



**CONSOLIDATED  
FINANCIAL  
STATEMENTS**  
AT 31 DECEMBER 2021

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## Key figures

(In millions of dirhams)	Note	FY 2021	FY 2020
<b>Revenue</b>	4.1.1.2	<b>84,300</b>	<b>56,182</b>
Profit (loss) from joint ventures	6.1	1,185	342
<b>EBITDA</b>		<b>36,269</b>	<b>18,657</b>
Operating profit (loss) before exceptional items		27,254	10,461
Cost of net financial debt	10.1.5	(2,223)	(2,170)
<b>Net profit (loss) - Group share</b>		<b>16,326</b>	<b>3,231</b>
Consolidated equity - Group share		86,200	76,143
Net financial debt		45,076	52,324
Net operating investments		(13,135)	(9,566)
<b>Basic and diluted earnings per share (in dirhams)</b>	12.3	<b>193.96</b>	<b>34.34</b>
<b>Dividend per share (in dirhams)</b>		<b>61.85</b>	<b>54.30</b>

## Significant events of the period

- 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 bond at 41.36 % and the 2015 - 10.5 year bond at 44.44 % for respectively 517 and 444 milion dollars. A redemption premium of \$95 million was paid.
- In the second half of 2021, OCP Group, through its subsidiary OCP Hospitality - OCPH, increased its stake in the Maghrib Hospitality Company - MHC entity, by subscribing alone to the capital increase of MHC. This subscription enabled OCPH to hold the majority of MHC's voting rights, and therefore to exercise control within the meaning of IFRS 10 over this entity.
- During 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 6.5 billion. The total cost of the operation is MAD 1.1 billion.

## Events after the reporting period

- Ukraine is among the main exporting regions of ammonia in the world. In the current context of the war between Russia and Ukraine, OCP Group is able to secure its ammonia needs in the short, medium and long term by relying on the increase in its imports from Trinidad and on the development of imports from Egypt and also from the Gulf countries, notably Qatar and Saudi Arabia.

Furthermore, it should be noted that the ammonia market is a regionalized market due to the high cost of logistics. As a result, the advantageous geographical position of Morocco allows the Group to be well located in relation to the main world exporters of ammonia.

### • Agreement signing with Koch Ag & Energy Solutions

As at March 2, Koch Ag & Energy Solutions (Koch) and OCP have signed an agreement under which a Koch affiliate will acquire a 50 % interest in Jorf Fertilizers Company III (JFC III) from OCP. When closed, and after the the withdraw of suspensive conditions, the transaction will establish a Joint Venture owned equally by OCP and Koch's affiliate.

JFC III's production will be marketed by OCP and Koch Fertilizer, LLC. Additionally, the companies will collaborate on the supply of ammonia and sulfur to OCP, and will rely on their logistic capabilities for the shipment of fertilizers from Morocco.

## Consolidated Statement of Profit and Loss

(In millions of dirhams)	Note	FY 2021	FY 2020
Revenue	4.1.1.2	84,300	56,182
Production held as inventory		278	(1,633)
Purchases consumed	4.2.2	(29,360)	(18,123)
External expenses	4.2.2	(9,969)	(8,224)
Personnel expenses	5.1	(10,550)	(9,099)
Taxes		(278)	(306)
Profit (loss) from joint ventures	6.1	1,185	342
Exchange gains and losses on operating receivables and payables		620	(435)
Other operating income and expenses		44	(48)
<b>EBITDA</b>		<b>36,269</b>	<b>18,657</b>
Amortization, depreciation and operating provisions	8.4 - 9.2	(9,016)	(8,196)
<b>Operating profit (loss) before exceptional items</b>		<b>27,254</b>	<b>10,461</b>
Other non-recurring operating income and expenses	7.2	(1,454)	(4,199)
<b>Operating profit (loss)</b>		<b>25,799</b>	<b>6,262</b>
Cost of gross financial debt		(2,384)	(2,436)
Financial income from cash investments		161	266
<b>Cost of net financial debt</b>	10.1.5	<b>(2,223)</b>	<b>(2,170)</b>
Exchange gains and losses on financial receivables and payables	10.2.3	(899)	654
Other financial income and expenses	10.2.3	(2,178)	(449)
<b>Financial profit (loss)</b>		<b>(5,299)</b>	<b>(1,966)</b>
<b>Profit (loss) before tax</b>		<b>20,500</b>	<b>4,295</b>
Corporate Income Tax	11.2 - 11.3	(4,164)	(904)
<b>Net profit (loss) for the period</b>		<b>16,336</b>	<b>3,391</b>
Net profit (loss) - Group share		16,326	3,231
Net profit (loss) - Non-controlling interests		10	160
<b>Basic and diluted earnings per share in dirhams</b>		<b>193.96</b>	<b>34.34</b>



## Consolidated Statement of Comprehensive Income

(In millions of dirhams)	Note	FY 2021	FY 2020
<b>Net profit (loss) for the period</b>		<b>16,336</b>	<b>3,391</b>
Actuarial gains or losses	5.3.3	(552)	(301)
Taxes		109	61
<b>Items that will not be reclassified to profit or loss</b>		<b>(443)</b>	<b>(239)</b>
Translation differences		(25)	(128)
Share of gains and losses recognized in equity for equity-accounted (CFH variation)*	4.1.3	(464)	1,474
Taxes		103	(336)
<b>Items that may be reclassified to profit or loss</b>		<b>(387)</b>	<b>1,010</b>
<b>Income and expenses for the period, recognized directly in equity</b>		<b>(830)</b>	<b>771</b>
<b>Consolidated comprehensive income</b>		<b>15,506</b>	<b>4,162</b>
<i>Including Group share</i>		15,496	4,002
<i>Including non-controlling interests' share</i>		10	160

<sup>(\*)</sup> The effective portion of the hedge, which corresponded to the portions of the bonds redeemed, i.e. 41.36 % of the bond maturing in 2024 and 44.44 % of the bond maturing in 2025, was fixed among the recyclable reserves at MAD 496 million. On the other hand, changes in the fair value of cash flow hedges for the remaining shares not yet redeemed continue to be recognized in equity for the effective portion of the hedge.

The share of fixed reserves and the gains and losses accumulated in equity for the rest of the loans not yet repaid will be reported in the income statement when the future revenue is achieved starting from April 2024.

## Consolidated Statement of Financial Position

(In millions of dirhams)	Note	31 December 2021	31 December 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10.1.3.1	8,001	6,428
Cash financial assets		2,538	7
Inventories	4.2.4	14,804	13,552
Trade receivables	4.1.2.2	13,184	8,657
Other current assets	7.3	15,765	17,689
<b>Total current assets</b>		<b>54,293</b>	<b>46,333</b>
<b>Non-current assets</b>			
Non-current financial assets	10.2.2	708	1,118
Investments in equity-accounted companies	6.1	5,518	5,286
Deferred tax assets	11.4	156	620
Property, plant and equipment	8.2	116,938	109,493
Intangible assets	8.3	4,385	2,476
<b>Total non-current assets</b>		<b>127,705</b>	<b>118,994</b>
<b>Total Assets</b>		<b>181,998</b>	<b>165,326</b>

## Consolidated Financial Statements

(In millions of dirhams)	Note	31 December 2021	31 December 2020
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Current loans and financial debts	10.1.2.1 - 10.1.2.2	4,662	11,795
Current provisions	9.2	556	448
Trade payables	4.2.5	18,141	15,332
Other current liabilities	7.4	10,104	5,661
<b>Total current liabilities</b>		<b>33,463</b>	<b>33,236</b>
<b>Non-current liabilities</b>			
Non-current loans and financial debts	10.1.2.1 - 10.1.2.2	50,954	46,964
Non-current provisions for employee benefits	9.2	5,964	5,646
Other non-current provisions	9.2	1,131	591
Deferred tax liabilities	11.4	1,633	1,295
Other non-current liabilities			3
<b>Total non-current liabilities</b>		<b>59,681</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		42,888	45,927
Net profit (loss) - Group share		16,326	3,231
<b>Equity - Group share</b>		<b>86,200</b>	<b>76,143</b>
Non-controlling interests		2,654	1,447
<b>Total equity</b>		<b>88,854</b>	<b>77,591</b>
<b>Total liabilities and equity</b>		<b>181,998</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>hybrid securities <sup>(2)</sup></i>	<i>Other consolidated reserves</i>
<b>Equity as at 1<sup>st</sup> January 2020</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 2020					2,843
<b>Consolidated comprehensive income for FY 2020</b>			<b>(239)</b>		
Subordinated debt's coupons				(410)	
Change in scope					
Dividends paid					(4,461)
Others					(180)
<b>Equity as at 31 December 2020</b>	<b>8,288</b>	<b>18,698</b>	<b>(3,484)</b>	<b>8,665</b>	<b>40,820</b>
<b>Equity as at 1<sup>st</sup> January 2021</b>	<b>8,288</b>	<b>18,698</b>	<b>(3,484)</b>	<b>8,665</b>	<b>40,820</b>
Allocation of profit (loss) for FY 2021					3,231
<b>Consolidated comprehensive income for FY 2021</b>			<b>(443)</b>		
Subordinated debt's coupons				(393)	
Change in scope					
Dividends paid					(5,081)
Others					35
<b>Equity as at 31 December 2021</b>	<b>8,288</b>	<b>18,698</b>	<b>(3,926)</b>	<b>8,272</b>	<b>39,005</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 and 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 19R.

<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 according to IFRS 9.

<i>Translation difference</i>	<i>financial assets at fair value by OCI <sup>(3)</sup></i>	<i>Share of gains and losses recognized in equity (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>
(273)	(521)	(293)	2,843	77,191	1,436	78,627
			(2,843)			
(128)		1,139	3,231	4,002	160	4,162
				(410)		(410)
				(4,461)	(170)	(4,631)
				(180)	22	(158)
(401)	(521)	846	3,231	76,143	1,447	77,591
(401)	(521)	846	3,231	76,143	1,447	77,591
			(3,231)			
(25)		(362)	16,326	15,496	10	15,506
				(393)		(393)
					1,372	1,372
				(5,081)	(173)	(5,254)
				35	(2)	33
(426)	(521)	484	16,326	86,200	2,654	88,854

<sup>(3)</sup> It represents the depreciation of the Group's investment in Heringer..

<sup>(4)</sup> The Group sets up a foreign currency cash-flow hedge. This strategy results in the recognition for the effective part, of the currency effect on the debt until maturity, as OCI (Other Comprehensive Income).

<sup>(5)</sup> This represents non-controlling interests in JFCV, Maghrib Hospitality Company and Société La Mamounia.

## Consolidated Statement of Cash Flows

(In millions of dirhams)	Note	FY 2021	FY 2020
<b>EBITDA</b>		<b>36,269</b>	<b>18,657</b>
Subsidies and donations	7.1	(997)	(3,963)
Other non-current operating income and expenses		(16)	(68)
Other non-current operating income and expenses- prior period		(65)	(23)
Profit or loss of associates and joint ventures		(1,185)	(342)
Actuarial gains and losses		(552)	(301)
Other movements		(1,722)	(594)
<b>Funds from operations</b>		<b>31,732</b>	<b>13,366</b>
<b>Impact of the change in WRC:</b>		<b>2,091</b>	<b>(2,287)</b>
Inventories		(1,206)	1,324
Trade receivables		(4,476)	(546)
Trade payables		1,894	(38)
Other current assets and liabilities <sup>(1)</sup>		5,880	(3,027)
Taxes paid		(1,656)	(1,288)
<b>Total net cash flows related to operating activities</b>		<b>32,167</b>	<b>9,791</b>
Acquisitions of PP&E and intangible assets	8.2-8.3	(13,135)	(9,566)
Disposals of PP&E and intangible assets		156	174
Net financial investments		(2,663)	(58)
Impact of changes in scope		(54)	(947)
Acquisitions of financial assets		(69)	(32)
Disposal of financial assets			3
Dividends received		106	158
<b>Total net cash flows related to investing activities</b>		<b>(15,658)</b>	<b>(10,269)</b>
Loan issue <sup>(2)</sup>	10.1.4	17,500	7,750
Loan repayment <sup>(2)</sup>	10.1.4	(22,980)	(6,689)
Hybrid securities coupons		(393)	(410)
Net financial interest payments		(3,815)	(2,550)
Dividends paid to Group shareholders	12.2	(5,081)	(4,461)
Dividends paid to minority shareholders		(173)	(170)
<b>Total net cash flows related to financing activities</b>		<b>(14,941)</b>	<b>(6,530)</b>
Impact of changes in exchange rates on cash and cash equivalents		10	(44)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,577</b>	<b>(7,051)</b>
Opening cash and cash equivalents	10.1.3.1	6,425	13,477
Closing cash and cash equivalents	10.1.3.1	8,003	6,425
<b>Change in net cash</b>		<b>1,577</b>	<b>(7,051)</b>

<sup>(1)</sup> Including mainly the reimbursement of the VAT credit for MAD 6.26 billion following the implementation of a new non-recourse factoring agreement.

<sup>(2)</sup> Including the issue of a new bond loan in June 2021 for MAD 13.3 billion having enabled the partial repayment of the bond loans maturing in 2024 and 2025 for MAD 8.6 billion.

## Note 1 - Accounting rules and methods

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

In accordance with Opinion No. 5 of the Conseil National de la Comptabilité (CNC National Accounting Council) of 26 May 2005, and in compliance with the provisions of Article III, paragraph 2 of the circular of the «Autorité Marocaine du Marché des Capitaux -AMMC» entered into force on 1st April 2012, the consolidated financial statements of OCP Group are prepared in accordance with the standards and interpretations drawn up by the International Accounting Standards Board (IASB) and the IFRS Interpretation Committee respectively, and adopted by the European Union. The reporting currency for the consolidated financial statements is the Moroccan dirham.

The consolidated financial statements of OCP Group on 31 December 2021 were approved by the Executive Board on 9 March 2022.

The accounting principles and methods adopted for the preparation of the consolidated accounts as at 31 December 2021 are identical to those used for the year ended 31 December 2020. These financial statements are prepared in accordance with the IFRS as adopted in the European Union.

### 1.2. STANDARDS AND INTERPRETATIONS APPLIED AT 1<sup>ST</sup> JANUARY 2021

There were no standards and interpretations that were to apply starting from January 1, 2021.

## Note 2 - Consolidation scope and scope change

### 2.1. CONSOLIDATION SCOPE

Entity	Country of location	Currency	31 December 2021		31 December 2020	
			Consolidation method	% Interest	Consolidation method	% Interest
Industrial						
OCP SA - Holding	Morocco	MAD	Parent company (Full)	100.00	Parent company (Full)	100.00
Fertinagro Biotech	Spain	EUR	Equity method	20.00	Equity method	20.00
Groupe PRAYON	Belgium	EUR	Equity method	50.00	Equity method	50.00
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
Phosboucraa	Morocco	MAD	Full	100.00	Full	100.00
Trading						
Black Sea Fertilizer Trading Company	Turkey	TRY	Full	100.00	Full	100.00
OCP AFRICA	Morocco	MAD	Full	100.00	Full	100.00
OCP Fertilizantes	Brazil	BRL	Full	100.00	Full	100.00
OCP North America	USA	USD	Full	100.00	Full	100.00
SAFTCO	Swiss	USD	Full	100.00	Full	100.00
Others						
Association pour la Promotion de l'Enseignement d'Excellence - APEE*	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
Dupont Ocp Operations Consulting - DOOC	Morocco	MAD	Full	100.00	Equity method	50.00
Foncière Endowment 1 - FE1	Morocco	MAD	Full	100.00	Full	100.00
Fondation OCP	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
Moroccan Foundation For Advanced Science, Innovation and Research- MASCIR**	Morocco	MAD	Full	100.00		
Moroccan Hospitality Company SA-MHC	Morocco	MAD	Full	61.50	Equity method	50.00
OCP Innovation Fund For Agriculture - OIFFA	Morocco	MAD	Full	100.00	Full	100.00
OCP International	Netherlands	USD	Full	100.00	Full	100.00
OCP International SAS	France	EUR	Full	100.00	Full	100.00
OCP Hospitality	Morocco	MAD	Full	100.00	Full	100.00
OCP Solutions (Ex SMESI)	Morocco	MAD	Full	100.00	Full	100.00
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
Société Foncière de la Lagune-SFL	Morocco	MAD	Equity method	30.80		
Société La Mamounia- SLM	Morocco	MAD	Full	32.00		
Société Palais Jamai- SPJ	Morocco	MAD	Full	61.50		
Société de Transports Régionaux - SOTREG	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
TEAL Technology & Services - TTS	Morocco	MAD	Equity method	49.00	Equity method	49.00

\* New entity which absorbed Lydex-Lycée d'Excellence.

\*\* New integration in the consolidation scope.

## 2.2. SCOPE CHANGE

The consolidation scope of the Group has undergone the following changes:

- OCP Group increased its stake in the entity Dupont OCP Opérations Consulting to hold 100 % of its capital. This entity is now controlled by OCP and fully consolidated. The impacts of the integration of this entity are not significant.
- In July 2021, the OCP Group subscribed alone to the capital increase of its subsidiary Maghrib Hospitality Company – MHC. Then, increasing its stake to 61.5 %. MHC is now fully consolidated. The Hassan II Fund has become a minority shareholder within MHC.

Following the integration of MHC, the share of the net assets acquired from La Mamounia was estimated at MAD 457 million. As the value of the shares has been fixed at MAD 2,343 million, a new goodwill was then calculated for MAD 1,886 million. The group has 12 months from the date of acquisition of control to allocate this goodwill. In addition, the amount of the non-controlling interest in SLM was estimated at MAD 421 million from the date of takeover.

- The 100 % integration into the consolidation scope of the MAScIR Foundation, Moroccan Foundation for Advanced Science, Innovation and Research. It is a Moroccan research center belonging to the Mohammed IV Polytechnic University. Its objective is to promote scientific research and technological development in order to support the development of Morocco and participate in the development of a new knowledge economy.

## Note 3 - Segment reporting

The presentation of the Group segment information has been modified. It is now disclosed by production axis in accordance with the Group's organization and internal reporting:

**- 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 fertilizers. The finished products are exported from OCP port at Jorf Lasfar.

**- Central Axis (Yousoufia and Benguéir – Safi) and Phosboucraâ:** this axis hosts:

- The integrated phosphate chemical processing hub. The phosphate extracted at Yousoufia and Benguéir is transported by rail to Safi, where it is processed into phosphoric acid and fertilizer. The finished products are exported from OCP port at Safi.
- Phosboucraâ's extraction site. The phosphate that is extracted there is transported by conveyers to the processing center at Laâyoune, then exported by sea from 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 & Phosboucraa		Head-office and other activities		Intersegment eliminations		TOTAL	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenue	65,827	44,021	17,207	10,666	9,383	5,590	(8,117)	(4,095)	84,300	56,182
Production held as inventory	(1,140)	(1,651)	298	(13)	1,120	31			278	(1,633)
Purchases consumed	(22,791)	(13,617)	(4,209)	(2,692)	(10,194)	(5,705)	7,836	3,893	(29,360)	(18,123)
External expenses	(6,386)	(4,752)	(2,218)	(2,253)	(1,791)	(1,651)	426	432	(9,969)	(8,224)
Personal expenses	(4,803)	(4,263)	(3,158)	(2,732)	(2,598)	(2,114)	7	11	(10,550)	(9,099)
Taxes	(126)	(167)	(77)	(80)	(75)	(59)			(278)	(306)
Income from joint ventures	817	157			368	185			1,185	342
Exchange gains and losses on operating receivables and payables	88	(133)	34	(39)	498	(262)			620	(435)
Other operating income and expenses	29	36			167	156	(152)	(240)	44	(48)
<b>EBITDA</b>	<b>31,516</b>	<b>19,630</b>	<b>7,877</b>	<b>2,856</b>	<b>(3,119)</b>	<b>(3,830)</b>			<b>36,269</b>	<b>18,657</b>
Amortization, depreciation and operating provisions	(5,133)	(5,532)	(1,325)	(940)	(2,555)	(1,724)			(9,016)	(8,196)
<b>Current operating profit ( loss)</b>	<b>26,382</b>	<b>14,099</b>	<b>6,551</b>	<b>1,917</b>	<b>(5,674)</b>	<b>(5,554)</b>			<b>27,254</b>	<b>10,461</b>
Other non-current operating income and expenses	(328)	(207)	(353)	(94)	(775)	(3,898)			(1,454)	(4,199)
<b>Operating profit ( loss)</b>	<b>26,053</b>	<b>13,891</b>	<b>6,199</b>	<b>1,822</b>	<b>(6,450)</b>	<b>(9,452)</b>			<b>25,799</b>	<b>6,262</b>

The Group's revenue amounted to MAD 84.3 billion, up 50,1 % compared to 2020. This is due mainly to the increase in the selling prices.

The revenue of the Northern axis, which represents 78 % of the total Group, reached MAD 65.8 billion, with an increase of 50 % compared to 2020. This increase is mainly driven by the prices of fertilizers, up to 80 % thanks to the sustained demand, the reduced production capacity and the increase in sulfur and ammonia prices.

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

Acid prices are on the rise, correlated with the rise in the raw materials and the fertilizer prices.

The Group's operating expenses increased by 40 % compared to 2020, i.e. an increase of MAD 14.4 billion, mainly due to higher raw material costs, which increased by MAD 10.7 billion. Indeed, the optimization measures taken in 2020, which are still in force in 2021, have enabled the Group to limit the increase in other operating expenses.

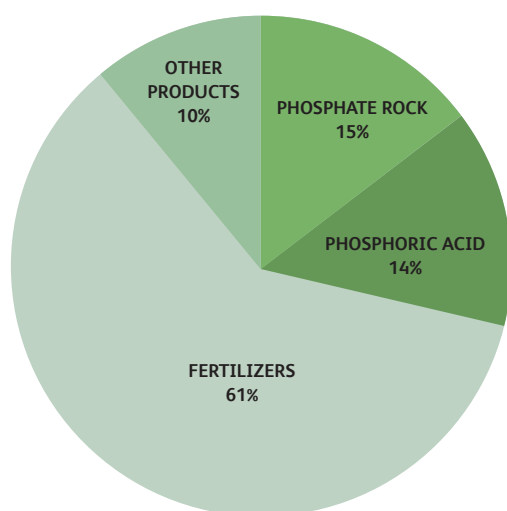
The Northern axis recorded a 50 % increase in its operating expenses, ie a variation of MAD 11.3 billion, observed in the purchase of the raw materials. The operating expenses of the Central axis are also increasing, by MAD 1.9 billion, in the purchase of raw materials as well.

The Group's EBITDA was up 94 % compared to 2020, driven by the increase observed in revenue and supported by the control of operating expenses resulting from the Group's efforts in terms of optimization and cost management.

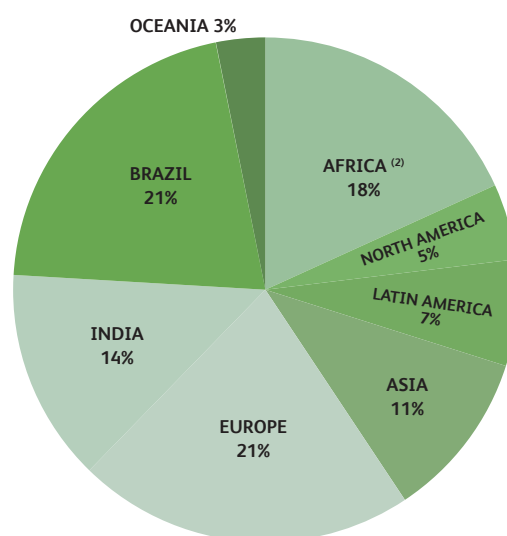
### 3.2. REVENUE BY PRODUCT AND BY GEOGRAPHICAL AREA

In 2021, revenue amounted to MAD 84,300 million, up 50 % compared to 2020. The breakdown of net consolidated sales by product and by geographical area in the FY 2021 are detailed as follows:

**REVENUE BY PRODUCT**



**REVENUE BY GEOGRAPHICAL AREA <sup>(1)</sup>**



<sup>(1)</sup> Revenue of Phosphate, Phosphoric acid and fertilizer.

<sup>(2)</sup> Including sales in local market.

The Group generates its revenues with diversified clients. No client generates alone more than 6 % of the consolidated revenue.

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 REVENUES

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and rebates, trade discounts and quantity discounts. Revenue is recognized upon the control transfer of the goods, and when the amount of revenue can be reasonably estimated. This transfer of ownership is made at the time of delivery of goods for local sales and as per Incoterms for export sales:

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

##### 4.1.1.2 INFORMATION BY PRODUCT FAMILY

(In millions of dirhams)	FY 2021	FY 2020
Phosphates	12,216	9,287
Phosphoric Acid	12,209	8,076
Fertilizer	51,283	32,749
Other income	8,590	6,070
<b>Revenue</b>	<b>84,300</b>	<b>56,182</b>

(In millions of dirhams)	Phosphates		Phosphoric Acid		Fertilizers	
Main markets	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Local sales	3,321	1,891	1,608	1,250	791	518
South America	1,692	2,063	1,706	516	17,981	12,080
Europe	3,466	2,511	5,606	2,346	8,210	6,419
Africa	5				5,698	5,294
North America		128	79	166	3,900	2,628
India	1,993	1,594	2,855	3,324	6,139	4,235
Asia	1,440	869	356	473	6,557	1,423
Oceania	298	230			2,008	153
<b>Total</b>	<b>12,216</b>	<b>9,287</b>	<b>12,209</b>	<b>8,076</b>	<b>51,283</b>	<b>32,749</b>

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(In millions of dirhams)	Phosphates		Phosphoric Acid		Fertilizers	
Break down by third parties	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
<b>Revenue</b>	<b>19,372</b>	<b>14,527</b>	<b>12,210</b>	<b>8,076</b>	<b>58,747</b>	<b>36,307</b>
Outside the group	8,879	7,412	10,695	6,866	51,284	32,749
Joints ventures	3,337	1,875	1,515	1,210		
Intercompany sales	7,156	5,240			7,463	3,558
<b>Eliminations</b>	<b>7,156</b>	<b>5,240</b>			<b>7,463</b>	<b>3,558</b>
<b>Total</b>	<b>12,216</b>	<b>9,287</b>	<b>12,209</b>	<b>8,076</b>	<b>51,283</b>	<b>32,749</b>

Revenue realized in 2021 was up 50.1 % compared to 2020.

### - Phosphates sales increased by 31.6% between 2020 and 2021.

Overall, the rise in Phosphate prices allowed to absorb the slight drop in volumes sold for export. This decrease observed mainly in Latin and North America was offset by the increase in sales in Asia, Europe and locally in Morocco.

In fact, the drop in volumes in Latin America, mainly in Mexico, is due to the anticipatory storage strategy of our client Fertinal, 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 sales reduction 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.

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

Moreover, in Europe, an increase in shipments was recorded in Norway. The collapse of the Murmansk bridge in Russia allowed higher exports for OCP in the region.

Finally, sales on the local market recorded an increase catching up on the drop in production and the prolonged stoppages observed during 2020 in the joint ventures Pakistan Maroc Phosphore-PMP and Indo Maroc Phosphore-IMACID due to the spread of Covid-19.

Phosphate export prices increased in 2021. They stand at \$100/T FOB during 2021 against \$75/T FOB during 2020. This increase was strongly correlated with the rise in inputs for the production of fertilizers, including sulphur, ammonia and sulfuric acid. With regard to the domestic market, the increase in the price of phosphate concerns the K09 quality, the local price of which remains indexed to the average export price.

### - Phosphoric acid sales increased by 51.1% between 2020 and 2021, i.e. MAD +4.1 billion.

This increase is explained by the rise in sales prices in correlation with the rise in input prices, thus recording an impact of mad +4.1 billion between 2020 and 2021.

This increase allowed to absorb the decline in volumes in Asia and Oceania, mainly explained by an arbitrage of sales in favor of the Group's Joint Ventures in this region, as well as locally, explained by the drop in supplies of pretreated acid from Europe Morocco Phosphore-EMAPHOS.

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

Finally, sales in Europe increased, particularly in Turkey following the recovery in demand following a strategy to optimize acid consumption by producers in 2020.

Acid selling prices recorded an increase in 2021, particularly for export, mainly explained by the rise in sulfur prices.

### **- Fertilizer sales showed an increase of MAD 18.5 billion between 2020 and 2021 (+56.6%).**

This increase is explained by the rise in the fertilizer prices on the international markets in line with higher input prices, in particular ammonia, sulfuric acid and sulphur. The average market price per ton grew up from \$297/T in 2020 to \$533/T in 2021.

This price increase was largely offset the decline in volumes observed in North America and Latin America.

The decline in sales in North America is mainly due to the effect of the import tax in the United States of 19.97 % which was imposed on OCP following the request filed by Mosaic in 2020. Nevertheless, this drop was partially offset by the placement of new volumes in Canada resulting from Mosaic's low production capacity following the recovery of the American market.

Imports from the Latin American market also experienced a sharp drop, particularly in Brazil, explained by the postponement of loading in favor of Africa, and also a drop in Argentina due to the high levels of inventory built up in 2020 thanks to the granted import subsidies.

In addition, a drop in sales to Asia was noted compared to 2020, while recording both an increase in sales, particularly to Bangladesh and Pakistan, where demand has recovered compared to 2020, and a decrease sales to India following the resumption of local production strongly impacted by Covid-19 in the first half of 2020.

The African market, for its part, showed an increase in sales volumes, explained by the beneficial impact from winning the call for tenders in Benin, and by the regulations in Nigeria which encourage the import of fertilizers for local blending.

Finally, on the local market, an increase in volumes was recorded following the rise in demand due to a good agricultural season in 2021 especially after the drought observed the agricultural season in 2020.

### **- Others products.**

Other income mainly concerns the "Freight" activity and other ancillary products, in particular the sale of the liquid sulphur, urea, ammonium nitrate, potassium chloride, etc. This line amounts to MAD 8.6 billion during 2021 in comparison to MAD 6.1 billion recorded during 2020.

## 4.1.2 TRADE RECEIVABLES

### 4.1.2.1 ACCOUNTING TREATMENT OF TRADE RECEIVABLES

This category includes operating receivables as well as deposits and guarantees. Upon initial recognition, the receivables are recorded in the balance sheet at their fair value that is generally equal to the nominal value, net of the discount effect when is applicable. At the closing date, these assets are measured using the amortized cost method. A loss in value is recorded depending on both the expected loss when the receivables are recognized and to the risk of non-recovery.

### 4.1.2.2 ANALYSE DES CRÉANCES CLIENTS

<i>(In millions of dirhams)</i>	31 December 2021	31 December 2020
Trade receivables invoiced	14,593	9,758
Depreciation - trade receivables	(1,409)	(1,101)
<b>Net trade receivables</b>	<b>13,184</b>	<b>8,657</b>

Trade receivables increased by MAD 4.5 billion between December 31, 2020 and December 31, 2021, i.e. +52.4 %, in correlation with the high level of sales during 2021.

It should also be noted that the Group has had recourse to factoring operations of its trade receivables for a total amount of \$361 million during 2021.

Depreciations of trade receivables concern the depreciation of the receivables of Heringer, due to its financial difficulties since 2019. Faced with this situation, the Group has recorded an additional depreciation for MAD 241 million, making the receivables from this client fully depreciated.

The reconciliation table for provisions on trade receivables is as follows:

<i>(In millions of dirhams)</i>	Depreciation at 1 <sup>st</sup> January 2021	Net dotations	Currency effect and other changes	Depreciation at 31 December 2021
<b>2021</b>	1,101	299	8	1,409
<b>2020</b>	991	164	(54)	1,101

Net trade receivable maturities as at 31 December 2021 are as follows:

<i>(In millions of dirhams)</i>	Unmatured receivables	Matured receivables			Total
		< 30 days	30 - 180 days	more than 180 days	
<b>Net trade receivables</b>	9,648	563	896	2,078	13,184

## 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 exchange rate 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 an exchange rate effect in income under IAS 21. In this context, OCP aimed to limit this impact by using hedge accounting.

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

In this particular context of the Covid-19 observed during 2020, OCP affirms that the circumstances of the pandemic will not be likely to reduce the level of activity and Group revenue. Thus, the Group achieved during 2021 a revenue of \$ 9.4 billion (MAD 84.3 billion) in 2021 up 50 % compared to 2020. Consequently, the assumptions validating the effectiveness of the hedging relationship remain fully maintained and the hedging documentation is still verified. 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 redemption of the bond issues on June 23, 2021, for respectively 41.36 % of the 2024 tranche (\$517 million) and 44.44 % of the 2025 tranche (MAD 444.4 million), the hedging reserves cumulative cash flows corresponding to this operation will be maintained in other comprehensive income for a total amount of MAD 496 million and will be gradually recycled in the P&L when the revenue is realized starting from April 2024 for the 2024-tranche and from October 2025 for the 2025-tranche. The rest of these non-repurchased tranches continue to serve as hedging instruments for future revenue that would be realizable 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 turnover 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 EXPENSES

#### Purchases consumed:

<i>(In millions of dirhams)</i>	<i>FY 2021</i>	<i>FY 2020</i>
<b>Purchases of materials and supplies</b>	<b>(1,666)</b>	<b>(1,252)</b>
<b>Purchases of raw materials</b>	<b>(21,346)</b>	<b>(10,603)</b>
<i>Sulfur</i>	<i>(10,589)</i>	<i>(5,008)</i>
<i>Ammonia</i>	<i>(6,904)</i>	<i>(3,911)</i>
<i>Sulfuric acid</i>	<i>(2,460)</i>	<i>(607)</i>
<i>Back acid</i>	<i>(860)</i>	<i>(495)</i>
<i>Other raw materials</i>	<i>(533)</i>	<i>(582)</i>
<b>Energy consumption</b>	<b>(2,687)</b>	<b>(2,319)</b>
<i>Electric energy</i>	<i>(1,246)</i>	<i>(1,181)</i>
<i>Fuel</i>	<i>(925)</i>	<i>(633)</i>
<i>Diesel</i>	<i>(404)</i>	<i>(403)</i>
<i>Heating gas</i>	<i>(89)</i>	<i>(63)</i>
<i>Gasoline</i>	<i>(13)</i>	<i>(19)</i>
<i>Steam and others</i>	<i>(11)</i>	<i>(19)</i>
<b>Spare parts</b>	<b>(706)</b>	<b>(644)</b>
<b>Purchases of works, studies and services</b>	<b>(1,568)</b>	<b>(1,800)</b>
<b>Water supply</b>	<b>(181)</b>	<b>(149)</b>
<b>Auxiliary materials and othe purchases</b>	<b>(1,206)</b>	<b>(1,355)</b>
<b>Purchased consumables of materials and supplies</b>	<b>(29,359)</b>	<b>(18,122)</b>

Purchases of raw materials show an increase of MAD 10.7 billion between 2020 and 2021. This variation is mainly due to the increase in the consumed purchases of sulphur, ammonia and sulfuric acid.

Indeed, sulfur purchases increased by MAD 5.6 billion due to the increase in prices per ton during 2021 (( $\$ 170 / T$  CFR during 2021 compared to  $\$ 74 / T$  CFR during 2020 ) due to a greater increase in demand compared to international supply. As for the volumes of sulfur consumed, they stagnated in line with the stagnation in the production of sulfuric acid.



Ammonia consumption showed an increase of MAD 3.0 billion, which is also explained by a rise in the price per ton, rising from \$218/T CFR during 2020 to \$444/T during 2021 following the same upward trend due to a strong international demand. The volumes consumed are down, following the drop in the fertilizer production.

Sulfuric acid consumption also showed an increase of MAD 1,853 million, which is explained by an increase in the price per ton, which rose from \$32/T CFR in 2020 to \$131/T in 2021 in line with the increase of the price of sulfur on the international market.

Energy consumption amounted to MAD 2.7 billion during 2021, up 16 % compared to 2020. This increase is mainly due to higher in fuel prices for MAD 266 million.

Services expenses recorded a drop of MAD 233 million compared to 2020. This is mainly due to the impact of the improvement of the maintenance and the application of standards of excellence to reduce unplanned shutdowns in Khouribga and re-planning works for maintenance contracts in Gantour.

Finally, the increase of MAD 62 million observed at the level of spare parts is largely attributed to the resumption in 2021 of maintenance work with internal resources and with the support of ecosystem contracts for the facilities in Safi and Jorf Lasfar.

### External expenses:

<i>(In millions of dirhams)</i>	<i>FY 2021</i>	<i>FY 2020</i>
Transport	(6,652)	(5,118)
ONCF transport on sales	(955)	(881)
Shipping on sales-Freight	(4,838)	(3,425)
Truck phosphates transport	(309)	(217)
Personal transport	(95)	(107)
Other operating transport	(456)	(486)
Consulting and fees	(433)	(362)
Contributions and donations	(413)	(488)
Maintenance and repairs	(1,027)	(1,099)
Leases and lease expenses	(132)	(127)
Insurance premiums	(294)	(299)
Advertising, publications and public relations	(153)	(140)
Postal and telecommunications expenses	(191)	(200)
Study, analysis, research and documentation	(90)	(155)
Remuneration of personal outside the company	(186)	(178)
Other external expenses	(397)	(57)
<b>External expenses</b>	<b>(9,969)</b>	<b>(8,224)</b>

External expenses during 2021 reached MAD 10 billion, up 21 % compared to 2020. This increase is mainly highlighted in the maritime transport on sales item due to the significant increase in prices following the recovery of the world demand and the rise in fuel prices in proportion to the increase in the international oil prices. This increase in freight charges was slightly mitigated by lower CFR volumes between 2020 and 2021.

### 4.2.3 RISKS RELATED TO RAW MATERIALS

#### Sulphur supplies

2021 shows a sharp increase in the price of sulfur in the international market, the «FOB middle East Spot» for example went from \$110/T in January 2021 to \$273/T in December 2021. In this context, OCP group imported nearly 6.8 million tons in 2021, using part of its stock previously built up. These imports have been diversified and come from all exporting regions: Middle East, Europe, North America (US Gulf & Canada), and FSU (Russia, Kazakhstan). The Group import requirement should increase in the coming years to reach 8.5 to 9 million tons in 2025, in order to meet the sulfur needs due to the start-up of new production capacities in Morocco.

#### Ammonia supplies

The global economic recovery, as well as several production stoppages of the major ammonia exporters, have caused prices to increase significantly in 2021. This trend has been amplified by the rise in the price of natural gas worldwide and specifically in Europe, natural gas being the main input in the production of ammonia. Consequently, the price of ammonia was multiplied by 4: The «FOB Black Sea Spot» for example increased from \$249/T in January to \$999/T in December 2021.

In this context, the OCP group imported nearly 1.7 million tons of ammonia in 2021. As the ammonia trade is regionalized, this volume was imported mainly from Trinidad and FSU: 2 leading regions in ammonia exports. In 2021, the OCP group benefited from competitive prices, in particular thanks to its geographical location and the long-term contracts concluded with the main suppliers.

Moreover, and in the particular context of the war in the Ukraine region, one of the main ammonia exporting regions in the world, OCP Group remains able to secure its short, medium and long-term ammonia needs by relying on the increase in its imports from Trinidad and on the development of imports from Egypt and also from the Gulf countries, notably Qatar and Saudi Arabia.

### 4.2.4 INVENTORIES

#### 4.2.4.1 ACCOUNTING TREATMENT OF INVENTORIES

Inventories are evaluated at the lower of cost and net realizable value.

The cost of inventories is determined according to the weighted average cost method. It comprises the costs of purchase, production, conversion and other costs incurred in bringing the inventories to their present location and condition. For manufactured inventories and work-in-progress, the cost includes an appropriate share of the overheads based on normal production capacity.

When the sale is recognized, the inventories are then accounted as expenses in current operating income at the same period as the corresponding product.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale these costs do not include any expenses due to sub-activity.

## 4.2.4.2 ANALYSIS OF THE INVENTORIES EVOLUTION

(In millions of dirhams)	31 December 2021			31 December 2020		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Consumable materials and supplies	6,825	(1,557)	5,268	5,834	(1,519)	4,315
In-process inventory	6,148	(373)	5,775	6,759	(88)	6,671
Finished products	3,902	(140)	3,762	2,800	(234)	2,566
<b>Total Inventories</b>	<b>16,874</b>	<b>(2,070)</b>	<b>14,804</b>	<b>15,393</b>	<b>(1,841)</b>	<b>13,552</b>

Inventories of consumables and supplies consists mainly of non-strategic spare parts for installations. The life of these parts is short. So, they do not have the character of an asset. The risk of obsolescence of these parts is an indication of impairment that is reviewed annually to estimate whether impairment is required.

Total inventories at the end of December 2021 amounted to MAD 14.8 billion, up by MAD 1.3 billion compared to the end of December 2020. This increase is explained by a higher weighted average effect due to the rise in the prices of essential raw materials: sulphur, ammonia and sulfuric acid; this increase was offset by a volume effect mainly related to phosphate following the orientation of the activity towards a strategy of recovery and valuation of inventories at Gantour and Khouribga.

## 4.2.5 TRADE PAYABLES

(In millions of dirhams)	31 December 2021	31 December 2020
Trade payables	6,894	4,915
Fixed assets liabilities	11,247	10,416
<b>Trade payables</b>	<b>18,141</b>	<b>15,332</b>

Trade payables correspond to payables and fixed assets liabilities. They recorded an increase of 18.3 % at the end of December 2021 compared to the end of December 2020 due to the importance of the receptions noted at the end of 2021 and the start of new projects during the same year.

## Note 5 - Expenses and employee benefits

### 5.1. PERSONNEL EXPENSES

(In millions of dirhams)	FY 2021	FY 2020
Employee remuneration and related social charges	(8,474)	(7,276)
Retirement benefits and medical cover	(1,356)	(1,264)
Other employee benefits	(720)	(559)
<b>Personnel expenses</b>	<b>(10,550)</b>	<b>(9,099)</b>

The change in personnel expenses is mainly explained by the payment of the bonus profit-sharing scheme which is correlated to the group's performance, and by entering to the consolidation scope of new entities (MAScIR association and Hotel La Mamounia). In addition, the payroll also experienced a classic annual variation following the implementation of the 2021 memorandum of understanding and the return of social measures taking advantage of the easing of measures to combat Covid-19.

### 5.2. NUMBER OF EMPLOYEES

(In numbers)	31 December 2021	31 December 2020
Short-term employee benefits	4 085	3 837
Post-employment benefits	7 098	5 830
Termination benefits employment contract	8 918	9 990
<b>Total management compensation</b>	<b>20 101</b>	<b>19 657</b>

### 5.3. POST-EMPLOYMENT BENEFIT AND OTHER BENEFITS

#### 5.3.1 GENERAL PRESENTATION OF SCHEMES EXISTING WITHIN THE GROUP AND ACCOUNTING TREATMENT

OCP Group has three types of benefits schemes:

- *Post-employment defined contribution plans* are those for which the obligation of the OCP Group is limited to the payment of a contribution that does not include any commitment by the employer to the level of benefits provided by the Group Allowance Plan "RCAR" pension. Contributions are expensed during the period in which the employees rendered the related services. Amounts assumed during the year under other defined contribution plans amounted to MAD 666 million in 2021 compared to MAD 610 million in 2020.
- *Post-employment defined benefit plans* include all post-employment benefits for which the OCP Group is committed to a benefit level. These include death benefit, end-of-career benefits and post-employment medical coverage for OCP staff.
- *Other long-term benefits are benefits*, other than post-employment benefits and termination benefits, that are not due in full within 12 months of the end of the year in which the benefits are earned staff rendered the corresponding services. This includes the closed own plans for the death and disability benefit and the workers' compensation agreement. The other long-term benefit obligation is measured using an actuarial valuation method similar to that applied to defined-benefit post-employment benefits.

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 (the effect of differences between previous actuarial assumptions and what actually happened) are actuarial gains and losses recorded in non-recyclable equity in accordance with the provisions of IAS 19 revised and appear in the «Actuarial Gap» column in the consolidated statement of changes in equity.

### 5.3.2 MAIN ACTUARIAL ASSUMPTIONS

All defined benefit obligations have been calculated on the basis of actuarial calculations using 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:

	31 December 2021	31 December 2020
<b>Discount rate</b>		
Pension supplement	3.30 %	3.50 %
Medical plans	3.30 %	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 are determined by reference to market yields on bonds issued by the Moroccan State, to which is added a basic risk premium to estimate the market yields on high quality corporate bonds over equivalent durations to those of the plans.

The medical consumption curve assumed in the calculation of the commitment has been maintained. It corresponds to the median age-specific medical consumption curve estimated in 2020 from the history of medical expenses for the years 2017, 2018 and 2019.

Moreover, regarding the outsourcing of health insurance plan to the AMO, OCP had fixed 2023 as the year of changeover.

The Group maintained the consumption curve and the medical inflation rate reassessed in 2020 on the basis of the history of the care expenses for the period 2017-2019.

The Group also maintained the rate of childcare at 7 % on the basis of 2017-2019 history.

Similarly, the Group has maintained the same management fee rates retained in 2020, corresponding to the assumption of a portion of its social commitments relating to certain categories of management fees.

The reassessment of the discount rate relating to the medical plans and the postponement of the AMO changeover year increased the social commitments relating to the medical plans.

## 5.3.3 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 31 December 2020</b>	<b>597</b>	<b>4,137</b>	<b>790</b>	<b>5,525</b>	<b>120</b>	<b>5,646</b>
Benefits paid	(18)	(684)	(37)	(739)	(17)	(756)
Service cost	2	60	61	123		123
Expenses related to discounting of obligations	21	145	27	193		193
Actuarial losses or (gains) for the period	(117)	521	148	552		552
Contributions		75		75		75
Other changes	131			131		131
<b>Net obligations recognized at 31 December 2021</b>	<b>615</b>	<b>4,255</b>	<b>989</b>	<b>5,858</b>	<b>103</b>	<b>5,964</b>

## 5.3.4 ANALYSIS OF SENSITIVITY TO THE ASSUMPTIONS USED FOR DEFINED-BENEFIT PLANS AND OTHER LONG-TERM BENEFITS RECOGNIZED

(as % of the item measured) Sensitivity analysis +1%	31 December 2021		31 December 2020	
	Death benefit	Medical plans	Death benefit	Medical plans
<b>Discount rate</b>				
Impact on the current value of gross obligations at 31 December	-16 %	-12 %	-17 %	-12 %
<b>Rate of change in medical costs</b>				
Impact on the current value of gross obligations at 31 December		19 %		17 %

(as % of the item measured) Sensitivity analysis -1%	31 December 2021		31 December 2020	
	Death benefit	Medical plans	Death benefit	Medical plans
<b>Discount rate</b>				
Impact on the current value of gross obligations at 31 December	21 %	16 %	21 %	15 %
<b>Rate of change in medical costs</b>				
Impact on the current value of gross obligations at 31 December		-14 %		-13 %

## 5.4. 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)	FY 2021	FY 2020
Short-term employee benefits	137	134
Post-employment benefits	20	21
Termination benefits employment contract	2	
<b>Total management compensation</b>	<b>159</b>	<b>156</b>

## Note 6 - Investments in Joint Ventures and associates

### 6.1. ANALYSIS OF INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

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

(In millions of dirhams)	31 December 2021	31 December 2020
Paradeep Phosphates Limited - PPL	1,375	1,132
Groupe Prayon	1,386	1,274
Pakistan Maroc Phosphore - PMP	1,064	732
Euro Maroc Phosphore - EMA	316	196
Indo Maroc Phosphore - IMA	695	370
Fertinagro Biotech	387	384
Société d'Aménagement et de Développement de Mazagan - SAEDM <sup>(1)</sup>	287	288
Maghreb Hospitality Company - MHC <sup>(2)</sup>		953
Société Foncière la Lagune - SFL <sup>(1)</sup>	47	
Teal Technology Services - TTS <sup>(1)</sup>	14	12
Others <sup>(3)</sup>	(53)	(55)
<b>Total interests in joint-ventures</b>	<b>5,518</b>	<b>5,286</b>

<sup>(1)</sup> SAEDM, SFL and TTS being associated companies.

<sup>(2)</sup> Maghreb Hospitality Company has been controlled by OCP since the second half of 2021.

<sup>(3)</sup> Includes JESA.

The profits (losses) of joint ventures and associates are analyzed as follows:

(In millions of dirhams)	FY 2021	FY 2020
Paradeep Phosphates Limited - PPL	221	178
Groupe Prayon	159	81
Pakistan Maroc Phosphore - PMP	394	83
Euro Maroc Phosphore - EMA	64	31
Indo Maroc Phosphore - IMA	358	42
Fertinagro Biotech	24	27
Teal Technology Services - TTS	3	
Maghreb Hospitality Company - MHC <sup>(1)</sup>	(61)	(47)
Société d'Aménagement et de Développement de Mazagan - SAEDM	(1)	
Others	24	(54)
<b>Total profit (loss) of joint-ventures</b>	<b>1,185</b>	<b>342</b>

<sup>(1)</sup> For 2021, the MHC result corresponds to the share relating to the first semester given that the entity is controlled from July 2021.

OCP Group received dividends from its joint ventures and associates, the details of these dividends are as follows:

(En millions de dirhams)	FY 2021	FY 2020
Pakistan Maroc Phosphore - PMP	63	125
Indo Maroc Phosphore - IMA	33	33
Teal Technology Services - TTS	3	
<b>Total dividends from joint-ventures</b>	<b>99</b>	<b>158</b>

## 6.2. STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENTS OF ASSOCIATES AND JOINT VENTURES

The note hereafter details at 100% the lines of the Statement of Financial Position and income statement of the consolidated associates and joint ventures:

### Statement of Financial Position

(In millions of dirhams)	PRAYON	EMAPHOS	IMACID	PMP	PPL	SAEDM	Fertinagro	Others
<b>ASSETS</b>								
<b>Current assets</b>								
Cash and cash equivalents	485	28	201	46	103	2	781	910
Cash financial assets		5			1,194			
Inventories	1,903	350	166	241	1,827	1,319	977	2
Trade receivables	566	303	1,341	1,435	2,310		1,352	1,551
Current tax receivables								49
Other current assets	130	234	975	798	1,045	121	34	667
<b>Total current assets</b>	<b>3,084</b>	<b>920</b>	<b>2,683</b>	<b>2,519</b>	<b>6,479</b>	<b>1,442</b>	<b>3,143</b>	<b>3,179</b>
<b>Non-current assets</b>								
Non-current financial assets	11				533		193	7
Investments in equity-accounted companies	860							
Equity securities	16				5	1		135
Deferred tax assets	125				16			
Property, plant and equipment	2,047	225	499	538	1,936	4	899	90
Intangible assets	101	226	19	19	1	7	98	35
<b>Total non-current assets</b>	<b>3,161</b>	<b>451</b>	<b>518</b>	<b>558</b>	<b>2,490</b>	<b>11</b>	<b>1,190</b>	<b>267</b>
<b>TOTAL ASSETS</b>	<b>6,245</b>	<b>1,371</b>	<b>3,201</b>	<b>3,077</b>	<b>8,969</b>	<b>1,453</b>	<b>4,333</b>	<b>3,446</b>
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Current loans and financial debts	1,169				2,314			
Current provisions	13		3		93			53
Trade payables	1,206	295	734	761	2,797	199		790
Current tax liabilities		30	247	159	74			59
Other current liabilities	397	(74)	54	2	197	165	2,387	1,302
<b>Total current liabilities</b>	<b>2,785</b>	<b>252</b>	<b>1,037</b>	<b>921</b>	<b>5,474</b>	<b>364</b>	<b>2,387</b>	<b>2,204</b>
<b>Non-current liabilities</b>								
Non-current loans and financial debts	738	157		9	614	527		
Non-current provisions for employee benefits	183				33			
Other non-current provisions	21						1	
Deferred tax liabilities	209				116			
Other non-current liabilities	10						12	
<b>Total non-current liabilities</b>	<b>1,161</b>	<b>157</b>		<b>9</b>	<b>763</b>	<b>527</b>	<b>12</b>	
Equity - Group share	524	347	620	800	718	608	642	66
Paid-in capital		110						
Reserves	1,459	305	266	559	1,576	(1)	987	9
Retained earnings			187			(43)	183	1,084
Net profit (loss) - Group share	317	201	1,090	787	440	(3)	122	83
<b>Total equity</b>	<b>2,299</b>	<b>962</b>	<b>2,164</b>	<b>2,146</b>	<b>2,734</b>	<b>562</b>	<b>1,934</b>	<b>1,242</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,245</b>	<b>1,371</b>	<b>3,201</b>	<b>3,077</b>	<b>8,969</b>	<b>1,453</b>	<b>4,333</b>	<b>3,446</b>



## Income statement

(In millions of dirhams)	PRAYON	EMAPHOS	IMACID	PMP	PPL	SAEDM	Fertinagro	Others
Revenue	9,511	2,069	4,575	3,778	7,264		122	2,429
Production held as inventory	(7)		37	32	163	(3)		2
Purchases consumed	(5,963)	(1,656)	(2,760)	(2,322)	(5,882)	(35)		(1,227)
External expenses	(1,824)	(143)	(454)	(389)		(3)		(149)
Personnel expenses	(1,232)			(9)	(122)	(11)		(842)
Taxes		(2)	(2)	(1)	(146)	(4)		(6)
Exchange gains and losses on operating receivables and payables		9	14	14				
Other operating income and expenses	59	2	22	27	(702)	55		12
<b>EBITDA</b>	<b>544</b>	<b>279</b>	<b>1,432</b>	<b>1,130</b>	<b>574</b>	<b>(1)</b>	<b>122</b>	<b>219</b>
Amortization, depreciation and operating provisions	(341)	(9)	(58)	(105)	(82)	(2)		(66)
<b>I - OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS</b>	<b>203</b>	<b>270</b>	<b>1,374</b>	<b>1,025</b>	<b>493</b>	<b>(3)</b>	<b>122</b>	<b>153</b>
Other non-current operating income and expenses		(4)	(6)	(11)				(9)
<b>II - OPERATING PROFIT</b>	<b>203</b>	<b>266</b>	<b>1,369</b>	<b>1,014</b>	<b>493</b>	<b>(3)</b>	<b>122</b>	<b>144</b>
Cost of net financial debt	(22)	(2)	4	8	(52)	(22)		4
Exchange gains and losses on financial receivables and payables								
Other financial income and expenses		(5)		(9)		22		
<b>III - FINANCIAL PROFIT</b>	<b>(22)</b>	<b>(8)</b>	<b>4</b>	<b>(1)</b>	<b>(52)</b>			<b>4</b>
<b>IV - PROFIT BEFORE TAX</b>	<b>181</b>	<b>258</b>	<b>1,373</b>	<b>1,014</b>	<b>440</b>	<b>(3)</b>	<b>122</b>	<b>148</b>
Corporate tax	(36)	(58)	(283)	(227)				(65)
Profit (loss) from joint ventures	174							
<b>VI - NET PROFIT FOR THE PERIOD</b>	<b>317</b>	<b>201</b>	<b>1,090</b>	<b>787</b>	<b>440</b>	<b>(3)</b>	<b>122</b>	<b>83</b>

### 6.3. SERVICES PROVIDED BY OCP TO ITS JOINT VENTURES

OCP provides its joint ventures with various services as summarized below:

#### 6.3.1 SUPPLY OF PHOSPHATE AND PHOSPHORIC ACID

Contractual provisions govern OCP's supply of phosphate to its joint ventures. These provisions concern notably the following:

- The quality of the rock, defined according to the annual specifications determined by the joint ventures;
- The price invoiced to the joint ventures which corresponds to the average export market prices for the year. The same price formula is used for all of the joint ventures;
- And other conditions related to invoicing and payment terms.

Under these transactions, OCP recorded sales of phosphates to joint ventures for MAD 3,894 million in 2021 against MAD 2,155 million in 2020.

OCP also supplies phosphoric acid to its joint ventures EMAPHOS, PPL and PRAYON. In regard to these sales, OCP recorded a revenue of MAD 3,440 million in 2021 in comparison to MAD 2,290 million in 2020.

### 6.3.2 SUPPLY OF SERVICES AND UTILITIES

The services and utilities provided by OCP to its joint ventures that are based on the Jorf Lasfar platform concern mainly the infrastructure use in Jorf Lasfar, the utilities supply of liquid sulfur, water, steam etc., which are necessary for the industrial exploitation, the know-how of the OCP personnel, the services of maintenance of the installations and equipment and the services of handling, and finally the rental of the storage equipment.

### 6.3.3 LEASES

OCP has signed lease agreements with local joint ventures based on the Jorf Lasfar platform. Rents are payable in advance at the beginning of the year and revised according to the terms and conditions set out in the contracts.

### 6.3.4 FINANCIAL AGREEMENT

OCP has concluded cash pooling agreements with certain joint ventures (Indo Maroc Phosphore-IMA, Pakistan Maroc Phosphore-PMP, etc.).

### 6.3.5 OTHER SERVICES

OCP also provides marketing services (marketing products manufactured by the joint ventures) and chartering services to some of its joint ventures.

OCP also signed a multiparty contract for the sale of spare parts on the Jorf Lasfar platform in 2017 with several subsidiaries and joint ventures, including Indo Maroc Phosphore-IMA and Euro Maroc Phosphore-EMAPHOS.

### 6.3.6 BENEFITS PROVIDED BY JOINT VENTURES TO OCP

JESA S.A provides OCP with engineering services through the Framework Services Agreement signed in 2017.

Teal Technology & Services TTS and OCP have entered into a Master Services Agreement through which TTS provides data center services, digital transformation and outsourcing of existing businesses.

## Note 7 – Other operating items

### 7.1. ACCOUNTING TREATMENT OF THE OTHER OPERATING ITEMS

Other operating items include primarily taxes, foreign exchange gains and losses on operating receivables and payables, and other non-current operating income and expenses.

Non-current items are items (income and expenses) that have little predictive value due to their nature, frequency and / or materiality. These incomes and expenses concern:

- Impairment losses on fixed assets (cf. Note 8.1.3 «Impairment tests and impairment losses»), if so, the reversals of impairment losses on intangible assets, being generated by an event that substantially modify the economic viability of the concerned products;
- Gains or losses on business disposals;
- Income of equity revaluation previously held in activities in which the Group takes control;
- Other unusual and material items not directly related to ordinary operations.

### 7.2. ANALYSIS OF OTHER OPERATING ITEMS

(In millions of dirhams)	FY 2021	FY 2020
Gains and losses on other assets	(67)	22
Granted subsidies	(496)	(497)
Donations, legacies, liberalities	(502)	(3,480)
Tax inspection	(67)	
Others	(322)	(243)
<b>Other non-current operating income and expenses</b>	<b>(1,454)</b>	<b>(4,199)</b>

Other non-recurring operating income and expenses show a negative result of MAD -1.5 billion during 2021, down by MAD 2.7 billion compared to 2020. This variation is mainly explained by the recognition in 2020 of the MAD 3-billion contribution of OCP to the Special Fund for the management of the Covid-19 pandemic.

### 7.3. OTHER CURRENT ASSETS

(In millions of dirhams)	31 December 2021			31 December 2020		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Receivables from suppliers, advances and payments on account	8,559		8,559	8,003		8,003
Personnel	65	(1)	64	66	(1)	65
Social organizations	373	(33)	340	342	(32)	310
State (excluding corporate income tax)	4,786		4,786	8,963		8,963
Tax receivables	1,311		1,311	11		11
Other receivables	740	(36)	704	361	(24)	336
<b>Total other current assets</b>	<b>15,835</b>	<b>(70)</b>	<b>15,765</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 and duties. The decrease observed on the State line relates to the reimbursement of the VAT credit following the conclusion during 2021 of two new factoring contracts. Receivables relating to the VAT credit were reimbursed following the agreement signed between the State, the OCP Group and a consortium of Moroccan banks. These are non-recourse factoring contracts with transfer of all risks and rewards to the banks. These operations enabled the Group to derecognize the VAT credit for its current and non-current part totaling MAD 6,3 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 for OCP SA, JFC 1,2,3,4 and SADV for a total amount of MAD 6 billion and over a 5-year schedule for JFC 5 for an amount of MAD 262 million.

The tax receivable maturities as at 31 December 2021 are detailed in the table below:

(In millions of dirhams)	Total	Unmatured	Matured		
			<30 days	30 - 120 days	> 120 days
State, VAT	1,920	1,859			61
VAT credit	2,684	1,541	35		1,108
State, other taxes	182	133			49
<b>Total</b>	<b>4,786</b>	<b>3,533</b>	<b>35</b>		<b>1,218</b>

#### 7.4. OTHER CURRENT LIABILITIES

(In millions of dirhams)	31 December 2021	31 December 2020
Trade receivable credit balances, advances and payments on account	2,021	816
State	1,200	932
Social payables	1,884	1,275
Tax liabilities	2,879	42
Other creditors	2,121	2,596
<b>Total other current liabilities</b>	<b>10,104</b>	<b>5,661</b>

Other current liabilities shows an increase of MAD 4.4 billion between the end of 2020 and the end of 2021. This variation is mainly explained by the effect of the increase in the tax liability of MAD 2.8 billion as well as the increase in advances and installments relating to the granting of bonuses, adjustments and commissions granted to foreign customers.

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

### 8.1. ACCOUNTING TREATMENT OF ASSETS

#### 8.1.1 PROPERTY, PLANT & EQUIPMENT

##### Measurement and useful lives of operating assets

The equipment controllers and maintenance managers in the Northern, Central and Phosboucrâa axis identify the useful lives of the various categories of assets (main assets and components). These lives correspond to the potential duration of technical utilization. The useful lives and depreciation methods used are examined at the close of each period and prospectively adjusted, if necessary.

Property, plant & Equipment (PP&E) are recognized at their historic acquisition cost, production cost or cost of entry to the Group, less depreciation and possible loss of value. Borrowing costs incurred during the construction of a qualified asset are incorporated into the cost of the asset. Costs of day-to-day maintenance are recognized as maintenance costs if the frequency of renewal of this maintenance in terms of volume is annual. The partial or total restoration of one or several components constitutes major maintenance. This is recognized in fixed assets and the net carrying amount is derecognized.

##### Depreciation

In accordance with the component approach, the Group uses differentiated depreciation periods for each of the significant components of the same asset if the useful life of one of the components is different from the useful life of the principal asset to which it belongs. Depreciation is calculated using the straight-line method on useful lives corresponding to the following technical lives:

<i>Property, plant and equipment</i>	<i>Duration</i>
Mining land	10 to 30 years
Buildings	15 to 60 years
Technical installations equipment and tools	5 to 30 years
Transport equipment	5 to 30 years
Furniture, office equipment, fittings	3 to 30 years

The useful lives are reviewed at the end of each annual closing and adjusted prospectively if necessary.

##### Leases

Since January 1, 2019, the Group has applied IFRS 16 “Leases” according to the so-called “simplified retrospective” transition method. With the application of this new standard, the OCP Group now recognizes all of its rental agreements in the balance sheet, with the exception of contracts with a duration of less than 12 months or those relating to goods with a value less than 5,000 dollar.

On the transition date, the Group did not change the value of the assets and liabilities related to leases qualified as finance leases according to IAS 17. The assets have been reclassified under right of use and the finance lease debts are now presented with the rental debts.

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a 'qualifying asset' are included in the cost of the asset, in accordance with IAS 23 "Borrowing costs".

OCP capitalize the borrowing costs for MAD 262 million in 2021, versus an amount of MAD 203 million in 2020.

### 8.1.2 INTANGIBLE ASSETS

#### Initial and subsequent measurement

Intangible assets are composed of patents, licenses, softwares, research and development costs. They are recognized at their acquisition cost less accumulated amortization and impairment losses. Expenses thus recorded in assets include costs for equipment and services, costs of personnel directly assigned to the production and preparation of some softwares for its own use and costs of borrowing if eligibility conditions are satisfied.

Expenses undertaken over the development phase are capitalized when the criteria for recognition of an asset set forth in IAS 38 are met: technical feasibility, intention to complete the asset and to use it or to sell it, probability of future economic benefits, availability of resources, ability to measure the development expenses reliably. Expenses incurred during the research phase are not capitalized, but are expensed.

#### Depreciation

Intangible assets consist mainly of softwares and are amortized on a straight-line basis according to their useful life, which ranges from 1 year to 5 years.

#### Development expenditures

The development phase starts when the deposit has been analyzed as economically feasible and a decision has been taken to develop it. Only the expenditure incurred before the production phase and for the development of the deposit is capitalized. Development expenditure incurred to maintain the existing production is recognized as expenses.

#### Goodwill

Following the integration of the MHC level in July 2021, new goodwill was calculated on Société La Mamounia entity for MAD 1,886 million.

The group has 12 months from the date of takeover to allocate this goodwill.

### 8.1.3 IMPAIRMENT TESTS AND IMPAIRMENT LOSSES

#### Valuations used for impairment tests

The assumptions and estimates which are made to determine the recoverable value of goodwill, intangible assets and PP&E relate in particular to the market prospects necessary to evaluate cash flows and the discount rates used. Any modification of these assumptions could have a significant effect on the amount of the recoverable value, and could lead to a modification of the impairment to be recognized.

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Given the group's activities, three main cash generating units are identified:

- **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 in Jorf Lasfar.
- **Central Axis (Youssoufia and Benguéir – Safi):** 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 OCP port at Safi.
- **Phosboucraâ Axis :** Phosboucraâ extraction site. The phosphate that is extracted there is transported by conveyers to the processing center at Laâyoune and then exported by sea.

The impairment tests for assets apply the following rules:

- Goodwill and intangible assets with indefinite useful lives are tested for impairment at least once a year.
- PP&E and intangible assets with finite lives are tested for impairment if there is an indication of impairment, as defined hereafter:
  - Significant reduction in the market price of the asset,
  - Obsolescence or physical deterioration of the asset,
  - Significant negative changes in the past or planned use of an asset,
  - Significant change in the technological, economic or legal environment,
  - Increase in interest rates or yield which could affect useful value.

An impairment loss is recognized when the recoverable value of a CGU is lower than the net carrying amount of the assets that belong to it. The recoverable amount of a CGU is the higher of its fair value less costs to sell, and its value in use. The value in use is equal to the present value of the future cash flows that it generates, as per the budget and strategic plan approved by the Board of Directors, increased, by its exit value at the end of its expected useful life.

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

Orders from OCP customers remain at a normal level and the various units of the Group are operating at their full capacity to meet the order books, which are filling up at a regular rate. In addition, the forecast landing of the Group's performance indicators affirms the maintenance of the margin rate at its usual level due to the expected increase in revenue and cost containment.

Consequently, taking into account all of these indicators, the Group's assets show no indication of impairment as of 31 December 2021.

## 8.2. PROPERTY, PLANT AND EQUIPMENT VARIATION

(In millions of dirhams)	31 December 2020	Aquisitions	Provisions	Reductions / Reversals	Reclassifi- cation	Translation difference	Other changes	31 December 2021
<b>Gross amount:</b>								
Land	6,482	342			185	(2)	562	7,569
Buildings	53,675	2,436		(80)	2,534	(5)	1,282	59,842
Technical installations, equipment and tools	99,362	837		(299)	2,435	(2)	673	103,005
Transport equipment	898	9		(26)	(2)		8	887
Furniture, office equipment and various fittings	3,602	176		(51)	250	(1)	47	4,025
Right of use of other tangible assets	4,266	174		(5)		2		4,405
Other property, plant and equipment	12,078	9,371		(61)	(5,600)		460	16,249
<b>Total gross amount</b>	<b>180,362</b>	<b>13,346</b>		<b>(521)</b>	<b>(199)</b>	<b>(7)</b>	<b>3,033</b>	<b>195,982</b>
<b>Depreciations:</b>								
Land	(1,145)		(31)					(1,176)
Buildings	(13,859)		(1,289)	120	(6)	1	(863)	(15,891)
Technical installations, equipment and tools	(49,971)		(4,934)	363	(49)	1	(442)	(55,032)
Transport equipment	(833)		(39)	26	1		(7)	(852)
Furniture, office equipment and various fittings	(1,583)		(361)	49	5		(28)	(1,917)
Right of use of other tangible assets	(1,963)		(312)		(6)			(2,282)
Other property, plant and equipment	(1,372)		(442)	11	45			(1,759)
<b>Impairment losses</b>								
Land	(141)			7				(133)
Buildings	(3)							(2)
<b>Total depreciation and impairment losses</b>	<b>(70,869)</b>		<b>(7,409)</b>	<b>576</b>	<b>(11)</b>	<b>2</b>	<b>(1,339)</b>	<b>(79,045)</b>
<b>Net carrying amount</b>	<b>109,493</b>	<b>13,346</b>	<b>(7,409)</b>	<b>55</b>	<b>(210)</b>	<b>(5)</b>	<b>1,693</b>	<b>116,938</b>

(In millions of dirhams)	31 December 2019	Aquisitions	Provisions	Reductions / Reversals	Reclassifi- cation	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)		(23)					(1,145)
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>								
Land			(141)					(141)
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 2021 are related to the mining, chemical and hotels activities and relate to the following projects:

### Mining activities

- Commissioning of the second part of the flexible conveyor at the Béni Amir mine;
- Mobilization of the main contractors and progress to 48% of the construction of the laundry in Benguerir. The objective is to ensure a production of 3 MT/year by 2020 and 9 MT/year 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 the transport of the washed product floated instead of raw phosphate;
- Review of parcel plans and start of requests for authorization to pass for the Benguerir Slurry Pipeline;
- The Boucraâ mining site has seen several achievements, mainly the finalization of the earthmoving works of the storage halls and the civil engineering works of the storage tanks of the fertilizer complex. The purpose of this complex is to upgrade Boucraâ phosphates by producing phosphoric acid and fertilizers with an annual capacity of 1 MT of DAP/MAP equivalent fertilizer and 0.5 MT of P2O5. In addition, the site began in situ tests of the tubular piles for the access bridge to the new phosphate port and launched the first phase of development of the new electric substation;

The Boucraâ site also witnessed the launch of the dewatering and excavation work on the Booster Wall of the new phosphate port, the launch of the prefabrication of the caissons and metal headers of the said port, as well as the launch of phase 1 of the new electric substation of Phosboucraâ (shielded post 225/ 132/30 kV).

### Chemical activity

- Progress of engineering and construction work for the new fertilizer lines project, as well as a review of the schedule for carrying out the said project in accelerated mode for an implementation in service from September 2022;
- Testing and commissioning of the fourth sulfur fusion & filtration line at the Jorf Lasfar site, and launching of phase 2 of the same sulfur fusion & filtration project with storage tanks;
- Start of production of the NPS product from the JFC 4 unit;
- Pronouncement of the environmental acceptability of the Desalination Phase 2 project;
- Study of port structures and facilities for the new Safi port project.

### Hospitality

On July 27, 2021, the Joint-Venture Maghrib Hospitality Company-MHC finalized the acquisition of the Michelifin assets including the hotel and the Golf. This operation includes the land and buildings relating to the hotel, the business of the hotel and that of the Golf, for a total amount of MAD 1.1 billion.

## 8.3. INTANGIBLE ASSETS VARIATION

(En millions de dirhams)	31 December 2020	Aquisitions	Dotations	Diminutions/ Reversals	Reclassifi-cation	Other variations	31 December 2021
<b>Gross amount:</b>							
Goodwill						1,886	1,886
R&D assets	115				96		210
Patents, trademarks, rights and similar items	155	7			1	53	216
Licences and software	1,972	119			19		2,109
Intangible asset of business		49				190	239
Other intangible assets	955	280		(102)	(24)	89	1,198
<b>Total gross amount</b>	<b>3,197</b>	<b>455</b>		<b>(102)</b>	<b>91</b>	<b>2,218</b>	<b>5,858</b>
<b>Amortization:</b>							
Amortization of R&D assets	(75)		(113)				(187)
Amortization of patents, trademarks, rights and similar items	(76)		(25)		3	(28)	(125)
Amortization of licences and software	(298)		(27)		(12)		(338)
Amortization of other intangible assets	(274)		(531)	59	9	(86)	(823)
<b>Total amortization and impairment losses</b>	<b>(723)</b>		<b>(696)</b>	<b>59</b>		<b>(114)</b>	<b>(1,473)</b>
<b>Net carrying amount</b>	<b>2,474</b>	<b>455</b>	<b>(696)</b>	<b>(43)</b>	<b>91</b>	<b>2,104</b>	<b>4,385</b>

## Goodwill impairment test at Société La Mamounia – SLM

In the current context relating to Covid-19, the tourism sector has been among the most affected sectors during this pandemic. The Group studied again the impact of this indication of impairment on the recoverable amount of its share in Société La Mamounia; subsidiary of MHC.

In January 2022, MHC management validated a new business plan for the SLM subsidiary, which provides for a gradual return to its activities from September 2022. These are mainly accommodation and catering activities representing respectively 51 % and 40 % of overall revenue.

After the renovations that took place in 2019 and 2020, La Mamounia intends to bring back its loyal customers. In addition, with the development of a new catering offer by hiring starred chefs, and by diversifying its culinary specialties, La Mamounia intends to attract in addition to hotel customers, external customers with higher average prices.

As a result, and based on updated forecasts of future cash flows, the valuation of SLM showed a value exceeding the overall investment value. Consequently, the test did not generate any impairment impact during 2021.

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(In millions of dirhams)	31 December 2019	Aquisitions	Dotations	Reclassifi-cation	31 December 2020
<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>2,474</b>

### 8.4. NET DEPRECIATION AND AMORTIZATION

(In millions of dirhams)	FY 2021	FY 2020
<b>Net depreciation and amortization</b>	<b>(7,915)</b>	<b>(7,403)</b>

Net depreciation and amortization charges recorded during 2021 were up by 6.8 % (MAD +507 million) compared to 2020, following the increase in the statistical provision due to the review of the duration of amortization of intangible assets.

## Note 9 – Provisions and contingent liabilities

### 9.1. ACCOUNTING TREATMENT OF PROVISIONS

The Group recognizes a provision as soon as there is a current, legal or constructive obligation, resulting from a past event, and where it is probable that an outflow of resources will be required to extinguish the obligation.

An obligation is qualified as constructive if the following two conditions are met:

- It has been indicated to other parties, by past practice, published policies or a sufficiently specific current statement, that the entity will accept certain responsibilities;
- The entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

### 9.2. NET PROVISIONS

(In millions of dirhams)	FY 2021	FY 2020
<b>Net provisions</b>	<b>(1,099)</b>	<b>(793)</b>

Net provisions during 2021 amounted to MAD 1.1 billion, up 38.5 % compared to the previous year, this is explained on the one hand by the increase in the provision allocation for rehabilitation mining sites for MAD 202 million following the updating of development and planting costs estimated on the basis of the last contracts concluded as well as the increase in the areas exploited, and on the other hand, by the recognition of a provision for remaining balance of the contract with the service provider Samsung for MAD 162 million representing the non-charged share of JFC3.

### 9.3. PROVISIONS FOR LIABILITIES AND CHARGES

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

(In millions of dirhams)	31 December 2020	Increase	REVERSALS Used      Unused	Other changes	31 December 2021
<b>Non-current provisions</b>	<b>6,237</b>	<b>462</b>	<b>(76)</b>	<b>472</b>	<b>7,095</b>
Provisions for employee benefits	5,646			318	5,964
Provisions for environmental risks & for site rehabilitation	296	178			474
Other non-current provisions	295	284	(76)	154	656
<b>Current provisions</b>	<b>448</b>	<b>99</b>	<b>(20)</b>	<b>30</b>	<b>556</b>
Other current provisions	448	99	(20)	30	556
<b>Total provisions</b>	<b>6,686</b>	<b>561</b>	<b>(96)</b>	<b>502</b>	<b>7,651</b>

#### Measurement of provisions for employee benefits

Provisions for employee benefits cover benefits related to the death benefit, medical plans, fixed retirement allocations and other long-term benefits. Details of these advantages are disclosed in Note 5 «Expenses and employee benefits».

#### Measurement 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 the soils and the local climatic conditions, the cultures and the introduced activities are done in the light of the local know-how. The former Khouribga mine testifies to the value of this approach.

The increase in the provision for rehabilitation of mining sites is due to the updating of development and planting costs estimated on the basis of the last contracts concluded as well as the increase in the areas exploited.

### Other provisions

The increase in the line of other non-current provisions is mainly related to the provision for remaining balance of the contract with Samsung for MAD 162 million presenting the non-reinvoiced share of JFC3.

## 9.4. CONTINGENT LIABILITIES

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

## 9.5. COMMITMENT GIVEN

<i>(In millions of dirhams)</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Letters of credit	1,176	1,650
Miscellaneous rights and commitments	836	728
<b>Total Commitments given</b>	<b>2,012</b>	<b>2,378</b>

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

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

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

#### 10.1.1 DEFINITIONS AND ACCOUNTING TREATMENT

##### Financial liabilities

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

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

##### Cash and cash equivalents

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

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

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

##### Cash management financial assets

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

##### Net debt

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

##### Cost of net financial debt

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

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

## 10.1.2 ANALYSIS OF FINANCIAL DEBTS

## 10.1.2.1 BREAKDOWN OF FINANCIAL DEBTS BY TYPE

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

(In millions of dirhams)	31 December 2021	31 December 2020
<b>Current financial debts</b>		
Government credits		64
Bank loans, portion due in less than one year	2,416	10,142
Finance leases, portion due in less than one year	237	253
Accrued interest not yet due	434	572
Other credits	1,575	764
<b>Total current financial debts</b>	<b>4,662</b>	<b>11,795</b>
<b>Non-current financial debts</b>		
Government credits		244
Bank loans, portion due in more than one year	14,971	18,213
Bond issue	30,997	24,936
Finance leases, portion due in more than one year	1,507	1,569
Other credits	3,478	2,003
<b>Total non-current financial debts</b>	<b>50,954</b>	<b>46,964</b>
<b>Total financial debts</b>	<b>55,616</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:

(In millions of dirhams)	Interest rate	Weighted average interest rate	Weighted average residual maturity	31 December 2021
<b>Bank loans, portion due in less than one year</b>				<b>2,416</b>
Denominated in USD	[2.94 % - 4.15 %]	3.58 %		983
Denominated in MAD	[3.00 % - 3.50 %]	3.25 %		1,217
Denominated in EUR	[0.63 % - 2.02 %]	1.16 %		216
<b>Finance lease debts</b>				
Denominated in MAD	[3.50 % - 3.80 %]	3.67 %		237
<b>Accrued interest not yet due</b>				<b>434</b>
<b>Other credits</b>				<b>1,575</b>
<b>Total current financial debts</b>				<b>4,662</b>
<b>Bank loans, portion due in more than one year</b>				<b>14,971</b>
Denominated in EUR	[0.63 % - 2.02 %]	1.52 %	7	2,503
Denominated in MAD	[3.00 % - 3.50 %]	3.30 %	5	10,617
Denominated in USD	[2.94 % - 3.91 %]	3.54 %	4	1,851
<b>Finance lease debts</b>				
Denominated in MAD	3.80 %	3.80 %		<b>1,507</b>
<b>Bond issue</b>				<b>30,997</b>
Denominated in USD	[3.75 % - 6.88 %]	5.14 %	14	30,997
<b>Other credits</b>				<b>3,478</b>
<b>Total non-current financial debts</b>				<b>50,954</b>
<b>Total financial debts</b>				<b>55,616</b>

## 10.1.2.3 FINANCIAL DEBT MATURITIES

The table below shows the maturities of financial debts as at 31 December 2021:

<i>(in millions of dirhams)</i>	<1 yr	1-5 yrs	> 5 yrs	Total at 31 December 2021
Bank loans	2,416	14,367	605	17,387
Bond issue		11,950	19,048	30,997
Finance lease debts	237	413	1,094	1,744
Other credits	2,009	2,664	814	5,487
<b>Total financial debts</b>	<b>4,662</b>	<b>29,393</b>	<b>21,560</b>	<b>55,616</b>

## 10.1.3 ANALYSIS OF FINANCIAL ASSETS

## 10.1.3.1 CASH AND CASH EQUIVALENT

<i>(In millions of dirhams)</i>	31 December 2021	31 December 2020
Cash	3,925	2,938
Cash equivalents	4,076	3,490
<b>Total cash and cash equivalents</b>	<b>8,001</b>	<b>6,428</b>
Bank (credit balances)		1
<b>Cash and cash equivalents in the consolidated statement of Cash Flows</b>	<b>8,001</b>	<b>6,427</b>

## 10.1.3.2 CASH MANAGEMENT FINANCIAL ASSETS

<i>(In millions of dirhams)</i>	31 December 2021	31 December 2020
Cash financial assets	2,538	7

Cash management financial assets include mainly term deposits with a maturity more than three months contracted mostly by OCP SA.

## 10.1.3.3 MATURITIES AND FAIR VALUE OF FINANCIAL CASH ASSETS

## Financial cash assets maturities

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

As such, assets portfolio is composed of 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>	0-3 months	3-6 months	6-12 months	>1 year	Total
Money market funds	3,949				3,949
Term deposit		2,666			2,666
<b>Total</b>	<b>3,949</b>	<b>2,666</b>			<b>6,614</b>



### 10.1.4 ANALYSIS OF NET DEBT

It should be noted that OCP Group contracted, during 2021 new loans amounting to MAD 17.5 billion including:

- A bond loan of \$750 million at 10 years, offering a coupon of 3.75 % and a bond loan of \$750 million at 30 years, offering a coupon of 5.125 % .
- Medium and long-term financing from international financial institutions for a total amount of \$ 450 million.

These issues were absorbed by repayments of a total debt of MAD 23 billion, including MAD 9 billion relating to the partial redemption of bond issues for 2014 - 10 years up to 41.36 % and 2015 - 10.5 years up to by 44.44 % (for respectively 517 and 444 million dollars).

<i>(In millions of dirhams)</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Financial credits	18,374	28,560
Bonds	30,997	24,936
Other loans and assimilated debts	4,502	3,441
Bank overdrafts		3
<b>Gross financial and bond debt</b>	<b>53,871</b>	<b>56,939</b>
Financial debts from IFRS 16 leases	1,744	1,820
<b>Other Financial debts</b>	<b>1,744</b>	<b>1,820</b>
Cash equivalents	4,076	3,490
Cash	3,925	2,938
Financial assets for cash management	2,538	7
<b>Financial assets</b>	<b>10,540</b>	<b>6,435</b>
<b>Net financial and bond debt</b>	<b>43,332</b>	<b>50,504</b>
<b>Total Gross financial debt</b>	<b>55,616</b>	<b>58,759</b>
<b>Total Net financial debt</b>	<b>45,076</b>	<b>52,324</b>

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

<i>(In millions of dirhams)</i>	<i>31 Decembre 2021</i>	<i>31 Decembre 2020</i>
Net change in cash	(1,577)	7,051
Change in marketable securities	(2,532)	567
Insurance / repayment of loans	(3,144)	(800)
Other variations	4	8
<b>Change in net financial debt</b>	<b>(7,248)</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>	<i>FY 2021</i>	<i>FY 2020</i>
Interest expenses	(2,384)	(2,436)
<b>Cost of gross financial debt</b>	<b>(2,384)</b>	<b>(2,436)</b>
Financial income from cash investments	81	162
Other financial income	80	104
<b>Financial income from cash investments</b>	<b>161</b>	<b>266</b>
<b>Cost of net financial debt</b>	<b>(2,223)</b>	<b>(2,170)</b>

The cost of gross financial debt shows a slight decrease of MAD 53 million between 2021 and 2020. This decline is explained by the drop in interest charges due to the repayments of loans made in 2021.

## 10.2. OTHER FINANCIAL ASSETS

### 10.2.1 DEFINITIONS AND ACCOUNTING TREATMENT

#### Other financial assets

Other financial assets are classified as “Financial assets revalued at fair value by equity” and mainly include non-consolidated equity securities. The Group has chosen to measure its assets at fair value versus non-recyclable equity.

#### Other financial income and expenses

Other financial income and expenses include primarily income from loans and receivables calculated using the effective interest rate method, dividends from non-consolidated entities, exchange gains and losses on financing operations, discount of provisions, receivables and payables, ineffective cash flow hedge portion, impairment losses and income relating to financial assets.

### 10.2.2 ACTIFS FINANCIERS NON COURANTS

(In millions of dirhams)	31 December 2021			31 December 2020		
	Gross	Revaluation	Net	Gross	Revaluation	Net
Financial assets at fair value by OCI	726	(579)	147	628	(523)	105
Financial assets at fair value through profit or loss	22		22	22		22
Receivables from fixed assets disposals	77	(5)	72	19	(5)	14
Other financial receivables	466	(1)	466	977	(1)	976
<b>Total non-current financial assets</b>	<b>1,292</b>	<b>(584)</b>	<b>708</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.

### 10.2.3 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses are as follows:

(In millions of dirhams)	FY 2021	FY 2020
Exchange income from financing operations	(899)	654
Revenue from financial receivables	(2,079)	(372)
Other	(98)	(77)
<b>Other financial income and expenses</b>	<b>(3,076)</b>	<b>204</b>

The exchange result from financing operations fell by MAD 1,552 million compared to 2020 financial year. This is explained by the impact of the change in exchange rates on borrowings and financial debts denominated in foreign currencies, in the MAD/\$ exchange rate fell from 8.90 on December 31, 2020 to 9.28 on December 31, 2021.

In addition, the net financial expense of MAD 2,079 million corresponds to:

- The increase in the expense relating to the VAT credit following the recognition, during 2021, of an additional net allocation of MAD 747 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 premium for the partial redemption of the bond issues of 2014 and 2015 for an amount of MAD 844 million and the partial recycling in profit of the costs and the premium issue of said bond loans for MAD 206 million.

### 10.3. WEIGHT OF FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

#### 10.3.1 WEIGHT OF FINANCIAL INSTRUMENTS

In accordance with IFRS 7, "Financial instruments: Disclosures", fair value measurements must be classified according to a hierarchy based on the input used to evaluate the fair value of the instrument which includes the following three levels:

- **Level 1:** the use of quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2:** the use of quoted market prices in active markets for similar assets or liabilities or measurement techniques where the relevant inputs are based on observable market data;
- **Level 3:** the use of measurement techniques where the relevant inputs are not all based on observable market data.

(In millions of dirhams)	At 31 December 2021					At 31 December 2020				
	Carrying value	Fair value	Level 1 : quoted prices and available funds	Level 2 : internal model with observable inputs	Level 3 : internal model with unobservable inputs	Carrying value	Fair value	Level 1 : quoted prices and available funds	Level 2 : internal model with observable inputs	Level 3 : internal model with unobservable inputs
Cash and cash equivalents	8,001	8,001	8,001			6,428	6,428	6,428		
Cash financial assets	2,538	2,538		2,538		7	7		7	
Financial assets at fair value by OCI	147	147			147	539	539			539
Financial assets at fair value through profit or loss	22	22			22	27	27			27
<b>Total financial assets</b>	<b>10,709</b>	<b>10,709</b>	<b>8,001</b>	<b>2,538</b>	<b>170</b>	<b>7,001</b>	<b>7,001</b>	<b>6,428</b>	<b>7</b>	<b>566</b>
Current loans and financial debts	4,662	4,662		4,662		11,795	11,795		11,795	
Non-current loans and financial debts	50,954	49,401	29,796	19,605		46,964	52,832	25,816	27,017	
<b>Total financial liabilities</b>	<b>55,616</b>	<b>54,063</b>	<b>29,796</b>	<b>24,267</b>		<b>58,760</b>	<b>64,627</b>	<b>25,816</b>	<b>38,811</b>	

#### 10.3.2 RISK MANAGEMENT

##### 10.3.2.1 CERTAIN CONTRACTUAL PROVISIONS AND TERMS OF THE DEBT

The Group's financing agreements contain standard market terms including the commitment to have at least an «Investment Grade» rating. This commitment must be respected for 6 institutions: KfW, European Investment Bank, French Development Agency, Islamic Development Bank, African Development Bank.

## 10.3.2.2 CASH RESERVES

To meet its commitments, OCP Group also has potential cash reserves in the form of overdraft facilities and documentary credits, accompanied by guarantees attributed to the Group entities. These reserves represent a total of MAD 4.6 billion, activated without prior authorization in case of short position on the cash.

Moreover, the multi-entities cash pooling mechanism implemented in 2015 allows a particular operational flexibility in managing cash and achieving loans-borrowings between centralized / centralizing entities. This mechanism is based on the indirect ZBA (Zero Balancing Account) mode that allows viewing on a single account overall cash position of the entities that are included in the cash pooling.

The Group also has the ability to turn with the Moroccan partner banks, the discount mechanism without recourse of trade receivables held by OCP on some of its customers.

## 10.3.2.3 COMMITMENTS RECEIVED

<i>(In millions of dirhams)</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Unused borrowings	10,631	5,661
Other commitments received for contracts	7,999	9,772
Loans guaranteed by the State		308
<b>Total Commitments received</b>	<b>18,630</b>	<b>15,741</b>

“Other commitments received for contracts” concern commitments received from suppliers relating to advances paid within the context of the industrial programs undertaken by the Group.

All of the loans guaranteed by the State were repaid in the second half of 2021.

## 10.3.2.4 COUNTERPARTY RISK MANAGEMENT

Capital security is a fundamental principle of the Group’s investment policy. Cash surpluses are invested at an accepted level of risk, with high-quality counterparties.

In this respect, the Trading Room acts in compliance with the following rules and procedures:

**Pre-qualifying counterparties**

Pre-qualifying bank counterparties, issuers of debt, management companies and mutual funds with which the OCP Group is exposed directly or indirectly .

The trading room is authorized to deal with bank counterparties if the latter have a rating that is higher than the minimum rating required of three notches below the S&P and Fitch ratings for the Moroccan debt.

As for debt issuers, the trading room is authorized to deal with debt issuers if the following conditions are met:

- State Treasury issue: treasury bills with a residual maturity less than or equal to two years. Derogations may be granted by the Management Committee for any other maturities on a case-by-case basis;
- Private debt issue other than with bank counterparties: any subscription must be validated by the Management Committee on a case-by-case basis.

Finally, the prequalification of UCITS consists of the following two stages:

- Choice of the management company: the management company must have a minimum management rating of M2 according to the Fitch scale;
- Choice of the UCITS: the investment mainly concerns low-sensitivity, fairly liquid UCITS in order to allow the Group to manage its liquidity under the best conditions.

### **Diversifying the counterparties**

Diversifying the counterparties to which Group OCP is exposed in accordance with prudential rules that are defined internally.

### **Fixing limits by type of instruments held by counterparties**

Outstanding direct investment with a bank counterparty is classified by instrument type and is limited according to the credit standard of the said counterparty. These limits fix:

- The maximum outstanding amount authorized with a counterparty as a percentage of equity;
- The outstanding amount with a counterparty by instrument type which must not exceed the Group's total outstanding amount invested directly in this type of instrument;
- The outstanding amount with a counterparty by instrument type which must not exceed a percentage of the counterparty's total outstanding amount in this type of instrument.

Otherwise, the outstanding amount with a UCITS is limited according to the credit rating of the management company and of such a UCITS. These limits fix the maximum outstanding amount authorized with a UCITS as a percentage of net assets and the maximum outstanding amount authorized with the management company.

Any exception to the rules above is subject to validation by the Executive Committee.

### **10.3.2.5 LIQUIDITY RISK**

The investment portfolio must remain sufficiently liquid to respond to the financing needs generated by the Group's operations and investment. To this end, it must be composed of liquid, flexible and available instruments.

The breakdown of assets invested between the investment portfolios is based on cash flow forecasts and is as follows:

- Very short-term, liquid instruments, providing for daily operating needs;
- Short-term instruments, in conformity with counterparty risk management, generating a yield which is in line with the yield targeted by the investment policy.

## Note 11 – Corporate Income taxes

### 11.1. ACCOUNTING TREATMENT OF INCOME TAXES

Income taxes 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 tax entity.

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

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

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

### 11.2. ANALYSIS OF TAX EXPENSE

<i>(In millions of dirhams)</i>	<i>FY 2021</i>	<i>FY 2020</i>
Current tax expense/current tax income	(3,076)	(1,379)
Deferred tax expense/deferred tax income	(1,088)	475
<b>Corporate income tax</b>	<b>(4,164)</b>	<b>(904)</b>

The current tax expense is up by MAD 1.7 billion compared to 2020 following the increase in the Group's income.

Deferred taxes went from MAD+475 million at the end of December 2020 to MAD -1,088 million at the end of December 2021. This increase in expense is primarily due to the Covid-19 donation of MAD 3 billion recognized in expense in 2020 which had generated a deferred tax income of MAD+598 million, to the imputation of the positive results of JFC's on the stock of previously activated deficits, and finally to the change in the deferred tax rate for JFC's following the end of the export exemption

### 11.3. RAPPROCHEMENT ENTRE LA CHARGE D'IMPÔT TOTALE ET LA CHARGE D'IMPÔT THÉORIQUE

L'évolution des impôts différés actifs et passifs est la suivante :

<i>(In millions of dirhams)</i>	<i>FY 2021</i>	<i>FY 2020</i>
+Net income - Group share	16,326	3,231
+Net income - Minorities' share	10	160
-Share of profit (loss) of equity-accounted companies	(1,185)	(342)
+/- Tax for the period	4,164	904
<b>Consolidated accounting income before tax</b>	<b>19,315</b>	<b>3,952</b>
+/- Permanent differences <sup>(1)</sup>	1,444	1,055
<b>= Consolidated taxable income</b>	<b>20,758</b>	<b>5,007</b>
Theoretical tax rate	22.09 %	22.78 %
<b>= Theoretical tax <sup>(2)</sup></b>	<b>(4,585)</b>	<b>(1,141)</b>
Tax losses		
Difference in tax rate in relation to OCP SA	(355)	32
Prior years' income taxes <sup>(3)</sup>	(365)	47
Other items <sup>(4)</sup>	1,142	157
<b>= Corporate income tax</b>	<b>(4,164)</b>	<b>(904)</b>
<b>including</b>		
<i>current tax</i>	<i>(3,076)</i>	<i>(1,379)</i>
<i>deferred tax</i>	<i>(1,088)</i>	<i>475</i>

<sup>(1)</sup> The main permanent differences are the previous exercises' expenses, tax control expenses subsidies and non-deductible donations and income equity.

<sup>(2)</sup> The theoretical tax rate takes into account local sales taxed at 31 % and export sales realized in foreign currency taxed at 17.5 %.

<sup>(3)</sup> Change in the deferred tax rate at JFCs following the end of the export exemption.

<sup>(4)</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>31 December 2021</i>
Gross deferred tax assets	620	(464)		156
Unrecognized deferred tax assets				
<b>Net deferred tax assets</b>	<b>620</b>	<b>(464)</b>		<b>156</b>
<b>Deferred tax liabilities</b>	<b>1,295</b>	<b>337</b>		<b>1,633</b>

## Consolidated Financial Statements

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

<i>(In millions of dirhams)</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Temporary differences	1,920	1,604
Eliminations of intercompany transactions	636	547
Intangible assets	(226)	58
Tangible assets	20	20
Financial assets at fair value by profit and	49	49
Other asset items	(115)	83
Provisions for employee benefits	1,617	1,617
Other provisions	664	664
Tax loss carryforwards	329	379
Offsetting	(4,739)	(4,402)
<b>Total deferred tax assets</b>	<b>156</b>	<b>620</b>

<i>(In millions of dirhams)</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
Temporary differences	3	3
Eliminations of intercompany transactions	(224)	(223)
Intangible assets	159	114
Tangible assets	6,042	5,343
Financial assets at fair value by profit and	49	49
Inventories	399	399
Other assets items	(212)	(190)
Other provisions	224	353
Tax loss carryforwards	(358)	(380)
Other	290	229
Offsetting	(4,739)	(4,402)
<b>Total deferred tax liabilities</b>	<b>1,633</b>	<b>1,295</b>



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

### 12.1. ISSUED CAPITAL

As at 31 December 2021, the share capital amounts to MAD 8,288 million. It is composed of 82,875,000 shares with a nominal value of 100 dirhams. 729,300 OCP shares are held by its subsidiary SADV.

<i>(In number of shares)</i>	<i>Actions ordinaires</i>
<b>Outstanding at 1<sup>st</sup> January 2021</b>	<b>82.875.000</b>
Issues of shares for cash in FY 2021	
<b>Outstanding at 31 December 2021</b>	<b>82.875.000</b>
<b>Nominal value</b>	<b>100 Dirhams</b>

### 12.2. DIVIDENDS

The MAD 5,081 million in dividends paid in respect of FY 2021 correspond to a net dividend per share of MAD 61.85.

<i>(In millions of dirhams)</i>	<i>31 December 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>(In millions of dirhams)</i>	<i>FY 2021</i>	<i>FY 2020</i>
<b>Net profit, Group share (in millions of dirhams)*</b>	<b>15,933</b>	<b>2,821</b>
Average number of shares in circulation as at 31 December	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>193.96</b>	<b>34.34</b>

<sup>(\*)</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 -393 millions).

## Note 13 – Relations with the shareholders

The State of Morocco is a shareholder of OCP with a majority share of 94.12 %. The BCP Group holds 5.00 % with direct participation and participations through its subsidiaries Socinvest, Infra Maroc Capital and Prev Invest.SA.

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

In 2021, the Moroccan State received dividends net of taxes amounting to MAD 4.82 billion in respect of the distributable profit for 2020.

In the same way as all companies resident in Morocco, OCP Group 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 performed with the State or with State-controlled companies for 2020 and 2021

(In millions of dirhams)	FY 2021		FY 2020	
	State and State-controlled enterprises	BCP	State and State-controlled enterprises	BCP
Interest on investments	33	17	55	36
Utility costs	1,002		992	
Other operating expenses	267		324	
Interest on loans	39	121	39	148
Social charges	630		550	
Transport expenses ONCF	1,037		995	
Subscription ONCF / lump-sum contributions	400		400	
Assets and inventories purchases	66		35	

(In millions of dirhams)	31 December 2021		31 December 2020	
	State and State-controlled enterprises	BCP	State and State-controlled enterprises	BCP
Trade payables	539		717	
Other receivables	493		580	
Cash and cash equivalents	269	931	183	759
Investments	2,000		500	
Loans	623	1,520	1,730	4,162



OCP S.A.

RAPPORT D'AUDIT SUR LES ETATS FINANCIERS CONSOLIDES

EXERCICE DU 1<sup>er</sup> JANVIER AU 31 DECEMBRE 2021



Building a better  
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### **RAPPORT D'AUDIT SUR LES ETATS FINANCIERS CONSOLIDES EXERCICE DU 1<sup>er</sup> JANVIER AU 31 DECEMBRE 2021**

Nous avons effectué l'audit des états financiers consolidés de la société OCP S.A. et de ses filiales (le « Groupe »), qui comprennent l'état consolidé de la situation financière au 31 décembre 2021, ainsi que le compte de résultat consolidé et l'état consolidé du résultat global, l'état consolidé des variations des capitaux propres et le tableau consolidé des flux de trésorerie pour l'exercice clos à cette date, et les notes aux états financiers consolidés contenant un résumé des principales méthodes comptables et d'autres notes explicatives. Ces états financiers consolidés font ressortir un montant de capitaux propres consolidés de MMAD 88.854 dont un bénéfice net consolidé de MMAD 16.336. Ces états financiers ont été arrêtés par le Conseil d'administration du 15 mars 2022 dans un contexte évolutif de la crise sanitaire de l'épidémie de Covid-19, sur la base des éléments disponibles à cette date.

A note avis, les états financiers consolidés ci-joints, présentent sincèrement, dans tous leurs aspects significatifs, la situation financière consolidée du Groupe aux 31 décembre 2021, ainsi que sa performance financière consolidée et ses flux de trésorerie consolidés pour l'exercice clos à cette date, conformément au référentiel IFRS tel qu'adopté dans l'Union européenne.

#### **Fondement de l'opinion**

Nous avons effectué notre audit selon les Normes internationales d'audit (ISA). Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités de l'auditeur relatives à l'audit des états financiers consolidés » du présent rapport. Nous sommes indépendants du Groupe conformément au Code international de déontologie des professionnels comptables (y compris les normes internationales d'indépendance) publié par l'*International Ethics Standards Board for Accountants* (Code de l'IESBA) et avons satisfait aux autres responsabilités éthiques qui nous incombent selon ces règles. Nous estimons que les éléments probants que nous avons recueillis sont suffisants et appropriés pour fonder notre opinion d'audit.

#### **Points clés de l'audit**

Les points clés de l'audit sont les points qui, selon notre jugement professionnel, ont été les plus importants lors de l'audit des états financiers consolidés de l'exercice 2021. Ces points ont été traités dans le contexte de notre audit des états financiers consolidés pris dans leur ensemble, établis dans les conditions rappelées précédemment, et lors de la formation de notre opinion sur ceux-ci. Nous n'exprimons pas une opinion distincte sur ces points.



Questions clés de l'audit	Notre réponse
<p><b>Evaluation des immobilisations corporelles et Goodwill</b> (cf. note 8.1 « traitement comptable des immobilisations », 8.2 « variations des immobilisations corporelles » et 8.3 « variation des immobilisations incorporelles »)</p> <p>Au 31 décembre 2021, les valeurs nettes comptables des immobilisations corporelles et du Goodwill s'élèvent respectivement à MMAD 116.938 et MMAD 1.886 (soit 65% du total des actifs).</p> <p>Les immobilisations corporelles sont comptabilisées à leur coût historique d'acquisition, de production ou d'entrée dans le Groupe, diminué des amortissements et des pertes de valeur éventuelles. Ce coût est augmenté des coûts d'emprunt encourus pendant la phase de construction des actifs concernés. Elles sont amorties selon les modalités définies en annexe. Leur durée d'utilité est réexaminée à chaque clôture pour que celle-ci reflète les durées d'utilisation prévues.</p> <p>Le Goodwill est un actif non amorti comptabilisé à la date d'acquisition qui, conformément aux normes IFRS, fait l'objet d'un test de dépréciation au minimum une fois par an et à chaque fois qu'il y a un indice de perte de valeur.</p> <p>Le Groupe procède à des tests de perte de valeur des actifs corporels à durée de vie déterminée lorsqu'il existe des indices de perte de valeur tels que définis dans les annexes. Ces actifs sont testés au niveau des unités génératrices de trésorerie (UGT) définies par le Groupe, sur la base de l'actualisation des flux de trésorerie futurs.</p> <p>Nous avons considéré que l'évaluation des immobilisations corporelles et du Goodwill est un point clé de l'audit en raison :</p> <ul style="list-style-type: none"> <li>- du poids de ces actifs dans les comptes du Groupe, et de la poursuite par le Groupe de son programme d'investissements ;</li> <li>- du fait de l'impact significatif des dates de mise en service effectives sur les amortissements de la période et sur la valeur nette de l'immobilisation corporelle ;</li> <li>- de l'importance des jugements et l'utilisation de l'estimation par la Direction dans : <ul style="list-style-type: none"> <li>• La définition des durées d'utilité retenues par composants</li> <li>• La détermination des flux de trésorerie futurs actualisés, des taux d'actualisation et de croissance à long terme, utilisés pour les tests de dépréciation.</li> </ul> </li> </ul>	<p>Les travaux que nous avons effectués ont principalement consisté à :</p> <ul style="list-style-type: none"> <li>▪ prendre connaissance et tester l'efficacité des procédures de contrôle interne relatives à la comptabilisation des immobilisations corporelles, à la capitalisation des investissements et à la mise en service des immobilisations, à l'estimation de la durée d'utilité des actifs amortissables ainsi qu'à leur évaluation et leur dépréciation ;</li> <li>▪ tester l'efficacité des contrôles clés relatifs à ces procédures, en particulier ceux relatifs à la mise en service des immobilisations corporelles, à la durée et à la date de début de leur amortissement ;</li> <li>▪ nous avons également, sur la base d'échantillonnage, procédé à un examen des dates effectives de mise en service des immobilisations corporelles et de leurs durées d'amortissement en consultant la documentation disponible et en nous entretenant avec des chefs de projet ;</li> <li>▪ nous avons procédé à un examen critique de l'existence éventuelle d'indices de pertes de valeur au 31 décembre 2021 à travers l'analyse des indicateurs de production et de performance industrielle et commerciale par rapport aux capacités de production, aux budgets, et aux performances historiques ;</li> <li>▪ pour les actifs/UGT présentant des indices de perte de valeurs ainsi que pour les UGT auxquelles un Goodwill a été affecté, nous avons examiné les tests de dépréciation réalisés par le Groupe durant l'exercice, à travers l'analyse de la documentation relative à la détermination de la valeur recouvrable, et l'appréciation de la cohérence des projections des flux de trésorerie validées par la Direction et des hypothèses retenues par rapport aux performances historiques et perspectives de marchés. Nous avons également effectué nos propres calculs de sensibilité, pour corroborer les analyses effectuées par la Direction.</li> </ul>

<p><b>Comptabilité de couverture des risques de change</b> (cf. note 4.1.3 « Gestion du risque de change et du risque de crédit »)</p> <p>Dans le cadre de ses activités, le Groupe réalise la majorité de ses ventes en dollars et a émis deux dettes obligataires en dollars, en avril 2014 et en avril 2015, remboursables in fine pour respectivement 1,25 milliard de dollars et 1 milliard de dollars. Ces dettes généraient à chaque arrêté la comptabilisation d'écarts de change significatif en résultat, conformément à IAS 21.</p> <p>Afin de limiter cet impact, le Groupe a mis en place à partir du 1er septembre 2018, une comptabilité de couverture de type couverture de flux futurs entre les ventes futures en dollars hautement probables (élément couvert) et les deux émissions obligataires en dollars (instrument de couverture). L'élément couvert correspond aux montants de ventes futures qui seraient respectivement réalisées à partir d'avril 2024 et octobre 2025, dates auxquelles les dettes obligataires arrivent à maturité.</p> <p>Au titre de cette comptabilité de couverture, un test prospectif est réalisé à chaque arrêté comptable par le Groupe afin de contrôler le caractère hautement probable des ventes futures désignées en couverture, ainsi qu'un test d'efficacité prospective conformément aux exigences d'IAS 39.</p> <p>Cette stratégie de couverture, en application des principes de la norme IAS 39, se traduit par :</p> <ul style="list-style-type: none"> <li>La comptabilisation en OCI (<i>Other Comprehensive Income</i>), pour la part efficace, de l'effet de change sur la dette jusqu'à sa maturité</li> <li>La comptabilisation de la part non efficace en résultat</li> <li>Le recyclage en résultat des OCI accumulés à la maturité de la dette.</li> </ul> <p>Nous avons considéré ce sujet comme un point clé de l'audit compte tenu des impacts significatifs des variations des cours de change sur le résultat et les capitaux propres du Groupe.</p>	<p>Les travaux que nous avons effectués ont principalement consisté à :</p> <ul style="list-style-type: none"> <li>procéder à un examen critique de la documentation de la relation de couverture préparée par le Groupe au regard des exigences de la norme IAS 39.</li> <li>examiner notamment : <ul style="list-style-type: none"> <li>l'éligibilité à la comptabilité de couverture des ventes futures en tant qu'élément couvert conformément à IAS 39, et notamment de leur caractère hautement probable aux vues des réalisations historiques et des budgets ;</li> <li>l'existence des dettes et de leur validité en tant qu'instrument de couverture au titre du risque de change conformément à IAS 39.</li> </ul> </li> <li>analyser les tests d'efficacité de la relation de couverture ;</li> <li>examiner les impacts comptables de cette couverture sur les comptes de l'exercice pour la part efficace et pour la part non efficace.</li> </ul>
<p><b>Provision pour avantages au personnel</b> (cf. note 5.3.1 « Présentation générale des régimes existant au sein du Groupe et traitement comptable »)</p> <p>Le Groupe dispose de plusieurs régimes d'avantages postérieurs à l'emploi à cotisations et prestations définies.</p> <p>Une partie significative est constituée de régimes à prestations définies, pour lesquels le Groupe est engagé sur un niveau de prestations. Ces régimes comprennent notamment : l'allocation décès, les indemnités de fin de carrière et la couverture médicale post-emploi.</p> <p>La valeur actuarielle des avantages du personnel accumulés liés à ces engagements s'élève à MMAD 5.862 au 31 décembre 2021.</p>	<p>Nous avons pris connaissance du processus d'évaluation des engagements au titre des avantages postérieurs à l'emploi appliqué par le Groupe.</p> <p>Avec l'assistance de nos experts en actuariat, nos travaux ont notamment consisté à :</p> <ul style="list-style-type: none"> <li>procéder à un examen des principales hypothèses retenues, notamment les taux d'actualisation et d'inflation au regard des conditions de marché ;</li> <li>apprécier la cohérence des hypothèses relatives notamment aux évolutions de salaires et aux données démographiques (tables de mortalité, taux d'inflation des coûts médicaux) avec les spécificités des régimes et celles de l'entité ;</li> </ul>



Les régimes à prestations définies font l'objet d'une évaluation actuarielle de l'engagement selon la méthode des unités de crédit projetées, prenant en compte des hypothèses démographiques et financières et dont les hypothèses actuarielles sont revues sur un rythme annuel. Les différences liées aux changements d'hypothèses actuarielles et les ajustements liés à l'expérience constituent des écarts actuariels comptabilisés en capitaux propres non recyclables conformément aux dispositions de la norme IAS 19 révisée.

L'évaluation des passifs des engagements au titre des avantages au personnel ainsi que de la charge actuarielle de l'exercice, requiert du jugement pour déterminer les hypothèses appropriées à retenir telles que les taux d'actualisation et d'inflation, la date prévisionnelle de basculement vers l'AMO (Assurance Maladie Obligatoire), le taux d'évolution des coûts médicaux, les futures augmentations de salaires, les tables de mortalité...

Il est à noter que le Groupe OCP a prévu le basculement du régime maladie vers l'AMO en 2023.

La variation de certaines de ces hypothèses pourrait avoir une incidence significative sur la détermination du passif comptabilisé ainsi que sur le résultat du Groupe. De ce fait, nous avons considéré l'évaluation de la provision pour avantages au personnel comme un point clé de l'audit.

- examiner les calculs préparés par le Groupe, notamment ceux étayant la sensibilité de la dette aux variations du taux d'actualisation et aux variations du taux d'évolution des coûts médicaux ;
- analyser l'hypothèse relative au basculement du régime maladie vers l'AMO en 2023, au regard de l'évolution des textes réglementaires ;
- examiner, sur base de sondages, la correcte transcription dans le calcul des engagements effectué par le Groupe des données individuelles et des hypothèses actuarielles et démographiques retenues par la Direction ;
- examiner la cohérence des analyses de sensibilité présentées notamment dans les notes de l'annexe aux états financiers consolidés.

#### **Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux états financiers consolidés**

La direction est responsable de l'établissement et de la présentation sincère des états financiers consolidés conformément au référentiel IFRS tel qu'adopté dans l'Union européenne, ainsi que du contrôle interne qu'elle estime nécessaire à l'établissement d'états financiers consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des états financiers consolidés, il incombe à la direction d'évaluer la capacité du Groupe à poursuivre son exploitation, de fournir, le cas échéant, des informations relatives à la continuité d'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si la direction a l'intention de mettre le Groupe en liquidation ou de cesser ses activités ou s'il n'existe aucune autre solution alternative réaliste qui s'offre à lui.

Il incombe aux personnes constituant le gouvernement d'entreprise de surveiller le processus d'élaboration de l'information financière du Groupe.

#### **Responsabilité des auditeurs relatives à l'audit des états financiers consolidés**

Nos objectifs sont d'obtenir l'assurance raisonnable que les états financiers consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, et d'émettre un rapport d'audit contenant notre opinion.



L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux Normes ISA permettra de toujours détecter toute anomalie significative existante. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce que, prises individuellement ou cumulées, elles puissent influencer les décisions économiques que les utilisateurs des états financiers consolidés prennent en se fondant sur ceux-ci.

Dans le cadre d'un audit réalisé conformément aux Normes ISA et tout au long de celui-ci, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique. En outre :

- nous identifions et évaluons les risques que les états financiers consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définissons et mettons en œuvre des procédures d'audit en réponse à ces risques, et recueillons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- nous prenons connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, mais non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne du Groupe ;
- nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, de même que des informations fournies les concernant par cette dernière ;
- nous concluons quant au caractère approprié de l'application par la direction du principe comptable de continuité d'exploitation et, selon les éléments probants obtenus, quant à l'existence ou non d'une incertitude significative liée à des événements ou conditions susceptibles de jeter un doute important sur la capacité du Groupe à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport sur les informations fournies dans les états financiers consolidés au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants recueillis jusqu'à la date de notre rapport d'audit. Cependant, des conditions ou événements futurs pourraient conduire le Groupe à cesser son exploitation ;
- nous apprécions la présentation d'ensemble, la structure et le contenu des états financiers consolidés, y compris les informations fournies dans les états financiers consolidés, et apprécions si les états financiers consolidés reflètent les opérations et événements sous-jacents d'une manière telle qu'ils donnent une présentation sincère ;
- Nous recueillons des éléments probants suffisants et appropriés concernant les informations financières des entités ou activités du Groupe pour exprimer une opinion sur les états financiers consolidés. Nous sommes responsables de la direction, de la supervision et de la réalisation de l'audit de Groupe. Nous assumons l'entière responsabilité de l'opinion d'audit.

Nous communiquons aux personnes constituant le gouvernement d'entreprise notamment l'étendue des travaux d'audit et du calendrier de réalisation prévus et les constatations importantes, y compris toute faiblesse significative du contrôle interne, relevée lors de notre audit.



Parmi les points communiqués aux personnes constituant le gouvernement d'entreprise, nous déterminons ceux qui ont été les plus importants lors de l'audit des états financiers consolidés de la période en cours, qui sont de ce fait les points clés de l'audit. Nous décrivons ces points dans notre rapport d'audit, sauf si la loi ou la réglementation n'en interdit la publication ou si, dans des circonstances extrêmement rares, nous déterminons que nous ne devrions pas communiquer un point dans notre rapport d'audit parce que les conséquences négatives raisonnablement attendues de la communication de ce point dépassent les avantages qu'elle aurait au regard de l'intérêt public.

Casablanca, le 18 mars 2022

**Les Auditeurs Contractuels**

**ERNST & YOUNG**  
  
Bachir TAZI  
Associé

**DELOITTE AUDIT**  
  
Sakina BENSOUA-KORACHI  
Associée

