF NET DEBT

| <i>(In millions of dirhams)</i>      | 30 June 2021  | 31 December 2020 |
|--------------------------------------|---------------|------------------|
| Financial credits                    | 27,593        | 28,560           |
| Bonds                                | 29,771        | 24,936           |
| Other loans and assimilated debts    | 4,912         | 3,441            |
| Bank overdrafts                      | 1,924         | 3                |
| <b>Gross financial and bond debt</b> | <b>64,200</b> | <b>56,939</b>    |
| Cash equivalents                     | 7,338         | 3,490            |
| Cash                                 | 7,748         | 2,938            |
| Financial assets for cash management | 2,503         | 7                |
| <b>Financial assets</b>              | <b>17,588</b> | <b>6,435</b>     |
| <b>Net financial and bond debt</b>   | <b>46,612</b> | <b>50,504</b>    |
| Financial debts from IFRS 16 leases  | 1,739         | 1,820            |
| <b>Other Financial debts</b>         | <b>1,739</b>  | <b>1,820</b>     |
| <b>Total gross financial debt</b>    | <b>65,938</b> | <b>58,759</b>    |
| <b>Total net financial debt</b>      | <b>48,351</b> | <b>52,324</b>    |

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

| <i>(In millions of dirhams)</i>     | 30 June 2021   | 31 December 2020 |
|-------------------------------------|----------------|------------------|
| Net change in cash                  | (6,736)        | 7,051            |
| Change in marketable securities     | (2,496)        | 567              |
| Insurance/ repayment of loans       | 7,180          | (800)            |
| Other variations                    | (1,921)        | 8                |
| <b>Change in net financial debt</b> | <b>(3,973)</b> | <b>6,826</b>     |

## 10.1.5 COST OF NET DEBT

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

| <i>(In millions of dirhams)</i>               | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 |
|---|--------------------------------|--------------------------------|
| Interest expenses                             | (1,152)                        | (1,293)                        |
| <b>Cost of gross financial debt</b>           | <b>(1,152)</b>                 | <b>(1,293)</b>                 |
| Financial income from cash investments        | 38                             | 112                            |
| Other financial income                        | 27                             | 63                             |
| <b>Financial income from cash investments</b> | <b>64</b>                      | <b>175</b>                     |
| <b>Cost of net financial debt</b>             | <b>(1,088)</b>                 | <b>(1,118)</b>                 |

The gross financial debt cost shows a slight decrease of MAD 31 million between the first half of 2021 and that of 2020. This decrease is explained by the decrease in interest charges due to loan repayments made in 2021.



## 10.2. OTHER FINANCIAL ASSETS

### 10.2.1 NON-CURRENT FINANCIAL ASSETS

| (In millions of dirhams)                                       | 30 June 2021 |              |              | 31 December 2020 |              |              |
|--|--------------|--------------|--------------|------------------|--------------|--------------|
|  | Gross        | Depreciation | Net          | Gross            | Depreciation | Net          |
| Financial assets at fair value by OCI                          | 639          | (524)        | 115          | 628              | (523)        | 105          |
| Financial assets measured at fair value through profit or loss | 22           |              | 22           | 22               |              | 22           |
| Receivables from fixed asset disposals                         | 74           | (5)          | 69           | 19               | (5)          | 14           |
| Other financial receivables                                    | 1,805        | (1)          | 1,805        | 977              | (1)          | 976          |
| <b>Total non-current financial assets</b>                      | <b>2,541</b> | <b>(529)</b> | <b>2,012</b> | <b>1,646</b>     | <b>(528)</b> | <b>1,118</b> |

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.

### 10.2.2 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses are as follows:

| (In millions of dirhams)                   | 1 <sup>st</sup> half-year 2021 | 1 <sup>st</sup> half-year 2020 |
|--|--------------------------------|--------------------------------|
| Exchange income from financing operations  | 17                             | (243)                          |
| Net financial expenses                     | (1,768)                        | (297)                          |
| Others                                     | (38)                           | (58)                           |
| <b>Other financial income and expenses</b> | <b>(1,788)</b>                 | <b>(597)</b>                   |

The exchange income from financing operations increased by MAD 260 million compared to the first half of 2020. This is explained by the impact of the change in exchange rates on loans and financial debts denominated in foreign currencies.

In addition, the net financial expense of MAD 1,768 million corresponds to:

- The increase in the charge relating to the VAT credit following the recognition, during the first half of 2021, of a net additional allocation of MAD 637 million following the agreement to finance the VAT credit by way of factoring without recourse, and
- The recognition of a financial charge of MAD 1.1 billion relating mainly to the partial redemption premium of the bonds of 2014 and 2015 for an amount of MAD 844 million and the partial recycling in result of the costs and the premium issuance of said bond loans for MAD 206 million.

### 10.2.3 COMMITMENTS RECEIVED

| (In millions of dirhams)                 | 30 June 2021  | 31 December 2020 |
|--|---------------|------------------|
| Unused borrowings                        | 8,146         | 5,661            |
| Other commitments received for contracts | 9,374         | 9,772            |
| Loans guaranteed by the State            | 270           | 308              |
| <b>Total Commitments received</b>        | <b>17,790</b> | <b>15,741</b>    |

Other commitments received on contracts relate to commitments received from suppliers relating to advances paid within the framework of industrial programs undertaken by the Group. The analysis of government guaranteed loans is presented in Note 13 « Relations with shareholders ».

## 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; and
- 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 1<sup>st</sup> 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

| <i>(In millions of dirhams)</i>          | <i>1<sup>st</sup> half-year 2021</i> | <i>1<sup>st</sup> half-year 2020</i> |
|--|--------------------------------------|--------------------------------------|
| Current tax expense/current tax income   | (254)                                | (399)                                |
| Deferred tax expense/deferred tax income | (231)                                | 670                                  |
| <b>Corporate income tax</b>              | <b>(485)</b>                         | <b>271</b>                           |

Deferred taxes show a decrease of MAD 901 million, going from MAD +670 million during first half of 2020 to MAD -231 million during first half of 2021. This decrease is explained on one hand by the donation covid-19 of MAD 3 billion recognized as an expense as of June 30, 2020, which generated a tax income of MAD +598 million, and on the other hand, by the activation of the tax deficits of the JFCs in the first half of 2020.

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

The trend in deferred tax assets and liabilities is as follows:

| <i>(In millions of dirhams)</i>                       | <i>1<sup>st</sup> half-year 2021</i> | <i>1<sup>st</sup> half-year 2020</i> |
|---|--------------------------------------|--------------------------------------|
| +Net income - Group share                             | 4,633                                | (659)                                |
| +Net income - Minorities' share                       | 64                                   | 85                                   |
| -Share of profit (loss) of equity-accounted companies | (367)                                | (77)                                 |
| +/-Tax for the period                                 | 485                                  | (271)                                |
| <b>Consolidated accounting income before tax</b>      | <b>4,816</b>                         | <b>(922)</b>                         |
| +/- Permanent differences <sup>(1)</sup>              | 295                                  | 449                                  |
| <b>= Consolidated taxable income</b>                  | <b>5,111</b>                         | <b>(473)</b>                         |
| Theoretical tax rate <sup>(2)</sup>                   | 22.13 %                              | 22.14 %                              |
| <b>=Theoretical tax</b>                               | <b>(1,131)</b>                       | <b>105</b>                           |
| Tax losses  |                                      |                                      |
| Difference in tax rate in relation to OCP SA          | (55)                                 | 132                                  |
| Liability method                                      | 33                                   | 22                                   |
| Other items <sup>(3)</sup>                            | 668                                  | 12                                   |
| <b>= Corporate income tax</b>                         | <b>(485)</b>                         | <b>271</b>                           |
| <b>including</b>                                      |                                      |                                      |
| <i>current tax</i>                                    | (254)                                | (399)                                |
| <i>deferred tax</i>                                   | (231)                                | 670                                  |

<sup>(1)</sup> The main permanent differences are the previous exercises' expenses, tax control expenses subsidies and non-deductible donations and dividends received from unconsolidated entities.

<sup>(2)</sup> The theoretical tax rate takes into account local sales taxed at 30 % and export sales realized in foreign currency taxed at 17.5 %.

<sup>(3)</sup> The increase corresponds to tax savings due to the donation granted to the OCP Foundation to finance investment projects at its subsidiary UM6P.

**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 2020</i> | <i>Activity changes in income</i> | <i>Change in consolidation scope</i> | <i>30 June 2021</i> |
|----------------------------------|-------------------------|-----------------------------------|--------------------------------------|---------------------|
| Gross deferred tax assets        | 620                     | 43                                |                                      | 663                 |
| Unrecognized deferred tax assets |                         |                                   |                                      |                     |
| <b>Net deferred tax assets</b>   | <b>620</b>              | <b>43</b>                         |                                      | <b>663</b>          |
| <b>Deferred tax liabilities</b>  | <b>1,295</b>            | <b>149</b>                        |                                      | <b>1,444</b>        |

## Notes to the Consolidated Financial Statements

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

| <i>(In millions of dirhams)</i>           | <i>30 June 2021</i> | <i>31 December 2020</i> |
|---|---------------------|-------------------------|
| Temporary differences                     | 1,739               | 1,604                   |
| Eliminations of intercompany transactions | 606                 | 547                     |
| Intangible assets                         | (62)                | 58                      |
| Tangible assets                           | 20                  | 20                      |
| Financial assets at fair value by OCI     | 49                  | 49                      |
| Other asset items                         | 184                 | 83                      |
| Provisions for employee benefits          | 1,617               | 1,617                   |
| Other provisions                          | 664                 | 664                     |
| Tax loss carryforwards                    | 411                 | 379                     |
| Offsetting                                | (4,566)             | (4,402)                 |
| <b>Total deferred tax assets</b>          | <b>663</b>          | <b>620</b>              |

| <i>(In millions of dirhams)</i>           | <i>30 June 2021</i> | <i>31 December 2020</i> |
|---|---------------------|-------------------------|
| Temporary differences                     | 3                   | 3                       |
| Eliminations of intercompany transactions | (224)               | (223)                   |
| Intangible assets                         | 123                 | 114                     |
| Tangible assets                           | 5,670               | 5,343                   |
| Financial assets at fair value by OCI     | 49                  | 49                      |
| Inventories                               | 399                 | 399                     |
| Other assets items                        | (276)               | (190)                   |
| Other provisions                          | 429                 | 353                     |
| Tax loss carryforwards                    | (392)               | (380)                   |
| Other                                     | 229                 | 229                     |
| Offsetting                                | (4,566)             | (4,402)                 |
| <b>Total deferred tax liabilities</b>     | <b>1,444</b>        | <b>1,295</b>            |

## Note 12 – Equity, dividends and earnings per share

### 12.1. ISSUED CAPITAL

As at 30 June 2021, the share capital amounts to MAD 8,288 million. It is composed of 82,875,000 shares with a nominal value of MAD100. 729,300 OCP shares are held by its subsidiary SADV.

| <i>(In number of shares)</i>                           | <i>Ordinary shares</i> |
|--|------------------------|
| <b>Outstanding at 1<sup>st</sup> January 2021</b>      | <b>82,875,000</b>      |
| Issues of shares for cash in 1 <sup>st</sup> half-year |                        |
| <b>Outstanding at 30 June 2021</b>                     | <b>82,875,000</b>      |
| <b>Nominal value</b>                                   | <b>100 Dirhams</b>     |

### 12.2. DIVIDENDS

The dividends distributed during the first half of 2021 for MAD 5,081 million correspond to a net dividend per share of MAD 61.85.

| <i>(In millions of dirhams)</i>              | <i>30 June 2021</i> | <i>31 December 2020</i> |
|--|---------------------|-------------------------|
| Amount of dividends (In millions of dirhams) | 5,081               | 4,461                   |
| Dividend per share (in dirhams)              | 61.85               | 54.30                   |

### 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>1<sup>st</sup> half-year 2021</i> | <i>1<sup>st</sup> half-year 2020</i> |
|---|--------------------------------------|--------------------------------------|
| <b>Net profit, Group share (in millions of dirhams) *</b>     | <b>4,439</b>                         | <b>(862)</b>                         |
| 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                              |
| <b>Number of shares used for the calculation of income</b>    | <b>82,145,700</b>                    | <b>82,145,700</b>                    |
| <b>Basic and diluted net earnings per share (in dirhams)</b>  | <b>54.04</b>                         | <b>(10.50)</b>                       |

<sup>(1)</sup> 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 (MAD -195 million).

## Note 13 – Relations with shareholders

The Moroccan state is a shareholder in the OCP with a majority stake of 94.12%. The BCP group holds 5.00%.

As such, the State receives 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>Purpose of loan</i>  | <i>Loan currency</i> | <i>Date of loan</i> | <i>Amount in millions of dirhams as at 30 June 2021</i> | <i>Amount in millions of dirhams as at 31 December 2020</i> |
|---|----------------------|---------------------|---|---|
| AFD outstanding loans consolidation                             | EUR                  | 2 005               | 233   | 253   |
| Sidi Chennane mining operations                                 | EUR                  | 2 002               | 32  | 50  |
| Renewal of the sulphur unit circulation tank and supply circuit | EUR                  | 2 007               | 5   | 5   |
| <b>TOTAL</b>  | <b>EUR</b>           |                     | <b>270</b>  | <b>308</b>  |

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 shows the transactions carried out with the State or with companies under State control as well as with BCP :

| <i>(In millions of dirhams)</i>            | <i>30 June 2021</i>                           |            | <i>31 June 2020</i>                           |            |
|--|---|------------|---|------------|
|  | <i>State and State-controlled enterprises</i> | <i>BCP</i> | <i>State and State-controlled enterprises</i> | <i>BCP</i> |
| Interest on investments                    | 3   | 9          | 38  | 25         |
| Utility costs                              | 541   |            | 441   |            |
| Other operating expenses                   | 113   |            | 168   |            |
| Interest on loans                          | 21  | 69         | 17  | 76         |
| Social charges                             | 270   |            | 253   |            |
| Transport expenses ONCF                    | 494   |            | 486   |            |
| Subscription ONCF / lump-sum contributions | 200   |            | 200   |            |
| Assets and inventories purchases           | 35  |            |   |            |

| <i>(In millions of dirhams)</i> | <i>30 June 2021</i>                           |            | <i>31 December 2020</i>                       |            |
|---------------------------------|---|------------|---|------------|
|                                 | <i>State and State-controlled enterprises</i> | <i>BCP</i> | <i>State and State-controlled enterprises</i> | <i>BCP</i> |
| Trade payables                  | 550   |            | 717   |            |
| Other receivables               | 418   |            | 580   |            |
| Cash and cash equivalents       | 523   | 5,528      | 183   | 759        |
| Investments                     | 2,000   |            | 500   |            |
| Loans                           | 1,828   | 4,139      | 1,730   | 4,162      |



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## RAPPORT D'EXAMEN LIMITE SUR LES ETATS FINANCIERS CONSOLIDES INTERMEDIAIRES AU 30 JUIN 2021

### Introduction

Nous avons effectué l'examen limité de l'état de la situation financière consolidée ci-joint de la Société OCP S.A. et de ses filiales (groupe OCP) au 30 juin 2021 ainsi que du compte de résultat consolidé et l'état du résultat global consolidé, de l'état de variations des capitaux propres consolidés et l'état des flux de trésorerie consolidés au terme de la période close à cette date, et les notes aux états financiers consolidés intermédiaires contenant un résumé des principales méthodes comptables et d'autres notes explicatives. La Direction est responsable de l'établissement et de la présentation sincère de cette information financière intermédiaire conformément à la norme IAS 34 - norme du référentiel IFRS tel qu'adopté dans l'Union Européenne relative à l'information financière intermédiaire.

Les comptes intermédiaires consolidés ont été établis sous la responsabilité de la Direction en date du 8 septembre 2021 sur la base des éléments disponibles à cette date dans un contexte évolutif de crise liée au Covid-19. Notre responsabilité est d'exprimer une conclusion sur cette information financière intermédiaire sur la base de notre examen limité.

### Etendue de l'examen limité

Nous avons effectué notre examen limité selon la norme ISRE 2410 « Examen limité d'informations financières intermédiaires effectué par l'auditeur indépendant de l'entité ».

Un examen limité d'informations financières intermédiaires consiste en des demandes d'informations, principalement auprès des personnes responsables des questions financières et comptables et dans la mise en œuvre de procédures analytiques et d'autres procédures d'examen limité. L'étendue d'un examen limité est très inférieure à celle d'un audit effectué selon les Normes ISA et, en conséquence, ne nous permet pas d'obtenir l'assurance que nous avons relevé tous les faits significatifs qu'un audit permettrait d'identifier. Nous n'exprimons pas d'opinion d'audit.

### Conclusion

Sur la base de notre examen limité, nous n'avons pas relevé de faits qui nous laissent penser que les états financiers intermédiaires consolidés ci-joints, n'ont pas été établis, dans tous leurs aspects significatifs, conformément à la norme IAS 34 – norme du référentiel IFRS tel qu'adopté dans l'Union Européenne relative à l'information financière intermédiaire.

Casablanca, le 13 septembre 2021

### Les Auditeurs Indépendants

**ERNST & YOUNG**  
  
Bachir TAZI  
Associé

**DELOITTE AUDIT**

**Sakina BENSOUA KORACHI**  
Associée

