



**INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS**

AT 30 JUNE 2022

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Key figures

<i>(In millions of dirhams)</i>	<i>Note</i>	<i>1st half-year 2022</i>	<i>1st half-year 2021</i>
Revenue	4.1.1.2	56,018	32,479
Profit (loss) from joint ventures		903	367
EBITDA		28,084	12,533
Operating profit (loss) before non recurring items		24,289	8,624
Cost of net financial debt	10.1.5	(1,040)	(1,088)
Net profit (loss) - Group share		16,849	4,634
Consolidated equity - Group share		93,564	75,084
Net financial debt	10.1.4	43,538	48,351
Net operating investments		7,850	4,301
Basic and diluted earnings per share (in dirhams)	12.3	202.74	54.04
Dividend per share (in dirhams)	12.2	98.50	61.85

Significant events of the period

Acquisition by Koch Ag & Energy Solutions of a 50% of ownership stake in capital of Jorf Fertilizers Company III

In June 2022, OCP Group and Koch Ag & Energy Solutions (KAES), a global provider of value-added solutions for the agriculture, energy and chemicals, completed the acquisition by KAES, through an affiliate, of 50 % interest in Jorf Fertilizers Company III (JFC III), establishing a 50/50 Joint-Venture between the two companies.

The joint venture resulting from this acquisition will rely on the network of customers and the logistic capacities of OCP Group and KAES, aiming a further expand the supply of phosphate-based fertilizers worldwide.

In parallel with the transfer contract, commercial contracts have been signed between the two parties where OCP S.A. will be the most exposed to the variable returns of the JFC III activity. Thus, and in accordance with the provisions of IFRS 10, this entity remains controlled by OCP S.A.

In addition, the sale contract provides for commitments given to KAES, in the form of liability guarantee clauses. OCP does not foresee any significant impact on its accounts as of June 30, 2022.

Impact of the war in the Ukraine region on OCP Group

In the current context of war between Russia and Ukraine, the ammonia market was very tight due to the halt in Russian and Ukrainian exports, which has deprived the global trade of more than 15 % of the supply.

However, having diversified its ammonia import sources over the last few years, the OCP Group has managed to ensure the supply of the necessary volumes from different sources (Egypt, Libya, Argentina, Middle East, Indonesia, etc.)

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 location of Morocco has enabled the Group to be well located in relation to the main world exporters.

Events after the reporting period

No relevant event was noted after the reporting period.

Consolidated Statement of Profit and Loss

(In millions of dirhams)	Note	1 st half-year 2022	1 st half-year 2021
Revenue	4.1.1.2	56,018	32,479
Production held as inventory		8,577	302
Purchases consumed	4.2.2	(26,618)	(11,604)
External expenses	4.2.2	(4,767)	(4,246)
Personnel expenses	5.1	(5,771)	(4,781)
Taxes		(216)	(222)
Profit (loss) from joint ventures		903	367
Exchange gains and losses on operating receivables and payables		(147)	196
Other operating income and expenses		106	43
EBITDA		28,084	12,533
Amortization, depreciation and operating provisions	8.3 - 9.1	(3,794)	(3,909)
Operating profit (loss) before non recurring items		24,289	8,624
Other non-recurring operating income and expenses	7.1	(419)	(566)
Operating profit (loss)		23,870	8,059
Cost of gross financial debt		(1,185)	(1,152)
Financial income from cash investments		145	64
Cost of net financial debt	10.1.5	(1,040)	(1,088)
Exchange gains and losses on financial receivables and payables	10.2.2	(2,057)	17
Other financial income and expenses	10.2.2	(264)	(1,805)
Financial profit (loss)		(3,361)	(2,876)
Profit (loss) before tax		20,509	5,183
Corporate Income Tax	11.2	(3,622)	(485)
Net profit (loss) for the period		16,888	4,698
Net profit (loss) - Group share		16,849	4,634
Net profit (loss) - Non-controlling interests		39	64
Basic and diluted earnings per share in dirhams	12.3	202.74	54.04

Consolidated Statement of Comprehensive Income

(In millions of dirhams)	1st half-year 2022	1st half-year 2021
Net profit (loss) for the period	16,888	4,698
Actuarial gains or losses	(262)	(342)
Taxes	53	68
Items that will not be reclassified to profit or loss	(209)	(274)
Translation differences	200	(72)
Share of gains and losses recognized in equity for equity-accounted (CFH variation) *	(1,126)	4
Taxes	254	(1)
Items that may be reclassified to profit or loss	(672)	(69)
Income and expenses for the period, recognized directly in equity	(881)	(343)
Consolidated comprehensive income	16,006	4,355
<i>Including Group share</i>	15,967	4,291
<i>Including non-controlling interests' share</i>	39	64

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

Consolidated Statement of Financial Position

(In millions of dirhams)	Note	30 June 2022	31 December 2021
ASSETS			
Current assets			
Cash and cash equivalents	10.1.3.1	19,835	8,001
Cash financial assets		29	2,538
Inventories	4.2.4	26,988	14,804
Trade receivables	4.1.2.2	13,977	13,184
Other current assets	7.3	19,287	15,765
Total current assets		80,115	54,293
Non-current assets			
Non-current financial assets	10.2.1	805	708
Investments in equity-accounted companies	6.1	5,981	5,518
Deferred tax assets	11.4	14	156
Property, plant and equipment	8.1	121,464	116,938
Intangible assets	8.2	4,573	4,385
Total non-current assets		132,837	127,705
Total Assets		212,951	181,998

Consolidated financial statements

<i>(In millions of dirhams)</i>	<i>Note</i>	<i>30 June 2022</i>	<i>31 December 2021</i>
LIABILITIES			
Current liabilities			
Current loans and financial debts	10.1.2.1 -10.1.2.2	11,534	4,662
Current provisions	9.2	576	556
Trade payables	4.2.5	22,001	18,141
Other current liabilities	7.4	18,313	10,104
Total current liabilities		52,423	33,463
Non-current liabilities			
Non-current loans and financial debts	10.1.2.1 -10.1.2.2	53,565	50,954
Non-current provisions for employee benefits	9.2	6,064	5,964
Other non-current provisions	9.2	1,230	1,131
Deferred tax liabilities	7.4	537	1,633
Total non-current liabilities		61,396	59,681
Equity - Group share			
Issued capital	12.1	8,288	8,288
Paid-in capital		18,698	18,698
Consolidated reserves - Group share		49,731	42,888
Net profit (loss) - Group share		16,848	16,326
Equity - Group share		93,564	86,200
Non-controlling interests		5,568	2,654
Total equity		99,132	88,854
Total equity and liabilities		212,951	181,998

Consolidated Statement of Changes in Equity

<i>(En millions de dirhams)</i>	<i>Issued capital</i>	<i>Paid-in capital</i>	<i>actuarial gains or losses ⁽¹⁾</i>	<i>Subordinated debt ⁽²⁾</i>	<i>Other consolidated reserves</i>
Equity as at 31 December 2020	8,288	18,699	(3,483)	8,666	40,822
Allocation of profit (loss) for FY 2020					3,231
Consolidated comprehensive income for FY 2021			(274)		
Subordinated debt's coupons				(195)	
Dividends paid					(5,081)
Others					(75)
Equity as at 30 June 2021	8,288	18,699	(3,757)	8,471	38,896
Consolidated comprehensive income for 2nd half-year 2021			(169)		
Subordinated debt's coupons				(198)	
Change in scope					
Others					110
Equity as at 31 December 2021	8,288	18,699	(3,926)	8,272	39,005
Allocation of profit (loss) for FY 2021					16,326
Consolidated comprehensive income for 1st half-year 2022			(209)		
Subordinated debt's coupons				(194)	
Change in scope					
Dividends paid					(8,091)
Others					(318)
Equity as at 30 June 2022	8,288	18,699	(4,135)	8,079	46,922

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

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

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

<i>Translation difference</i>	<i>Assets at fair value through equity ⁽³⁾</i>	<i>Share of gains and losses recognized in equity for equity-accounted (CFH variation) ⁽⁴⁾</i>	<i>Net profit (loss)</i>	<i>Total equity - Group share</i>	<i>Non-controlling interests ⁽⁵⁾</i>	<i>Total equity</i>
(402)	(521)	848	3,231	76,143	1,447	77,590
			(3,231)			
(72)		3	4,634	4,291	64	4,355
				(195)		(195)
				(5,081)	(173)	(5,254)
				(75)	(0)	(75)
(473)	(521)	849	4,634	75,084	1,338	76,423
47		(365)	11,692	11,206	(54)	11,151
				(198)		(198)
					1,372	1,372
				110	(1)	108
(426)	(521)	484	16,326	86,200	2,654	88,856
			(16,326)			
200		(872)	16,849	15,967	39	16,006
				(194)		(194)
					3,019	3,019
				(8,091)	(170)	(8,261)
				(318)	26	(292)
(226)	(521)	(388)	16,849	93,564	5,568	99,132

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

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

Consolidated Statement of Cash Flows

<i>(In millions of dirhams)</i>	Note	1 st half-year 2022	1 st half-year 2021	FY 2021
EBITDA		28,084	12,533	36,269
Subsidies and donations		(450)	(430)	(997)
Other non-current expenses and income	7.1	52	(7)	(16)
Other non-current charges from previous periods		215	13	(65)
Results of joint ventures		(903)	(367)	(1,185)
Other movements		(623)	(1,952)	(2,274)
Funds from operations		26,375	9,791	31,732
Impact of the change in WRC:		(12,100)	4,503	2,091
<i>Inventories</i>		(11,843)	(323)	(1,206)
<i>Trade receivables</i>		(725)	(513)	(4,476)
<i>Trade payables</i>		2,683	926	1,894
<i>Other current assets and liabilities</i>		(2,214)	4,412	5,880
Taxes paid		(3,130)	(634)	(1,656)
Total net cash flows related to operating activities		11,145	13,660	32,167
Acquisitions of PP&E and intangible assets		(7,850)	(4,301)	(13,135)
Disposals of PP&E and intangible assets		91	(40)	156
Net financial investments		2,520	(3,344)	(2,663)
Impact of changes in scope		(8)	(24)	(54)
Acquisitions of financial assets		(88)	(10)	(69)
Disposal of financial assets		3,020		
Dividends received		367	96	106
Total net cash flows related to investing activities		(1,948)	(7,623)	(15,658)
Loan issue	10.1.2.4	6,045	16,262	17,500
Loan repayment		(1,676)	(11,874)	(22,980)
TSDI coupon's		(194)	(195)	(393)
Net financial interest payments		(1,255)	(1,143)	(3,815)
Dividends paid	12.2	(2,353)	(2,353)	(5,081)
Total net cash flows related to financing activities		567	697	(14,941)
Impact of changes in exchange rates on cash and cash equivalents		74	2	10
Net increase/(decrease) in cash and cash equivalents		9,839	6,736	1,577
Opening cash and cash equivalents	10.1.3.1	8,003	6,425	6,425
Closing cash and cash equivalents	10.1.3.1	17,842	13,161	8,003
Change in net cash		9,839	6,736	1,577

Note 1 - Accounting rules and methods

1.1. BASES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

OCP Group's 1st half-year consolidated financial statements ended June 30, 2022 include a set of condensed financial statements prepared and presented in accordance with the disposals of IAS 34 «Interim Financial Reporting». These financial statements should be read in conjunction with the IFRS consolidated financial statements as at December 31, 2021.

They are presented with a comparison at December 31, 2021 and June 30, 2021.

The accounting principles and methods used to prepare OCP Group's 1st half year consolidated financial statements ended June 30, 2022 are identical to those used for the preparation of the consolidated financial statements for the year ended December 31, 2021. These financial statements are prepared in accordance with the accounting standards IFRS as adopted in the European Union.

1.2. STANDARDS AND INTERPRETATIONS APPLIED AT JANUARY 1ST, 2022

There were no standards and interpretations that were to apply from January 1st, 2022.

Note 2 - Consolidation scope

2.1. CONSOLIDATION SCOPE

Entity	Country of location	Currency	30 June 2022		31 December 2021	
			Consolidation method	% Interest	Consolidation method	% Interest
Industrial						
OCP SA - Holding	Morocco	MAD	Parent company	100.00	Mère (Full)	100.00
Euro Maroc Phosphore- EMA	Morocco	MAD	Equity method	33.33	Equity method	33.33
Fertinagro Biotech	Spain	EUR	Equity method	20.00	Equity method	20.00
Groupe PRAYON	Belgium	EUR	Equity method	50.00	Equity method	50.00
Indo Maroc Phosphore - IMA	Morocco	MAD	Equity method	33.33	Equity method	33.33
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	50.00	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
Pakistan Maroc Phosphore - PMP	Morocco	MAD	Equity method	50.00	Equity method	50.00
Paradeep Phosphates Ltd. - PPL	India	INR	Equity method	28.05	Equity method	50.00
Phosboucrââ	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
Compagnie Marocaine de Transport et d'Affrètements Maritimes - COMATAM*	Morocco	MAD	Full	100.00		
Dupont OCP Operations Consulting - DOOC	Morocco	MAD	Full	100.00	Full	100.00
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	Full	100.00
Moroccan Hospitality Company SA - MHC	Morocco	MAD	Full	75.61	Full	61.50
OCP Hospitality	Morocco	MAD	Full	100.00	Full	100.00
OCP Innovation Fund For Agriculture - OIFFA	Netherlands	USD	Full	100.00	Full	100.00
OCP International	France	EUR	Full	100.00	Full	100.00
OCP International SAS	Morocco	MAD	Full	100.00	Full	100.00
OCP Solutions	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 de Transports Régionaux - SOTREG	Morocco	MAD	Full	100.00	Full	100.00
Société Foncière de la Lagune - SFL	Morocco	MAD	Equity method	30.80	Equity method	30.80
Société La Mamounia - SLM	Morocco	MAD	Full	32.00	Full	32.00
Société Palais Jamaï - SPJ	Morocco	MAD	Full	61.50	Full	61.50
TEAL Technology & Services - TTS	Morocco	MAD	Equity method	49.00	Equity method	49.00
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
VALYANS*	Maroc	MAD	Equity method	22.00		

(*) New entities.

2.2. SCOPE CHANGE

The Group consolidation scope has undergone the following changes:

- Intergration at 100 % of COMATAM, Compagnie Marocaine de Transport et d'Affrètements Maritime. This subsidiary is active in the consignment of ships and/or shipping agencies, as well as chartering of all varieties and maritime and river transport operations.
- The acquisition by Université Mohamed VI Polytechnique- UM6P of a 22 % interest in the capital of the consulting firm Valyans Consulting S.A.
- The sale of 50 % stake in JFC 3 for MAD 3 billion. This entity remains controlled at 50 % by OCP S.A.
- In May 2022, PPL entity went public with a capital increase. Not having subscribed to this increase, OCP Group saw its participation reduced to 28.05 %. The result of this dilution amounts to MAD 26 million.

Note 3 - Segment reporting

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

- **Northern Axis (Khouribga – Jorf Lasfar):** this axis hosts the integrated phosphate chemical processing hub. Phosphate extracted at Khouribga is transported by slurry pipeline to Jorf Lasfar, where it is processed into phosphoric acid and fertilizer. The finished products are exported from the OCP port at Jorf Lasfar..
- **Central Axis (Youssoufia and Benguérir – Safi) and Phosboucrââ:** this axis hosts:
 - The integrated phosphate chemical processing hub. The phosphate extracted at Youssoufia and Benguérir is transported by rail to Safi, where it is processed into phosphoric acid and fertilizer. The finished products are exported from the Safi port;
 - Phosboucrââ's extraction site. The phosphate that is extracted there is transported by conveyer to the processing center at Laâyoune, then exported by sea from the Laâyoune port.
- **Head office and other activities:** it hosts the corporate activities and the activities of international entities.

3.1. INFORMATION BY OPERATING SEGMENT

(In millions of dirhams)	Northern Axis		Central Axis and Phosboucrââ		Head-office and Other activities		Intersegment eliminations		TOTAL	
	1 st half-year 2022	1 st half-year 2021	1 st half-year 2022	1 st half-year 2021	1 st half-year 2022	1 st half-year 2021	1 st half-year 2022	1 st half-year 2021	1 st half-year 2022	1 st half-year 2021
Revenue	46,961	25,683	11,813	6,742	4,469	2,805	(7,226)	(2,751)	56,018	32,479
Production held as inventory	4,104	(421)	(151)	88	4,623	635			8,577	302
Purchases consumed	(21,520)	(8,875)	(3,361)	(1,826)	(8,742)	(3,495)	7,004	2,592	(26,618)	(11,604)
External expenses	(2,681)	(2,491)	(1,239)	(991)	(1,072)	(988)	225	224	(4,767)	(4,246)
Personnel expenses	(2,691)	(2,231)	(1,626)	(1,385)	(1,454)	(1,171)		5	(5,771)	(4,781)
Taxes	(71)	(81)	(36)	(36)	(108)	(105)			(216)	(222)
Profit (loss) of associates and joint ventures accounted for using the equity method	309	263			594	104			903	367
Exchange gains and losses on operating receivables and payables	240	(10)	61		(460)	206	11		(148)	196
Other operating income and expenses	17				103	113	(14)	(70)	106	43
EBITDA	24,668	11,836	5,462	2,594	(2,046)	(1,895)			28,084	12,535
Amortization, depreciation and operating provisions	(2,580)	(2,701)	(437)	(553)	(775)	(654)			(3,795)	(3,908)
Current operating profit (loss)	22,089	9,135	5,025	2,042	(2,822)	(2,551)			24,289	8,626
Other non-current operating income and expenses	(109)	(116)	(108)	(113)	(203)	(337)			(419)	(566)
Operating profit (loss)	21,979	9,019	4,917	1,929	(3,025)	(2,889)			23,870	8,059

The Group's revenue amounted to MAD 56 billion, up 72.5 % compared to the first half of 2021. This is mainly supported by higher selling prices.

The revenue of the northern axis, which represents 84 % of the total revenue, reached MAD 47 billion, up 83 % compared to the first half year of 2021. This performance is driven by higher prices in all product categories.

Sales of the central axis also increased compared to the first half of 2021, mainly for phosphoric acid, the price of which has more than doubled compared to 2021. This increase is in line with the rise in raw materials prices, particularly sulfur, compared to the first half of 2021.

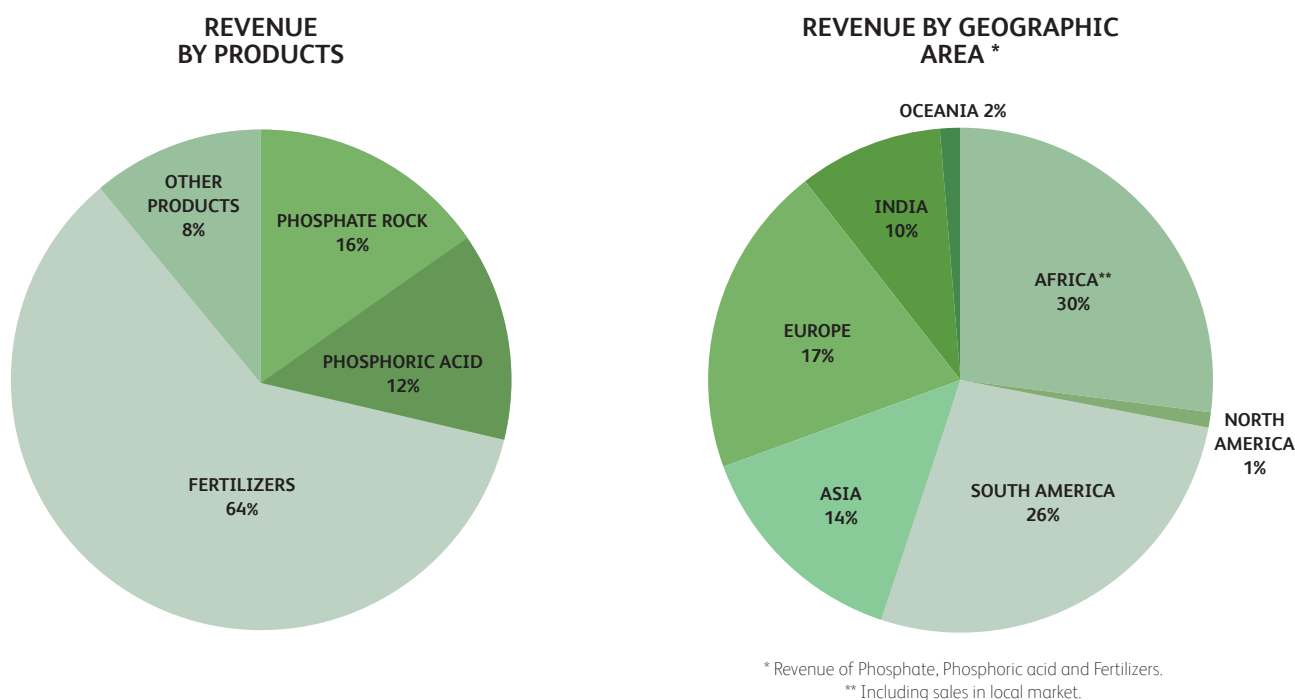
The Group's operating expenses increased by 79 % compared to the first half of 2021, i.e. an increase of MAD 16.5 billion, mainly observed in raw materials, which increased by MAD 13.9 billion.

The northern axis recorded a 97 % increase in its operating expenses, a variation of MAD 13.3 billion, observed in the raw materials purchases. The operating expenses of the central axis increased, by MAD 2 billion, in the purchase of raw materials as well.

The Group's EBITDA was up by MAD 15.6 billion, to MAD 28.1 billion in the first half of 2022, i.e. +124 % compared to 2021, driven by the increase in revenue and supported by the Group's operational efficiency.

3.2. REVENUE BY PRODUCT AND BY GEOGRAPHIC AREA

The breakdown of net consolidated sales by country and by product as at 30 June 2021 is detailed as follows:



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

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

Note 4 - Operational data

4.1. OPERATING REVENUE

4.1.1 REVENUE

4.1.1.1 ACCOUNTING TREATMENT OF REVENUE

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

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

4.1.1.2 INFORMATION BY PRODUCT FAMILY

(In millions of dirhams)	1 st half-year 2022	1 st half-year 2021
Phosphates	8,774	4,914
Phosphoric acid	6,701	4,984
Fertilizers	35,538	19,320
Other income	5,005	3,261
Revenue	56,018	32,479

(In millions of dirhams)	Phosphates		Phosphoric acid		Fertilizers	
	1 st half-year 2022	1 st half-year 2021	1 st half-year 2022	1 st half-year 2021	1 st half-year 2022	1 st half-year 2021
Main markets						
Local sales	3,229	1,303	1,364	637	318	263
Europe	2,103	1,392	3,115	2,186	3,827	3,607
North America					410	1,273
India	833	795	59	1,401	4,503	1,377
Africa		3			9,183	4,458
South America	1,594	708	1,321	761	10,794	6,707
Asia	552	590	843		6,097	1,475
Oceania	464	123			405	159
Total	8,774	4,914	6,701	4,984	35,538	19,320

(In millions of dirhams)	Phosphates		Phosphoric acid		Fertilizers	
	1 st half-year 2022	1 st half-year 2021	1 st half-year 2022	1 st half-year 2021	1 st half-year 2022	1 st half-year 2021
Break down by third parties						
Revenue	16,117	7,736	6,701	4,984	42,917	21,736
Outside the group	5,546	3,586	5,393	4,396	35,538	19,320
Joints ventures	3,228	1,329	1,308	589		
Intercompany sales	7,343	2,822			7,379	2,416
Eliminations	7,343	2,822			7,379	2,416
Total	8,774	4,914	6,701	4,984	35,538	19,320

First Half 2022 revenues was up 72.5 % compared to the first half of 2021.

Phosphate Rock sales increased by 78.5% during the first half of 2022 compared to the same period of 2021

Overall, the rise in prices offset the drop in export volumes.

Sales volumes were lower in most regions, like Europe, India, Asia and Latin America. This decrease is mainly explained by the new price trend and sanctions resulting from the conflict in Ukraine.

The decline in volumes was also recorded locally market compared to the first half of 2021. Mainly explained by the drop in quantities purchased by Pakistan Maroc Phosphore-PMP and Indo Maroc Phosphore-IMACID compared to the same period last year.

Phosphate Rock prices increased in the first half of 2022 from \$221/T FOB in the first half of 2022 compared to \$88/T FOB in the first half of 2021.

Sales of Phosphoric Acid increased by 34.4% between the first half of 2022 and the same period of 2021, or MAD +1.7 billion

This increase is explained by higher prices in correlation with the increase in input prices.

This increase offset the decline in volumes particularly in India, as Indian Acid prices for the second quarter of 2022 were not locked.

In addition, volumes sold locally increased in the second half of 2022 compared to 2021 following the increase in EMAPHOS's pre-treated acid supplies.

Fertilizer's sales increased by MAD 16.2 billion between the first two semesters of 2022 and 2021 (+83.9%)

This increase is explained by the sharp rise in fertilizer prices on the international market in line with higher input prices, in particular ammonia, sulfuric acid and sulfur. As a result, the average market price per ton was up from \$409/T in the first half of 2021 to \$872/T in the first half of 2022.

This price increase largely offset the decline in volumes observed, notably in Europe. Farmers in Europe had either to seek fertilizers with lower phosphate content or wait for lower prices. Then, in North America especially in Canada, lower demand was caused by the drought situation.

Similarly, sales in Latin America fell mainly because of rising fertilizer prices.

In addition, sales volumes increased in Asia, particularly in Bangladesh, due to the signing of a new contract.

Others products

«Other Products» category, is mainly comprised of «freight» activities and other ancillary products including the sale of liquid sulfur, urea, ammonium nitrate, potassium chloride, etc. This line amounts to MAD 5 billion in the first half of 2022 in comparison to MAD 3.3 billion recorded in the first half of 2021.

4.1.2 TRADE RECEIVABLES

4.1.2.1 ACCOUNTING TREATMENT OF TRADE RECEIVABLES

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

4.1.2.2 ANALYSIS OF TRADE RECEIVABLES

(In millions of dirhams)	30 June 2022	31 December 2021
Trade receivables invoiced	15,292	14,593
Provisions - trade receivables	(1,316)	(1,409)
Net trade receivables	13,977	13,184

Trade receivables increased by MAD 792 million between December 31, 2021 and June 30, 2022, i.e. + 6 %, in line with the high level of sales during this first half of 2022.

4.1.3 MANAGEMENT OF EXCHANGE RISK AND CREDIT RISKS

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.

FOREIGN EXCHANGE RISK ON FINANCING FLOWS

Setting up foreign exchange hedge accounting:

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

With revenue of MAD 56 billion in the first half of 2022, the assumptions validating the effectiveness of the hedging relationship remain fully maintained and this hedging documentation also remains valid. According to the strategy initially described, OCP expects the hedge to be highly effective over the lifespan of the operation. The effectiveness of the hedge must be regularly tested throughout its duration and be within a range of 80 % to 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.

CREDIT RISKS

The credit risk stems in particular from the client risk in the event that the customers are unable to fulfill their commitments under the agreed conditions, bank and political risk.

OCP Group is present in more than fifty countries in the world. Its revenue is mainly generated by export sales.

OCP Group counts among its clients large international groups that have been in business relations with the Group for several years.

Credit risk management is based on the following elements:

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

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

4.2. PURCHASES CONSUMED AND EXTERNAL CHARGES

4.2.1 ACCOUNTING TREATMENT OF OPERATING CHARGES

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

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

4.2.2 ANALYSIS OF PURCHASES CONSUMED AND EXTERNAL CHARGES

Purchases consumed:

<i>(In millions of dirhams)</i>	<i>1st half-year 2022</i>	<i>1st half-year 2021</i>
Purchases of materials and supplies	(1,399)	(598)
Purchases of raw materials	(21,753)	(7,873)
<i>Sulfur</i>	<i>(9,929)</i>	<i>(4,074)</i>
<i>Ammonia</i>	<i>(8,831)</i>	<i>(2,604)</i>
<i>Sulfuric acid</i>	<i>(2,201)</i>	<i>(713)</i>
<i>KCL</i>	<i>(578)</i>	<i>(302)</i>
<i>Other raw materials</i>	<i>(213)</i>	<i>(181)</i>
Auxiliary materials	(356)	(382)
Energy consumption	(1,467)	(1,262)
<i>Electrical energy</i>	<i>(614)</i>	<i>(616)</i>
<i>Fuel</i>	<i>(490)</i>	<i>(420)</i>
<i>Diesel fuel</i>	<i>(295)</i>	<i>(173)</i>
<i>Others</i>	<i>(68)</i>	<i>(53)</i>
Spare parts	(345)	(351)
Purchase of works, studies and services	(784)	(878)
Water supply	(76)	(83)
Other consumed purchases	(437)	(178)
Purchased consumables of materials and supplies	(26,618)	(11,604)

Purchases of raw materials show an increase of MAD 13.9 billion between the first half of 2022 and that of 2021. This variation is mainly due to the increase in consumed purchases of sulfur, ammonia and sulfuric acid.

Sulfur purchases increased by MAD 5.9 billion following an increase in prices per ton during 2022 (\$ 324 / T CFR during the first half of 2022 compared to \$ 131 / T CFR during the first half of 2021 due to an increase in demand compared to international supply heightened by the global conditions (Ukrainian crisis).

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As for the sulfur consumption volumes, they fell in line with the decline in the production of sulfuric acid.

Ammonia consumption also showed an increase of MAD 6.2 billion, which is also explained by higher per ton prices, which went from \$329/T CFR during the first half of 2021 to \$1,105/T during the first half of 2022, following the same uptrend due to strong international demand and the Ukraine-Russia conflict. The volumes consumed are down, following the drop in fertilizer production.

Sulfuric acid consumption also recorded an increase of MAD 1.5 billion, which is explained by an increase in the price per ton, which rose from \$ 77/T CFR during the first half of 2021 to \$ 226/T during the first half of 2022 in line with the rise in the price of sulfur on the international market.

Energy consumption amounts to MAD 1.5 billion during the first half of 2022, up 16% compared to the first half of 2021. This increase is mainly due to the rise in prices of diesel and fuel for an impact of MAD 193 million.

External expenses:

<i>(In millions of dirhams)</i>	<i>1st half-year 2022</i>	<i>1st half-year 2021</i>
Transport ONCF on sales	(307)	(439)
Shipping on sales- Freight	(2,017)	(1,831)
Other operating transport	(436)	(439)
Consulting and fees	(209)	(219)
Contributions and donations	(346)	(204)
Maintenance and repairs	(666)	(475)
Leases and lease charges	(115)	(80)
Travel and entertainment expenses	(53)	(24)
Insurance premiums	(171)	(149)
Advertising, publications and public relations	(67)	(43)
Postal and telecommunications expenses	(89)	(76)
Studies, analysis, research and documentation	(56)	(69)
Remuneration of personnel outside the company	(102)	(76)
Other external expenses	(132)	(123)
External expenses	(4,767)	(4,246)

External expenses during the first half of 2022 reached MAD 4.8 billion, up 12% compared to the first half of 2021. This increase is mainly highlighted in the maintenance and repair expenses item following the extension of the scope of maintenance work through the integration of new lines and storage and shredding units.

Shipping on sales-freight also recorded an increase amounting to MAD187 million between the first half of 2022 compared to the same period of 2021. This is explained by the increase in fuel prices in proportion to the increase in the price of oil in the international market. This increase in freight charges was slightly mitigated by lower CFR volumes.

4.2.3 RISKS RELATED TO RAW MATERIALS

Sulfur Supply

During the first half year of 2022, the sulfur market experienced a drop in supply, particularly in the Middle East due to scheduled maintenance, as well as uncertainty related to the availability of Russian and Kazakh volumes, in particular due to the instability in the Black Sea region and Russian sanctions. This same Ukrainian crisis pushed the use rate of refineries at its maximum at the end of the half-year in the other regions of the world (United States and Asia for example).

In this context, OCP Group ensured the necessary volumes for production during the first six months of the year, while making maximum use of its strategic inventories. Therefore, inventories decreased gradually throughout this first half of 2022.

Ammonia supply

The ammonia market was very tight due to the halt in Russian and Ukrainian exports, which deprived the World trade of more than 15% of the offer. In addition, sanctions against Russia and geopolitical tensions with Europe caused the sharp rise of the gas price, and remain very volatile during the first half of the year, thus contributing to production costs in Europe reaching more of 2000\$/T of ammonia per moment. In addition, this first half of 2022 saw the launch of ammonia projects in Saudi Arabia and Oman, which relieved a little the market.

However, having diversified its ammonia import sources over the last few years, the OCP Group has managed to ensure the supply of the necessary volumes from different sources (Egypt, Libya, Argentina, Middle East, Indonesia, etc.).

4.2.4 INVENTORIES

(In millions of dirhams)	30 June 2022			31 December 2021		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Consumables	10,524	(1,594)	8,930	6,825	(1,557)	5,268
Work in progress	7,089	(346)	6,743	6,148	(373)	5,775
Finished products	11,587	(272)	11,315	3,902	(140)	3,762
Total Inventories	29,200	(2,212)	26,988	16,874	(2,070)	14,804

Inventories of consumables and supplies consists mainly of non-strategic spare parts for installations. The lifespan 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 June 2022 amounted to MAD 27.0 billion, up 82% compared to the end of December 2021, mainly due to the rise in inventories of finished products, mainly in the fertilizer segment. This increase is explained by the increase in production costs following the rise in the price of raw materials.

4.2.5 TRADE PAYABLES

(In millions of dirhams)	30 June 2022	31 December 2021
Trade payables	9,622	6,894
Debt to acquire fixed assets	12,378	11,247
Trade payables	22,001	18,141

Trade payables correspond to trade payables and payables on fixed asset acquisitions. This item recorded an increase of 21.3% at the end of June 2022 compared to the end of December 2021, explained by the resumption of the industrial program as well as the resumption of supplies of raw materials following the gradual drop in international prices observed just at the end of the semester.

Note 5 - Expenses and employee benefits

5.1. PERSONNEL EXPENSES

<i>(In millions of dirhams)</i>	1 st half-year 2022	1 st half-year 2021
Employee remuneration and related social charges	(4,745)	(3,822)
Retirement benefits and other employee benefits	(1,026)	(958)
Other expenses	(1)	(0)
Personnel expenses	(5,771)	(4,781)

In the first half of 2022, personnel expenses were up by MAD 990 million compared to the first half of 2021. This variation is mainly due to the increase in the elements of the payroll correlated to the Group's performance.

5.2. POST-EMPLOYMENT BENEFIT AND OTHER BENEFITS

5.2.1 MAIN ACTUARIAL ASSUMPTIONS USED

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

The main assumptions used are as follows:

	30 June 2022	31 December 2021
Discount rate		
Pension supplement	3.41 %	3.30 %
Medical plans	3.31 %	3.30 %
Expected salary increase rate	5.10%	5.10%
Rate of increase in medical costs	2.00%	2.00%

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 January 1st, 2024 as the date of the changeover. The initial changeover was planned for the year 2023.

The Group reassessed the consumption curve and the medical inflation rate on the basis of the spending history for the period 2017-2019.

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

5.2.2 OBLIGATIONS RELATED TO SOCIAL LIABILITIES

(In millions of dirhams)	Post-employment benefits				Autres avantages à long terme	Total employee benefits
	Pension supplement	Medical plans	Fixed retirement allocation	Total post-employment benefits		
Net obligations recognized at 31 December 2021	615	4,255	989	5,858	103	5,964
Benefits paid	(10)	(340)	(14)	(364)	(1)	(365)
Service cost	1	31	36	69		69
Expenses related to discounting of obligations	10	70	16	96		96
Actuarial losses or (gains) for the period	5	287	(20)	262		262
Contributions		38		38		38
Other changes						
Net obligations recognized at 30 June 2022	611	4,341	1007	5,959	102	6,064

5.3. KEY MANAGEMENT COMPENSATION

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

(In millions of dirhams)	1 st half-year 2022	1 st half-year 2021
Short-term employee benefits	43	40
Post-employment benefits	10	9
Total management compensation	53	50

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:

<i>(In millions of dirhams)</i>	30 June 2022	31 December 2021
Paradeep Phosphates Limited - PPL	1,219	1,375
Groupe Prayon	1,842	1,386
Pakistan Maroc Phosphore - PMP	936	1,064
Euro Maroc Phosphore - EMA	447	316
Indo Maroc Phosphore - IMA	635	695
Fertinagro Biotech*	540	387
Société d'Aménagement et de Développement de Mazagan - SAEDM	285	287
Société Foncière de la Lagune - SFL *	47	47
Teal Technology Services - TTS*	16	14
VALYANS*	50	
Others	(37)	(53)
Total profit (loss) of joint-ventures	5,981	5,518

* Fertinagro, SAEDM, SFL, TTS and Valyans being associated companies.

The market value of the Group's share in PPL stands at MAD 1.16 billion. However, OCP Group has decided not to depreciate the difference between the market value and the book value taking into account to the existence of growth prospects which arise from the operating of the new production unit acquired in Goa.

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

<i>(In millions of dirhams)</i>	1 st half year 2022	1 st half year 2021
Paradeep Phosphates Limited - PPL	84	36
Groupe Prayon	393	61
Pakistan Maroc Phosphore - PMP	122	118
Euro Maroc Phosphore - EMA	131	21
Indo Maroc Phosphore - IMA	57	124
Fertinagro Biotech	98	25
Société d'Aménagement et de Développement de Mazagan - SAEDM	(1)	(1)
Maghreb Hospitality Company - MHC		(30)
Teal Technology Services - TTS	3	2
Others	16	11
Total profit (loss) of joint-ventures	903	367

6.2. BALANCE SHEETS 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	TTS	SFL	FERTINAGRO	VALYANS	Others
ASSETS											
Current assets											
Cash and cash equivalents	(166)	113	224	50	264	32	65	4	1,294	13	787
Cash financial assets		5									
Inventories	(115)	405	328	409	2,414	1,300		4	1,326		
Trade receivables	2,305	647	746	2,217	3,514		40	1	1,631	71	2,813
Current tax receivables			89	114	105		4				20
Other current assets	(26)	372	1,094	1,253	1,151	145	24	112	132	4	799
Total current assets	1,998	1,542	2,480	4,043	7,448	1,476	133	121	4,383	88	4,418
Non-current assets											
Non-current financial assets	4				4				160	1	6
Investments in equity-accounted companies	233										
Equity securities						1				1	135
Deferred tax assets	126										
Property, plant and equipment	464	335	516	517	4,403	3	2	446	1,018		88
Intangible assets	(78)	293	19	22	100	4		14	177		36
Total non-current assets	749	628	535	539	4,507	7	2	460	1,355	2	266
TOTAL ASSETS	2,747	2,170	3,015	4,582	11,955	1,483	135	581	5,738	90	4,684

(In millions of dirhams)	PRAYON	EMAPHOS	IMACID	PMP	PPL	SAEDM	TTS	SFL	FERTINAGRO	VALYANS	Others
LIABILITIES											
Current liabilities											
Current loans and financial debts	(664)	2			3,410						17
Current provisions	13		2		119	4					35
Trade payables	(72)	690	807	2,088	2,147	122	47	22		15	945
Current tax liabilities		82		82	111		1				56
Other current liabilities	(13)	(120)	214	504	365	164	53	387	3,026	37	2,354
Total current liabilities	(736)	655	1,023	2,673	6,151	290	102	409	3,026	69	3,391
Non-current liabilities											
Non-current loans and financial debts	195	156	6	8	1,270	633		277			10
Non-current provisions for employee benefits	145										
Other non-current provisions	(729)				28						
Deferred tax liabilities	203				158						
Other non-current liabilities	(4)								10		
Total non-current liabilities	(188)	156	6	8	1,456	633		277	10	10	
Equity -Group share	526	347	620	800	1,051	608	15	220	644	36	51
Paid-in capital		110								84	
Reserves	71	506	287	846	3,166	(1)	1		1,567	(15)	8
Retained earnings	2,287		907			(46)	12	(273)		(93)	1,153
Net profit (loss)-Group share	787	397	172	254	131	(2)	5	(52)	489		81
Total equity	3,671	1,359	1,986	1,901	4,348	560	33	(105)	2,701	12	1,293
TOTAL EQUITY AND LIABILITIES	2,747	2,170	3,015	4,582	11,955	1,483	135	581	5,738	90	4,684

Notes to the Consolidated Financial Statements

Income statement

<i>(In millions of Dirhams)</i>	PRAYON	EMAPHOS	IMACID	PMP	PPL	SAEDM	TTS	SFL	FERTINAGRO	Autres
Revenue	7,622	1,977	2,501	2,914	5,561		124	11	3,941	2,071
Production held as inventory	138	54	145	97	(113)	5	(2)		142	
Purchases consumed	(5,134)	(1,422)	(2,174)	(2,446)	(4,353)	(8)	(79)	(10)	(2,532)	(1,287)
External expenses	(1,138)	(99)	(262)	(241)		(1)	(2)	(5)	(623)	(96)
Personnel expenses	(669)			(5)	(106)	(5)	(35)	(4)	(330)	(551)
Taxes		(1)	(2)	(1)	(10)					(4)
Exchange gains and losses on operating receivables and payables		19	74	63					94	10
Other operating income and expenses	7	(4)	11	26	(626)	8			(10)	6
EBITDA	826	524	292	407	353	(1)	6	(8)	682	148
Amortization, depreciation and operating provisions	(168)	(5)	(30)	(51)	(69)	(1)	(1)	(30)	(54)	6
Operating profit (loss) before exceptional items	659	519	262	356	284	(2)	5	(38)	629	155
Other non-current operating income and expenses	225	(7)	(35)	(27)					18	(14)
Operating profit (loss)	884	512	227	329	284	(2)	5	(38)	647	141
Cost of net financial debt	(27)	(3)	6	6		(16)		(14)	(13)	2
Exchange gains and losses on financial receivables and payables										
Other financial income and expenses			(6)	2	(119)	16				
Financial profit (loss)	(27)	(4)		8	(119)			(14)	(13)	1
Profit (loss) before tax	857	508	227	336	165	(2)	5	(52)	634	143
Corporate Income Tax	(70)	(111)	(55)	(82)	(39)				(145)	(62)
Net profit (loss) for the period	787	397	172	254	126	(2)	5	(52)	489	81

Note 7 – Other operating items

7.1. ANALYSIS OF OTHER OPERATING ITEMS

<i>(In millions of dirhams)</i>	<i>1st half-year 2022</i>	<i>1st half-year 2021</i>
Gains and losses on other assets	16	13
Subsidies granted	(167)	(244)
Donations and gifts	(198)	(186)
Others	(70)	(149)
Other non-current operating income and expenses	(419)	(566)

Other non-recurring operating income and expenses show a result of MAD -419 million during the first half of 2022, up by MAD 147 million compared to the first half of 2021. This improvement is explained specially by the recognition in 2021 of a tax audit charge of MAD 66 million.

7.2. OTHER CURRENT ASSETS

<i>(In millions of dirhams)</i>	<i>30 June 2022</i>			<i>31 December 2021</i>		
	<i>Gross</i>	<i>Depreciation</i>	<i>Net</i>	<i>Gross</i>	<i>Depreciation</i>	<i>Net</i>
Receivables from suppliers, advances and payments on account	9,590		9,590	8,559		8,559
Personnel	64	(1)	63	65	(1)	64
Social organizations	371	(33)	338	373	(33)	340
State (excluding corporate income tax)	5,866		5,866	4,786		4,786
Tax receivables	1,563		1,563	1,311		1,311
Other receivables	1,903	(38)	1,865	740	(36)	704
Total other current assets	19,357	(71)	19,286	15,835	(70)	15,765

“State excluding corporation tax” mainly includes recoverable VAT, VAT credit, tax on mining and other taxes and duties. The increase recorded on this item relates to an increase of MAD 1.1 billion in the VAT credit.

The “other receivables” item mainly includes prepaid expenses relating to social cohesion, donations and insurance expenses paid during the first half of 2022.

7.3. OTHER CURRENT LIABILITIES

<i>(In millions of dirhams)</i>	<i>30 June 2022</i>	<i>31 December 2021</i>
Trade receivable credit balances, advances and payments on account	2,337	2,021
State - TVA	736	1,200
Social payables	2,308	1,884
Tax liabilities	4,215	2,879
Other creditors	8,717	2,121
Total other current liabilities	18,313	10,104

Other current liabilities increased by MAD 8.2 billion between December 31, 2021 and June 30, 2022. Mainly recorded on the other creditors item, this increase is mainly due to the recognition of dividends to be paid for MAD 5.9 billion at the end of June 2022 for the previous financial year.

Note 8 – Property, plant & equipment and intangible assets

8.1. PROPERTY, PLANT & EQUIPMENT

(In millions of dirhams)	31 December 2021	Aquisitions	Dotations	Reductions / Reversals	Reclassification	Translation difference	Other changes	30 June 2022
Gross amount:								
Land	7,569	106		(2)	332			8,005
Buildings	59,842	23		(4)	2,064	1		61,926
Technical installations, equipment and tools	103,005	83		(66)	1,191	1		104,215
Transport equipment	887	7		(1)	5			897
Furniture, office equipment and various fittings	4,025	57		(7)	37	6		4,118
Right of use of other tangible assets	4,405	49			27	5		4,485
Other property, plant and equipment	16,249	7,462		(31)	(3,271)	1		20,410
Total gross amount	195,982	7,787		(110)	383	14		204,057
Depreciations:								
Land	(1,176)		(11)	1				(1,186)
Buildings	(15,891)		(726)	3	(10)			(16,636)
Technical installations, equipment and tools	(55,032)		(2,336)	61	(21)			(57,328)
Transport equipment	(852)		(19)	1	(1)			(871)
Furniture, office equipment and various fittings	(1,917)		(156)	7	(2)	(2)		(2,071)
Right of use of other tangible assets	(2,282)		(173)		11			(2,444)
Other property, plant and equipment	(1,759)		(205)		31			(1,933)
Impairment losses								
Land	(133)			11				(123)
Buildings	(2)							(2)
Total depreciation and impairment losses	(79,045)		(3,626)	84	8	(2)		(82,593)
Net carrying amount	116,938	7,787	(3,626)	(26)	391	12		121,464

(In millions of dirhams)	31 December 2020	Aquisitions	Dotations	Reductions / Reversals	Reclassification	Translation difference	Other changes	31 December 2021
Gross amount:								
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
Total gross amount	180,362	13,346		(521)	(199)	(7)	3,033	195,982
Depreciations:								
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)
Impairment losses								
Land	(141)			7				(133)
Buildings	(3)							(2)
Total depreciation and impairment losses	(70,869)		(7,409)	576	(11)	2	(1,339)	(79,045)
Net carrying amount	109,493	13,346	(7,409)	55	(210)	(5)	1,693	116,938

The main increases during the first half of 2022 are related to the mining and chemical activities. They relate to the following projects:

Green energy:

- Progress of studies and achievements of the desalination project in Jorf Lasfar.
- Good start of the project «Energie» in Khouribga and Benguéir sites. The project plans to provide a total capacity of 202 MW through the installation of solar parks in the two sites.
- Acquisition of modular desalination units in Jorf Lasfar and Safi as well as in the bordering urban areas. These units will generate a total capacity of 85 Mm³/year.

Capacity increase :

- Construction achievement of wastewater treatment plants and the reuse of treated water in Fquih Bensaleh, Kasba Tadla, Safi and in the extension of Khouribga.
- Satisfactory progress of construction works on the Sulfuric line as part of the MPH “M’zinda Phosphate Hub” program.
- Progress in the MAP Cristallin unit project.
- Overall good progress of the acid decadmiation project.
- Very good progress of the “3 million tonnes of fertilizer” program, in particular through its main components such as:
 - Progress of construction works of the sulfuric line. This line will generate a capacity of 5000 wet metric tons per day.
 - Construction works of the power plant with a capacity of 65 MW.
 - Progress of the various associated infrastructure projects relating mainly to storage warehouse, fertilizer conveyors, etc.
- Progress of construction works of the new laundry in Laâyoune.
- Progress of achievements in the development of Laâyoune chemical complex, in particular through the launch of initial studies, as well as the construction of the power plant and the sulfuric line.

Logistics:

- Progress of construction of the new phosphate port in Laâyoune.

Notes to the Consolidated Financial Statements

8.2. INTANGIBLE ASSETS VARIATION

(In millions of dirhams)	31 December 2021	Aquisitions	Dotations	Reduction / reversals	Reclassifi-cation	Other variations	30 June 2022
Gross amount:							
Goodwill	1,886						1,886
R&D assets	210				40		250
Patents, trademarks, rights and similar items	216	5					221
Licences and software	2,109	5			3		2,119
Commercial funds	239	2			(15)		226
Other intangible assets	1,198	352		(32)	(25)		1,493
Total gross amount	5,858	363		(32)	4		6,195
Amortization:							
Amortization of R&D assets	(187)		(21)				(208)
Amortization of patents, trademarks, rights and similar items	(125)		(12)		1		(136)
Amortization of licences and software	(338)		(5)		(1)		(345)
Amortizaion of other intangible assets	(823)		(142)	32			(932)
Total amortization and impairment losses	(1,473)		(180)	32			(1,621)
Net carrying amount	4,385	363	(180)		3		4,573

(In millions of dirhams)	31 December 2019	Aquisitions	Dotations	Reduction / reversals	Reclassifi-cation	Other variations	30 June 2020
Gross amount:							
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
Total gross amount	3,197	455		(102)	91	2,218	5,858
Amortization:							
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)
Amortizaion of other intangible assets	(274)		(531)	59	9	(86)	(823)
Total amortization and impairment losses	(723)		(696)	59		(114)	(1,473)
Net carrying amount	2,474	455	(696)	(43)	91	2,104	4,385

8.3. NET DEPRECIATION AND AMORTIZATION

(In millions of dirhams)	1 st half-year 2022	1 st half-year 2021
Net depreciation and amortization	(3,814)	(3,726)

Net depreciation and amortization recorded during the first half of 2022 an increase of MAD 87 million, compared to the first half of 2021 in correlation with the increase in investments brought into operational use.

Note 9 – Provisions and contingent liabilities

9.1. NET PROVISIONS

(In millions of dirhams)	1 st half-year 2022	1 st half-year 2021
Net provisions	19	(183)

Net provisions amounted to MAD 19 million during the first half of 2022, down by MAD 202 million compared to the first half of 2021. This drop is explained by the reversal of the provision for the Heringer receivable at OCP Fertilizantes for MAD 149 million following its recovery, as well as the recovery of the provision for the dumped inventory for MAD 32 million in correlation with the disposal carried out in 2022.

9.2. PROVISIONS FOR LIABILITIES AND CHARGES

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

(In millions of dirhams)	31 December 2021	Dotations	Reversals Used	Reversals Unused	Other changes	30 June 2022
Non-current provisions	7,095	65	(2)		137	7,294
Provisions for employee benefits	5,964	3			97	6,064
Provisions for site rehabilitation	474					474
Other non-current provisions	656	62	(2)		39	755
Current provisions	556	53	(31)		(3)	576
Other current provisions	556	53	(31)		(3)	576
Total provisions	7,651	118	(33)		134	7,870

Assessment of provisions for employee benefits

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

Assessment of provisions for site rehabilitation

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

9.3. CONTINGENT LIABILITIES

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

9.4. COMMITMENT GIVEN

(In millions of dirhams)	30 June 2022	31 December 2021
Letters of credit	2,809	1,176
Miscellaneous rights and commitments	1,484	836
Total Commitments given	4,293	2,012

The commitments given correspond to customs guarantees and those from customers, import letters of credit, as well as the various rights and commitments given, recorded and not proven. An increase of MAD 2.3 billion was recorded between the end of December 2021 and the end of June 2022. This variation is mainly due to an increase in signature commitments with OCP SA banks for an amount of MAD 1.5 billion, partially offset by the decrease in bank guarantees given (MAD -648 million), as well as an increase in guarantees given by the FOCP to partners in the context of national and international projects.

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

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

10.1.1 DEFINITIONS AND ACCOUNTING TREATMENT

Financial liabilities

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

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

Cash and cash equivalents

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

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

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

Cash management financial assets

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

Net debt

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

Cost of net financial debt

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

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

10.1.2 ANALYSIS OF FINANCIAL DEBTS

10.1.2.1 BREAKDOWN OF FINANCIAL DEBTS BY TYPE

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

(In millions of dirhams)	30 June 2022	31 December 2021
Current financial debts		
Long-term bank loans, portion due in less than one year	6,352	2,416
Finance leases, portion due in less than one year	236	237
Accrued interest not yet due	413	434
Bank overdrafts	1,993	
Other credits	2,540	1,575
Total current financial debts	11,534	4,662
Non-current financial debts		
Long-term bank loans, portion due in more than one year	12,811	14,971
Bond issue	33,915	30,997
Finance leases, portion due in more than one year	1,461	1,507
Others credits	5,377	3,478
Total non-current financial debts	53,564	50,954
Total financial debts	65,098	55,616

10.1.2.2 ANALYSIS OF FINANCIAL DEBTS: RATES AND MATURITIES

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

(In millions of dirhams)	Interest rate	Weighted average interest rate	Weighted average residual maturity	30 June 2022
Long-term bank loans, portion due in less than one year				6,352
Denominated in USD	[2.94 % - 3.91 %]	3.59 %		722
Denominated in MAD	[3.00 % - 3.50 %]	3.37 %		5,317
Denominated in EUR	[0.63 % - 2.84 %]	1.09 %		313
Finance lease debts				
Denominated in MAD	[3.50 % - 3.80 %]	3.74 %		236
Accrued interest not yet due				413
Bank overdrafts				1,993
Other credits				2,540
Total current financial debts				11,534
Long-term bank loans, portion due in more than one year				12,811
Denominated in EUR	[0.63 % - 2.84 %]	1.87 %	8	5,013
Denominated in MAD	[3.00 % - 3.50 %]	3.24 %	5	6,133
Denominated in USD	[2.94 % - 3.91 %]	3.53 %	4	1,665
Finance lease debts				
Denominated in MAD	3.80 %	3.80 %	3	1,461
Bond issue				33,915
Denominated in USD	[3.75 % - 6.88 %]	5.14 %	13	33,915
Other credits				5,377
Total non-current financial debts				53,564
Total financial debts				65,098

Notes to the Consolidated Financial Statements

10.1.2.3 FINANCIAL DEBT MATURITIES

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

<i>(in millions of dirhams)</i>	<1 yr	1-5 yrs	> 5 yrs	Total at 30 June 2022
Bank loans	6,352	10,955	1,856	19,162
Bond issue		13,074	20,841	33,915
Finance lease debts	236	353	1,108	1,697
Other credits	4,947	2,396	2,982	10,323
Total financial debts	11,534	26,779	26,786	65,098

10.1.2.4 THE GROUP'S MAIN FINANCING AGREEMENTS

Below is a description of the Group's main financing contracts as of June 30, 2022:

- During the first half of 2022, OCP Group signed a medium and long-term financing agreement with international financial institutions for a total amount of 503.6 million euros.

10.1.3 ANALYSIS OF FINANCIAL ASSETS

10.1.3.1 CASH AND CASH EQUIVALENT

<i>(In millions of dirhams)</i>	30 June 2022	31 December 2021
Cash	12,817	3,925
Cash equivalents	7,018	4,076
Total cash and cash equivalents	19,835	8,001
Bank (credit balances)	1,993	(2)
Cash and cash equivalents in the consolidated statement of Cash Flows	17,842	8,003

10.1.3.2 MATURITIES AND FAIR VALUE OF FINANCIAL CASH ASSETS

Financial cash assets maturities

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

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

<i>(In millions of dirhams)</i>	0-1 month	1-6 months	6-12 months	>1 year	Total
Money market funds	3,378				3,378
Term deposit	1,000	2,518	151		3,669
Total	4,378	2,518	151		7,047

10.1.4 ANALYSIS OF NET DEBT

<i>(In millions of dirhams)</i>	30 June 2022	31 December 2021
Financial credits	19,558	18,374
Bonds	33,915	30,997
Other loans and assimilated debts	7,935	4,502
Bank overdrafts	1,993	(2)
Gross financial and bond debt	63,401	53,871
Financial debts from IFRS 16 leases	1,697	1,744
Other Financial debts	1,697	1,744
Cash equivalents	7,018	4,076
Cash	12,817	3,925
Financial assets for cash management	29	2,538
Financial assets	19,864	10,540
Net financial and bond debt	43,538	43,332
Total gross financial debt	65,098	55,616
Total net financial debt	45,235	45,076

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

<i>(In millions of dirhams)</i>	30 June 2022	31 December 2021
Net change in cash	(9,839)	(1,577)
Change in marketable securities	2,510	(2,532)
Insurance/ repayment of loans	9,483	(3,144)
Other variations	(1,995)	4
Change in net financial debt	158	(7,248)

10.1.5 COST OF NET DEBT

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

<i>(In millions of dirhams)</i>	1 st half-year 2022	1 st half-year 2021
Interest expenses	(1,185)	(1,152)
Cost of gross financial debt	(1,185)	(1,152)
Financial income from cash investments	35	38
Other financial income	110	27
Financial income from cash investments	145	64
Cost of net financial debt	(1,040)	(1,088)

The gross financial debt cost shows a slight increase of MAD 33 million between the first half of 2022 and that of 2021. This increase is explained by the rise in interest charges following the issuances carried out in the second half of 2021 and the first half of 2022.

10.2. OTHER FINANCIAL ASSETS

10.2.1 NON-CURRENT FINANCIAL ASSETS

(In millions of dirhams)	30 June 2022			31 December 2021		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Financial assets at fair value by OCI	840	(580)	260	726	(579)	147
Financial assets measured at fair value through profit or loss	22		22	22		22
Receivables from fixed asset disposals	82	(5)	78	77	(5)	72
Other financial receivables	445	(1)	445	466	(1)	466
Total non-current financial assets	1,390	(585)	805	1,292	(584)	708

Financial assets revalued at fair value through equity correspond to non-consolidated securities held by OCP.SA and its subsidiaries, notably OCP International. This item recorded an increase of MAD 113 million mainly relating to the capital increase of UM6P Ventures, a subsidiary of UM6P.

The revaluation mainly concerns the depreciation of Heringer shares following its financial difficulties.

10.2.2 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses are as follows:

(In millions of dirhams)	1 st half-year 2022	1 st half-year 2021
Exchange income from financing operations	(2,057)	17
Net discount of VAT credit	(238)	(1,768)
Others	(33)	(38)
Other financial income and expenses	(2,322)	(1,788)

The exchange income from financing operations increased by MAD 2.1 billion compared to the first half of 2021. This is explained by the impact of the variation in exchange rates on loans and financial debts denominated in foreign currencies.

In addition, the net financial expense of MAD 238 million corresponds to:

- The recognition during the first half of 2022 of an additional net allocation of MAD 48 million relating to the signing of VAT credit financing agreements without recourse-factoring operation, and
- The updating of the remaining VAT credit having generated a financial charge of MAD -199 million in June 2022.

10.2.3 COMMITMENTS RECEIVED

(In millions of dirhams)	30 June 2022	31 December 2021
Unused borrowings	11,695	10,631
Other commitments received for contracts	9,788	7,999
Total Commitments received	21,483	18,630

Other commitments received on contracts relate to commitments received from suppliers relating to advances paid within the framework of industrial programs undertaken by the Group.

A change of MAD +2.7 billion was recorded between the end of December 2021 and the end of June 2022. This is mainly explained by an increase of 2.3 billion dirhams in OCP.SA's supplier guarantees partially offset by other commitments received on contracts and markets of JFC1 and JFC2 for an amount of MAD 1.1 billion.

Note 11 – Corporate Income taxes

11.1. ACCOUNTING TREATMENT OF INCOME TAXES

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

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

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

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

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

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

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

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

11.2. ANALYSIS OF TAX EXPENSE

<i>(In millions of dirhams)</i>	<i>1st half-year 2022</i>	<i>1st half-year 2021</i>
Current tax expense/current tax income	(4,249)	(254)
Deferred tax expense/deferred tax income	627	(231)
Corporate income tax	(3,622)	(485)

The current tax expense is up by MAD 4.0 billion compared to the first half of 2021 following the increase in the Group’s results.

The change in deferred taxation is particularly explained by the achievement by the JFCs of profitable results, thus making it possible to recover part of the stock of deferred tax assets.

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

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

<i>(In millions of dirhams)</i>	1 st half-year 2022	1 st half-year 2021
+Net income - Group share	16,848	4,633
+Net income - Minorities' share	39	64
-Share of profit (loss) of equity-accounted companies	(902)	(367)
+/-Tax for the period	3,622	485
Consolidated accounting income before tax	19,607	4816
+/- Permanent differences ⁽¹⁾	121	295
= Consolidated taxable income	19,727	5,111
Theoretical tax rate ⁽²⁾	22,54 %	22,13 %
=Theoretical tax	(4,446)	(1,131)
Difference in tax rate in relation to OCP SA	53	(55)
Liability method		33
Other items	772	668
= Corporate income tax	(3,622)	(485)
including		
<i>current tax</i>	(4,249)	(254)
<i>deferred tax</i>	627	(231)

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

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

11.4. DEFERRED TAX ASSETS AND LIABILITIES

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

<i>(In millions of dirhams)</i>	31 December 2021	Activity changes in income	Change in consolidation scope	30 June 2022
Gross deferred tax assets	156	(142)		14
Net deferred tax assets	156	(142)		14
Deferred tax liabilities	1,633	(1,096)		537

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

<i>(In millions of dirhams)</i>	30 June 2022	31 December 2021
Temporary differences	2,001	1,920
Eliminations of intercompany transactions	1,543	636
Intangible assets	(333)	(226)
Tangible assets	20	20
Financial assets at fair value by OCI	49	49
Other asset items	(77)	(115)
Provisions for employee benefits	1,617	1,617
Other provisions	664	664
Tax loss carryforwards	197	329
Offsetting	(5,667)	(4,739)
Total deferred tax assets	14	156

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<i>(In millions of dirhams)</i>	<i>30 June 2022</i>	<i>31 December 2021</i>
Temporary differences	3	3
Eliminations of intercompany transactions	(240)	(224)
Intangible assets	181	159
Tangible assets	6,332	6,042
Financial assets at fair value by OCI	49	49
Inventories	399	399
Other assets items	(238)	(212)
Other provisions	(298)	224
Tax loss carryforwards	(274)	(358)
Other	290	290
Offsetting	(5,667)	(4,739)
Total deferred tax liabilities	537	1,633

Note 12 – Equity, dividends and earnings per share

12.1. ISSUED CAPITAL

As at 30 June 2022, the share capital amounts to MAD 8,288 million. It is composed of 82,875,000 shares with a nominal value of MAD100. 729,300 OCP shares are held by its subsidiary SADV.

<i>(In number of shares)</i>	<i>Ordinary shares</i>
Outstanding at 1st January 2022	82,875,000
Issues of shares for cash in 1 st half-year	
Outstanding at 30 June 2022	82,875,000
Nominal value	100 Dirhams

12.2. DIVIDENDS

The dividends distributed during the first half of 2022 for MAD 8,091 million correspond to a net dividend per share of MAD 98.50.

<i>(In millions of dirhams)</i>	<i>30 June 2022</i>	<i>31 December 2021</i>
Amount of dividends (In millions of dirhams)	8,091	5,081
Dividend per share (in dirhams)	98.50	61.85

12.3. EARNINGS PER SHARE

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

	<i>1st half-year 2022</i>	<i>1st half-year 2021</i>
Net profit, Group share (in millions of dirhams) *	16,654	4 439
Average number of shares in circulation as at 30 June	82,875,000	82 875 000
Average number of own shares in circulation during the period	729,300	729 300
Number of shares used for the calculation of income	82,145,700	82 145 700
Basic and diluted net earnings per share (in dirhams)	202.74	54.04

^(*) 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 -194 million).

Note 13 – Relations with shareholders

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

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

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

The following table shows the transactions carried out with the State or with companies under State control as well as with BCP for the financial year 2021 and the first half of 2022:

<i>(In millions of dirhams)</i>	<i>1st half-year 2022</i>		<i>1st half-year 2021</i>	
	<i>State and State-controlled enterprises</i>	<i>BCP</i>	<i>State and State-controlled enterprises</i>	<i>BCP</i>
Interest on investments	28	7	3	9
Utility costs	576		541	
Other operating expenses	111		113	
Interest on loans	6	16	21	69
Social charges	309		270	
Transport expenses ONCF	355		494	
Subscription ONCF / lump-sum contributions	200		200	
Assets and inventories purchases	23		35	

<i>(In millions of dirhams)</i>	<i>30 June 2022</i>		<i>31 December 2021</i>	
	<i>State and State-controlled enterprises</i>	<i>BCP</i>	<i>State and State-controlled enterprises</i>	<i>BCP</i>
Social charges	506		539	
Social charges	216		493	
Transport expenses ONCF	89	4,219	269	931
Subscription ONCF / lump-sum contributions	3,000		2,000	
Assets and inventories purchases	574	1,559	623	1,520



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**RAPPORT D'EXAMEN LIMITE SUR LES ETATS FINANCIERS CONSOLIDES INTERMEDIAIRES
AU 30 JUIN 2022**

Introduction

Nous avons effectué l'examen limité de l'état de la situation financière consolidée ci-joint de la Société OCP S.A. et de ses filiales (groupe OCP) au 30 juin 2022 ainsi que du compte de résultat consolidé et l'état du résultat global consolidé, de l'état de variations des capitaux propres consolidés et l'état des flux de trésorerie consolidés au terme de la période close à cette date, et les notes aux états financiers consolidés intermédiaires contenant un résumé des principales méthodes comptables et d'autres notes explicatives. La Direction est responsable de l'établissement et de la présentation sincère de cette information financière intermédiaire conformément à la norme IAS 34 - norme du référentiel IFRS tel qu'adopté dans l'Union Européenne relative à l'information financière intermédiaire.

Les comptes intermédiaires consolidés ont été établis sous la responsabilité de la Direction en date du 19 septembre 2022 sur la base des éléments disponibles à cette date dans un contexte évolutif de crise liée au Covid-19. Notre responsabilité est d'exprimer une conclusion sur cette information financière intermédiaire sur la base de notre examen limité.

Etendue de l'examen limité

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

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

Conclusion

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

Casablanca, le 20 septembre 2022

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