



# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AT 30 JUNE 2023

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## Key figures and significant events of the period

### Key figures

(In millions of dirhams)	Note	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
<b>Revenue</b>	4.1.1.2	<b>37,561</b>	<b>56,018</b>
Profit (loss) from joint ventures	6.1	409	903
<b>EBITDA</b>		<b>7,673</b>	<b>28,084</b>
Operating profit (loss) before non recurring items		3,451	24,289
Cost of net financial debt	10.1.5	(1,230)	(1,040)
<b>Net profit (loss) - Group share</b>		<b>3,395</b>	<b>16,849</b>
Consolidated equity - Group share		102,163	93,564
Net financial debt	10.1.4	61,991	43,538
Net operating investments		12,029	7,850
<b>Basic and diluted earnings per share (in dirhams)</b>	<b>12.3</b>	<b>38.73</b>	<b>202.74</b>
<b>Dividend per share (in dirhams)</b>	<b>12.2</b>	<b>112.23</b>	<b>98.50</b>

### Significant events of the period :

#### Investment

##### OCP International Coop. acquires a 50% stake in GlobalFeed S.L.

GlobalFeed, which operates in the animal nutrition segment, manufactures and distributes a wide range of products, including phosphate-based commodity products and premium, high-value solutions for multiple species. This acquisition aims to enable OCP, through its subsidiary OCP International Coop, to diversify into phosphates and become a leading player in the animal feed sector, meeting the growing demand and expanding its offerings with sustainable specialty and customized products. The amount of this acquisition is 14 million euros.

#### Business :

##### A New Fertilizer Line in Jorf Lasfar:

As part of a program to construct three new TSP fertilizer production lines, the first line became operational as of May 2023, and the other two lines will be in operation before the end of the current year. Each of these three lines will have the capacity to produce up to 1 million metric tons equivalent of DAP per year. The total budget allocated for the establishment of the three lines amounts to 5.4 billion dirhams.

##### Water Program:

Since May 2023, the chemical sites in Jorf Lasfar and Safi have achieved self-sufficiency in terms of unconventional water consumption through the Water Program. During the first half of 2023, 341 the work has been completed to provide drinking water to the cities of Safi and El Jadida by the end of the year.

As part of this program, OCP Green Water, a subsidiary of the OCP Group, will produce and market unconventional water for industrial use while also providing drinking water to El Jadida and Safi. The goal is to make approximately 85 million cubic meters of drinking water available in 2023 and increase this figure to 110 million cubic meters by 2026. The total cost of the project amounts to 4.9 billion dirhams.

#### Financing:

The International Finance Corporation has granted the OCP Group a green loan of 100 million euros to finance the construction of four solar power plants. These plants will supply power to the Group's industrial activities, enabling it to reduce its carbon footprint and increase its production of green fertilizers.

## Post-closing events

### Ocp donates one billion dirhams to the Special Earthquake Fund

In an exceptional display of our commitment to corporate social responsibility and the values of solidarity, we are proud to announce that the OCP Group has made a donation of 1 billion dirhams to the special fund dedicated to mitigating the impact of the recent earthquake in Morocco. This exceptional contribution underscores our unwavering support for the nation during times of crisis, as we stand in solidarity with the significant national effort, highlighting our commitment to making a positive impact on the communities we serve.

## Consolidated Statement of Profit and Loss

<i>(In millions of dirhams)</i>	<i>Note</i>	<i>1<sup>st</sup> half-year 2023</i>	<i>1<sup>st</sup> half-year 2022</i>
Revenue	4.1.1.2	37,561	56,018
Production held as inventory		(1,604)	8,577
Purchases consumed	4.2.2	(17,457)	(26,618)
External expenses	4.2.2	(4,306)	(4,767)
Personnel expenses	5.1	(5,652)	(5,771)
Taxes		(225)	(216)
Profit (loss) from joint ventures	6.1	409	903
Exchange gains and losses on operating receivables and payables		(1,110)	(147)
Other operating income and expenses		57	106
<b>EBITDA</b>		<b>7,673</b>	<b>28,084</b>
Amortization, depreciation and operating provisions	8.3 - 9.1	(4,222)	(3,794)
<b>Operating profit (loss) before non recurring items</b>		<b>3,451</b>	<b>24,289</b>
Other non-recurring operating income and expenses	7.1	(1,028)	(419)
<b>Operating profit (loss)</b>		<b>2,422</b>	<b>23,870</b>
Cost of gross financial debt		(1,445)	(1,185)
Financial income from cash investments		215	145
<b>Cost of net financial debt</b>	<b>10.1.5</b>	<b>(1,230)</b>	<b>(1,040)</b>
Exchange gains and losses on financial receivables and payables	10.2.2	1,527	(2,057)
Other financial income and expenses	10.2.2	(338)	(264)
<b>Financial profit (loss)</b>		<b>(41)</b>	<b>(3,361)</b>
<b>Profit (loss) before tax</b>		<b>2,381</b>	<b>20,509</b>
Corporate Income Tax	11.2	976	(3,622)
<b>Net profit (loss) for the period</b>		<b>3,357</b>	<b>16,888</b>
Net profit (loss) - Group share		3,395	16,849
Net profit (loss) - Non-controlling interests		(37)	39
<b>Basic and diluted earnings per share in dirhams</b>	<b>12.3</b>	<b>38.73</b>	<b>202.74</b>

## Consolidated Statement of Comprehensive Income

(In millions of dirhams)	1st half-year 2023	1st half-year 2022
<b>Net profit (loss) for the period</b>	<b>3,357</b>	<b>16,888</b>
Actuarial gains or losses	(53)	(262)
Taxes	16	53
<b>Items that will not be reclassified to profit or loss</b>	<b>(36)</b>	<b>(209)</b>
Translation differences	(162)	200
Share of gains and losses recognized in equity for equity-accounted (CFH variation) *	732	(1,126)
Taxes	(256)	254
<b>Items that may be reclassified to profit or loss</b>	<b>313</b>	<b>(672)</b>
<b>Income and expenses for the period, recognized directly in equity</b>	<b>277</b>	<b>(881)</b>
<b>Consolidated comprehensive income</b>	<b>3,636</b>	<b>(16,006)</b>
Including Group share	3,673	(15,967)
Including non-controlling interests' share	(37)	39

(\*) 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 2023	31 December 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10.1.3.1	19,646	18,556
Cash financial assets		505	509
Inventories	4.2.4	20,679	25,990
Trade receivables	4.1.2.2	12,662	15,481
Other current assets	7.2	25,606	23,116
<b>Total current assets</b>		<b>79,098</b>	<b>83,652</b>
<b>Non-current assets</b>			
Non-current financial assets	10.2.2	1,707	1,078
Investments in equity-accounted companies	6.1	7,101	7,076
Deferred tax assets	11.4	1,046	125
Property, plant and equipment	8.1	140,064	129,547
Intangible assets	8.2	4,461	4,533
<b>Total non-current assets</b>		<b>154,380</b>	<b>142,359</b>
<b>Total Assets</b>		<b>233,479</b>	<b>226,012</b>

## Consolidated financial statements

(In millions of dirhams)	Note	30 June 2023	31 December 2022
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Current loans and financial debts	10.1.2.1 - 10.1.2.2	19,831	10,136
Current provisions	9.2	640	587
Trade payables	4.2.5	19,566	20,306
Other current liabilities	7.3	19,406	16,953
<b>Total current liabilities</b>		<b>59,443</b>	<b>47,982</b>
<b>Non-current liabilities</b>			
Non-current loans and financial debts	10.1.2.1 - 10.1.2.2	62,312	59,877
Non-current provisions for employee benefits	9.2	4,447	5,169
Other non-current provisions	9.2	1,647	1,231
Deferred tax liabilities	11.4	586	590
Other non-current liabilities		9	12
<b>Total non-current liabilities</b>		<b>69,000</b>	<b>66,880</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		71,781	52,882
Net profit (loss) - Group share		3,395	28,185
<b>Equity - Group share</b>		<b>102,163</b>	<b>108,052</b>
Non-controlling interests		2,873	3,098
<b>Total equity</b>		<b>105,036</b>	<b>111,150</b>
<b>Total liabilities and equity</b>		<b>233,479</b>	<b>226,012</b>

## 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 <sup>(1)</sup></i>	<i>hybrid securities <sup>(2)</sup></i>	<i>Other consolidated reserves</i>
<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>
Allocation of profit (loss) for FY 2021					16,326
<b>Consolidated comprehensive income for 1st half year 2022</b>			<b>(209)</b>		
Subordinated debt's coupons				(194)	
Change in scope					
Dividends paid					(8,091)
Others					(319)
<b>Equity as at 30 June 2022</b>	<b>8,288</b>	<b>18,698</b>	<b>(4,135)</b>	<b>8,079</b>	<b>46,922</b>
<b>Consolidated comprehensive income for 2nd half year 2022</b>			<b>176</b>		
Subordinated debt's coupons				(192)	
Change in scope					2,192
Dividends paid					
Others					875
<b>Equity as at 31 December 2022</b>	<b>8,288</b>	<b>18,698</b>	<b>(3,959)</b>	<b>7,886</b>	<b>49,988</b>
Allocation of profit (loss) for FY 2022					28,185
<b>Consolidated comprehensive income for 1st half-year 2023</b>			<b>(36)</b>		
Subordinated debt's coupons				(213)	
Change in scope					
Dividends paid					(9 219)
Others					(132)
<b>Equity as at 30 June 2023</b>	<b>8,288</b>	<b>18,698</b>	<b>(3,995)</b>	<b>7,673</b>	<b>68,822</b>

(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.



<i>Translation difference <sup>(3)</sup></i>	<i>financial assets at fair value by OCI <sup>(4)</sup></i>	<i>Share of gains and losses recognized in equity (CFH variation) <sup>(5)</sup></i>	<i>Net profit (loss)</i>	<i>Total equity - Group share</i>	<i>Non-controlling interests <sup>(6)</sup></i>	<i>Total equity</i>
<b>(426)</b>	<b>(521)</b>	<b>484</b>	<b>16,326</b>	<b>86,200</b>	<b>2,654</b>	<b>88,856</b>
			(16,326)			
<b>200</b>		<b>(872)</b>	<b>16,849</b>	<b>15,967</b>	<b>39</b>	<b>16,006</b>
				(194)		(194)
					3,019	3,019
				(8,091)	(170)	(8,261)
				(319)	25	(292)
<b>(226)</b>	<b>(521)</b>	<b>(388)</b>	<b>16,849</b>	<b>93,564</b>	<b>5,568</b>	<b>99,132</b>
205		(106)	11,336	11,614	10	11,623
				(192)		(192)
				2,192	(2,454)	(262)
				875	(25)	849
<b>(21)</b>	<b>(521)</b>	<b>(493)</b>	<b>28,185</b>	<b>108,052</b>	<b>3,098</b>	<b>111,150</b>
			(28,185)			
<b>(162)</b>		<b>476</b>	<b>3,395</b>	<b>3,673</b>	<b>(37)</b>	<b>3,636</b>
				(213)		(213)
				(9,219)	(198)	(9,417)
				(132)	10	(122)
<b>(183)</b>	<b>(521)</b>	<b>(18)</b>	<b>3,395</b>	<b>102,163</b>	<b>2,873</b>	<b>105,036</b>

(3) This relates to the foreign exchange effect on foreign investment. During the first half of 2023, an impact of -425 million dirhams was recorded following the conversion of the shareholders' current account at the Nigerian subsidiary of the Group. This shareholder's current account will be converted into capital in the coming financial periods

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

(5) OCP Group sets up a foreign currency cash-flow hedge in accordance with IFRS 9. The hedging strategy results in recognition in OCI (Other Comprehensive Income), for the effective part, of the currency.

(6) Represents interests of minority shareholders in the JFCIII and JFCV subsidiary's equity.

## Consolidated Statement of Cash Flows

(In millions of dirhams)	Note	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022	FY 2022
<b>EBITDA</b>		<b>7,673</b>	<b>28,084</b>	<b>50,076</b>
Subsidies and donations		(456)	(450)	(988)
Other non-current operating income and expenses	7.1		52	24
Other non-current operating income and expenses- prior period		154	215	386
Profit or loss of associates and joint ventures		(409)	(903)	(1,887)
Other movements		(2,047)	(623)	(2,133)
<b>Funds from operations</b>		<b>4,915</b>	<b>26,375</b>	<b>45,470</b>
<b>Impact of the change in WRC:</b>		<b>2,003</b>	<b>(12,100)</b>	<b>(13,596)</b>
Inventories		5,256	(11,843)	(11,030)
Trade receivables		2,609	(725)	(2,183)
Trade payables		(2,063)	2,683	(846)
Other current assets and liabilities		(3,800)	(2,214)	462
Taxes paid		(6,642)	(3,130)	(4,637)
<b>Total net cash flows related to operating activities</b>		<b>276</b>	<b>11,145</b>	<b>27,244</b>
Acquisitions of PP&E and intangible assets		(12,029)	(7,850)	(20,011)
Disposals of PP&E and intangible assets		60	91	141
Net financial investments		(302)	2,520	1,952
Impact of changes in scope			(8)	(51)
Acquisitions of financial assets		(336)	(88)	(285)
Disposal of financial assets			3,020	3,025
Dividends received		287	367	380
<b>Total net cash flows related to investing activities</b>		<b>(12,320)</b>	<b>(1,948)</b>	<b>(14,849)</b>
Loan issue		15,254	6,045	12,848
Loan repayment		(4,260)	(1,676)	(3,640)
Hybrid securities coupons		(213)	(194)	(385)
Net financial interest payments		(1,132)	(1,255)	(2,529)
Dividends paid to Group shareholders			(2,353)	(8,091)
Dividends paid to minority shareholders				(170)
<b>Total net cash flows related to financing activities</b>		<b>9,650</b>	<b>567</b>	<b>(1,968)</b>
Impact of changes in exchange rates on cash and cash equivalents		(17)	74	126
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,410)</b>	<b>9,839</b>	<b>10,554</b>
Opening cash and cash equivalents	10.1.3.1	18,557	8,003	8,003
Closing cash and cash equivalents	10.1.3.1	16,146	17,842	18,557
<b>Change in net cash</b>		<b>(2,410)</b>	<b>9,839</b>	<b>10,554</b>

## 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, 2023 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, 2022

They are presented with a comparison at December 31, 2022 and June 30, 2022

The accounting principles and methods used to prepare OCP Group's 1st half year consolidated financial statements ended June 30, 2023 are identical to those used for the preparation of the consolidated financial statements for the year ended December 31, 2022. These financial statements are prepared in accordance with the accounting standards IFRS as adopted in the European Union.

### 1.2. STANDARDS AND INTERPRETATIONS APPLIED AT JANUARY 1<sup>ST</sup>, 2023

Amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates, and Errors. The changes include the addition of a definition for accounting estimates, along with other amendments to IAS 8 to assist entities in distinguishing between changes in accounting policies and changes in accounting estimates. The amendments apply to reporting periods beginning on or after January 1st, 2023, as well as to changes in accounting policies and changes in accounting estimates occurring from that date.

The application of this amendment has no significant impact on the Group's financial statements.

## Note 2 - Consolidation scope

### 2.1. CONSOLIDATION SCOPE

Entity	Country of location	30 June 2023		31 December 2022	
		Consolidation method	% Interest	Consolidation method	% Interest
Industrial activity-Mine					
OCP SA - Holding	Morocco	Parent company (Full)	100.00	Parent company (Full)	100.00
Phosboucrââ	Morocco	Full	100.00	Full	100.00
Industrial activity-Chemical					
Nutricrops - Holding	Morocco	Parent company (Full)	100.00	Parent company (Full)	100.00
Jorf Fertilizer Company I - JFC I	Morocco	Full	100.00	Full	100.00
Jorf Fertilizer Company II - JFC II	Morocco	Full	100.00	Full	100.00
Jorf Fertilizer Company III - JFC III	Morocco	Full	50.00	Full	50.00
Jorf Fertilizer Company IV - JFC IV	Morocco	Full	100.00	Full	100.00
Jorf Fertilizer Company V - JFC V	Morocco	Full	60.00	Full	60.00
Euro Morocco Phosphore- EMA	Morocco	Equity method	33.33	Equity method	33.33
Indo Morocco Phosphore - IMA	Morocco	Equity method	33.33	Equity method	33.33
Pakistan Morocco Phosphore - PMP	Morocco	Equity method	50.00	Equity method	50.00
Paradeep Phosphates Ltd. - PPL	Inde	Equity method	28.05	Equity method	28.05
Fertinagro Biotech	Espagne	Equity method	20.00	Equity method	20.00
Groupe PRAYON	Belgique	Equity method	50.00	Equity method	50.00
Trading					
Black Sea Fertilizer Trading Company	Turquie	Full	100.00	Full	100.00
OCP AFRICA	Morocco	Full	100.00	Full	100.00
OCP Fertilizantes	Brésil	Full	100.00	Full	100.00
OCP North America	USA	Full	100.00	Full	100.00
SAFTCO	Suisse	Full	100.00	Full	100.00
Energy					
OCP Green Energy	Morocco	Full	100.00	Full	100.00
OCP Green Water	Morocco	Full	100.00	Full	100.00
Engineering and consulting					
Dupont Ocp Operations Consulting - DOOC	Morocco	Full	100.00	Full	100.00
Jacobs Engineering - JESA	Morocco	Equity method	50.00	Equity method	50.00
OCP Solutions	Morocco	Full	100.00	Full	100.00
TEAL Technology & Services - TTS	Morocco	Full	100.00	Equity method	49.00
VALYANS	Morocco	Equity method	22.00	Equity method	22.00
Fondations					
Fondation OCP	Morocco	Full	100.00	Full	100.00
Fondation Phosboucrâa	Morocco	Full	100.00	Full	100.00
UM6P Ecosystem					
Université MED6 polytechnique - UM6P	Morocco	Full	100.00	Full	100.00
Université MED6 polytechnique Endowment Holding - UM6PEH	Morocco	Full	100.00	Full	100.00
Université MED6 polytechnique France - UM6PF	Morocco	Full	100.00	Full	100.00
Association pour la Promotion de l'Enseignement d'Excellence - APEE	Morocco	Full	100.00	Full	100.00
Foncière Endowment 1 - FE1	Morocco	Full	100.00	Full	100.00
Moroccan Foundation For Advanced Science, Innovation and Research- MASCIR	Morocco	Full	100.00	Full	100.00
Health Care City Building Company - HCCBC*	Morocco	Full	100.00		
BIDRA Innovation Ventures Fund*	USA	Full	100.00		
INNOV'X*	Morocco	Full	100.00		
Hotel					
OCP Hospitality	Morocco	Full	100.00	Full	100.00
Maghreb Hospitality Company SA-MHC	Morocco	Full	75.61	Full	75.61
Société Foncière de la Lagune-SFL	Morocco	Full	61.84	Full	61.84
Société La Mamounia- SLM	Morocco	Full	39.37	Full	39.37
Société Palais Jamai- SPJ	Morocco	Full	75.61	Full	75.61
Société Hotelière de Benguéirir*	Morocco	Full	100.00		
Urban development					
Société d'Aménagement et de Développement Vert - SADV	Morocco	Full	100.00	Full	100.00
Société d'Aménagement et de Développement de Mazagan - SAEDM	Morocco	Equity method	51.00	Equity method	51.00
Others					
OCP Innovation Fund For Agriculture - OIFFA	Morocco	Full	100.00	Full	100.00
OCP International	Netherlands	Full	100.00	Full	100.00
OCP International SAS	France	Full	100.00	Full	100.00
Société de Transports Régionaux - SOTREG	Morocco	Full	100.00	Full	100.00
Compagnie Maroccoaine de Transport et d'Affretments Maritimes-COMATAM	Morocco	Full	100.00	Full	100.00
Centre d'Etudes et de Recherches des Phosphates Minéraux ( CER)	Morocco	Full	100.00	Full	100.00

(\*) New entries

### 2.2. SCOPE CHANGE

The consolidation scope of the Group underwent the following changes :

- The 100 % integration in the consolidation scope of Health Care City Building Company - HCCBC. This is the company responsible for the construction project of a healthcare city in the heart of the city of Benguéir, adjacent to the Mohamed 6 Polytechnic University.
- The 100 % integration into the consolidation scope of the entity INNOV'X. As a subsidiary of the Mohammed VI Polytechnic University (UM6P), INNOV'X combines the roles of investor, technological innovation, and business developer to design, develop, and deploy innovative, high-impact, and socially and environmentally responsible technological enterprises and ecosystems on an industrial scale. INNOV'X operates in strategically vital sectors for food sovereignty, energy and digital transition, including agriculture & water, social innovation, energy, chemistry, and digital.
- The 100 % integration in the consolidation scope of the Benguéir Hotel Company. The company is responsible for the construction of a hotel in partnership with the Hilton Group. This hotel will be located in the Mohammed VI Green City and will be the first internationally branded hotel in Benguéir.
- The 100 % integration in the consolidation scope of the entity BIDRA Innovation Ventures Fund. Based in San Francisco, United States, this is a new fund supported by the Mohammed VI Polytechnic University and the OCP Group. Its objective is to support innovative startups in the fields of energy, water, agriculture, and mining. Innovative projects can benefit from financial support and expertise from Bidra, OCP, and UM6P in the aforementioned areas to address current and future challenges.

## 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 Benguéir – Safi) and Phosboucraâ:** this axis hosts:

- The integrated phosphate chemical processing hub, The phosphate extracted at Youssoufia and Benguéir is transported by rail to Safi, where it is processed into phosphoric acid and fertilizer. The finished products are exported from the Safi port.
- Phosboucraâ'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.

It should be noted that, as part of the acceleration of its 3rd S-Curve, OCP is changing its Operating model towards a multi-business Group, made up of performance units that are coherent in terms of strategy and end-to-end responsible for their P&L (i.e, Strategic Business Units / Business Units), as well as a reinvented Corporate function at their service.

Thus, it was decided to launch the Strategic Business Units and the emerging businesses linked to them. These are the following Strategic Business Units: Industrial Facility Management, Rock Solutions, Fertilizers and Farmer Solutions, Innovation, R&D and learning, Specialty Chemicals.

Consequently, the Group's segment information will be oriented, from the next years, towards this new organizational mode.

### 3.1. INFORMATION BY OPERATING SEGMENT

(In millions of dirhams)	Northern Axis		Central Axis and Phosboucrâa		Head-office and Other activities		Intersegment eliminations		TOTAL	
	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
Revenue	29,128	46,961	6,248	11,813	9,353	4,469	(7,169)	(7,226)	37,561	56,018
Production held as inventory	(1,450)	4,104	73	(151)	(227)	4,623			(1,604)	8,577
Purchases consumed	(13,217)	(21,520)	(1,668)	(3,361)	(9,758)	(8,742)	7,186	7,004	(17,457)	(26,618)
External expenses	(2,388)	(2,681)	(1,129)	(1,239)	(1,149)	(1,072)	360	225	(4,306)	(4,767)
Personnel expenses	(2,434)	(2,691)	(1,632)	(1,626)	(1,601)	(1,454)	15		(5,652)	(5,771)
Taxes	(78)	(71)	(32)	(36)	(115)	(108)			(225)	(216)
Profit (loss) of associates and joint ventures accounted for using the equity method	(72)	309			482	594			409	903
Exchange gains and losses on operating receivables and payables	(109)	240	(16)	61	(985)	(460)		11	(1,110)	(147)
Other operating income and expenses	(17)	17			467	103	(393)	(14)	57	106
<b>EBITDA</b>	<b>9,364</b>	<b>24,668</b>	<b>1,844</b>	<b>5,462</b>	<b>(3,531)</b>	<b>(2,046)</b>			<b>7,673</b>	<b>28,084</b>
Amortization, depreciation and operating provisions	(2,606)	(2,580)	(444)	(437)	(1,172)	(775)			(4,222)	(3,794)
<b>Current operating profit (loss)</b>	<b>6,758</b>	<b>22,089</b>	<b>1,400</b>	<b>5,025</b>	<b>(4,702)</b>	<b>(2,822)</b>			<b>3,451</b>	<b>24,289</b>
Other non-current operating income and expenses	(221)	(109)	(90)	(108)	(718)	(203)			(1,028)	(419)
<b>Operating profit (loss)</b>	<b>6,537</b>	<b>21,979</b>	<b>1,310</b>	<b>4,917</b>	<b>(5,420)</b>	<b>(3,025)</b>			<b>2,422</b>	<b>23,870</b>

The Group's revenue for the first half of 2023 stands at 37.6 billion dirhams, a decrease of -32.9 % compared to the first half of 2022. This decline is primarily explained by lower selling prices in the first half of 2023, mainly due to lower input prices and a decrease in volumes due to a demand slump during this period.

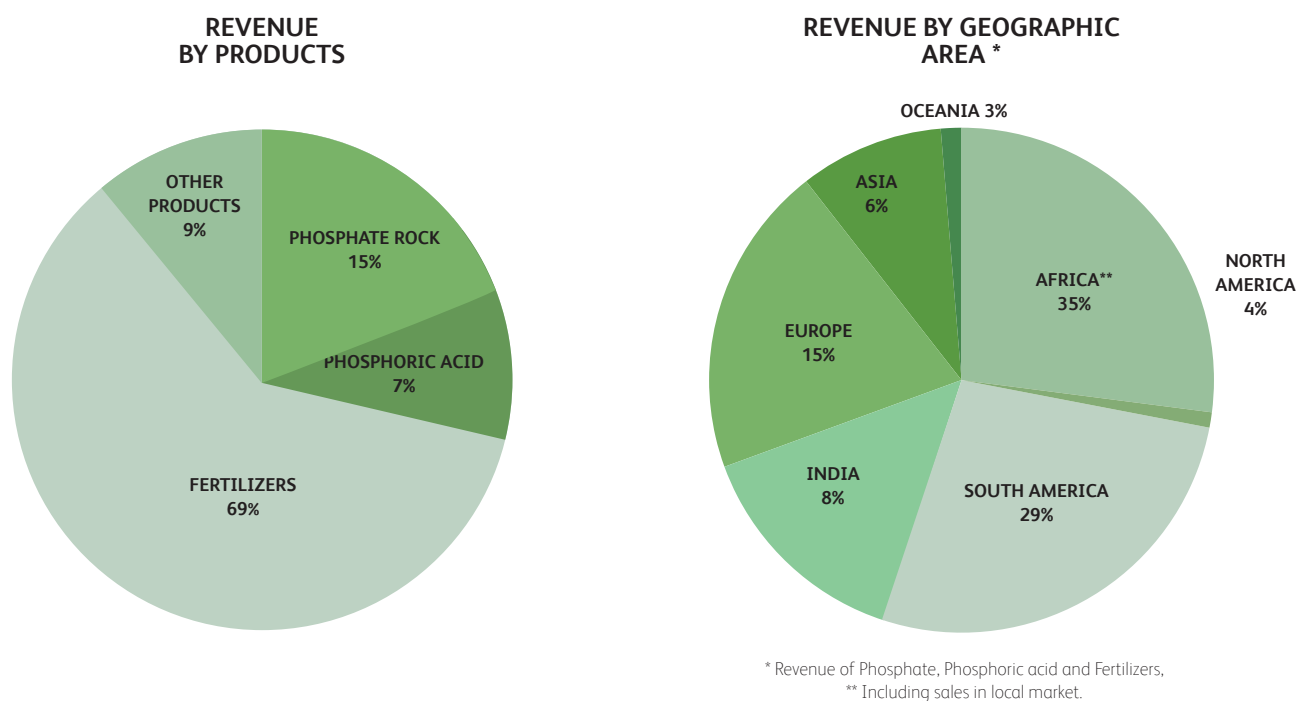
This decrease was observed in both axes. Thus, in the northern axis, the decline was -38 %, and in the central axis, it was -47 %.

The Group's operating expenses decreased by -26 % compared to the first half of 2022. This decrease is mainly attributed to lower purchases of raw materials due to lower purchase prices for sulfur and ammonia.

The Group's EBITDA for the first half of 2023 stands at 7.7 billion dirhams, a decrease of -73 % compared to the first half of 2022, impacted by less favorable market conditions in 2023.

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

The breakdown of net consolidated sales by country and by product as at 30 June 2023 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 95 % 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 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
Phosphates	5,466	8,774
Phosphoric acid	2,604	6,701
Fertilizers	26,006	35,538
Other income	3,485	5,005
<b>Revenue</b>	<b>37,561</b>	<b>56,018</b>

(In millions of dirhams)	Phosphates		Phosphoric acid		Fertilizers	
Main markets	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
Local sales	2,398	3,229	762	1,364	216	318
South America	926	1,594	527	1,321	9,029	10,794
Europe	407	2,103	1,316	3,115	3,505	3,827
Africa					7,419	9,183
North America					1,625	410
India	957	833		59	1,628	4,503
Asia	472	552		843	1,781	6,097
Oceania	307	464			804	405
<b>Total</b>	<b>5,466</b>	<b>8,774</b>	<b>2,604</b>	<b>6,701</b>	<b>26,006</b>	<b>35,538</b>

(In millions of dirhams)	Phosphates		Phosphoric acid		Fertilizers	
Break down by third parties	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
<b>Revenue</b>	<b>6,223</b>	<b>16,117</b>	<b>2,604</b>	<b>6,701</b>	<b>32,871</b>	<b>42,917</b>
Outside the group	3,068	5,546	1,930	5,393	26,006	35,538
Joint ventures	2,398	3,228	674	1,308		
Intercompany sales	757	7,343			6,864	7,379
<b>Eliminations</b>	<b>757</b>	<b>7,343</b>			<b>6,864</b>	<b>7,379</b>
<b>Total</b>	<b>5,466</b>	<b>8,774</b>	<b>2,604</b>	<b>6,701</b>	<b>26,006</b>	<b>35,538</b>



The revenue generated during the first half of 2023 decreased by -32.9 % compared to the first half of 2022.

**Phosphate sales saw a decline of -37.7% between the first two halves of 2022 and 2023.**

This decline is explained by the decrease in volumes sold during the first half of 2023, particularly in Europe and Latin America, primarily due to a demand slump. A decrease in volumes sold was also observed in the local market towards JFCs and Pakistan Maroc Phosphore-PMP compared to the same period last year, impacted by a low production rate of phosphoric acid.

Rock prices recorded a slight decrease of -2.6 % in the first half of 2023, which is in line with the fair value strategy for rock

**Phosphoric acid sales recorded a -61.1% decrease between the first half of 2023 and that of 2022, totaling -4.1 billion dirhams.**

This trend is explained by a decrease in volumes sold, primarily in Asia due to the non-delivery by Pakistan Maroc Phosphore-PMP to its Pakistani customer following the production line shutdown in the first quarter of 2023 due to a gas shortage. Additionally, in Europe, there was a decline in demand influenced by pricing levels.

Prices also showed a decrease of 32.2 % , dropping from \$1.696/T in the first half of 2022 to \$1.151/T in the first half of 2023, mainly attributable to the decline in input prices between the two periods.

**Fertilizer sales also recorded a decline of 9.5 billion dirhams between the first halves of 2023 and 2022 (-26.8%).**

This decrease is primarily explained by the reduction in fertilizer prices on the international market due to a decline in raw material purchase prices. The international market price dropped from \$872/T in the first half of 2022 to \$581/T in the first half of 2023.

On the other hand, fertilizer volumes increased between the two periods, particularly towards Latin America, notably in Brazil, thanks to targeting new markets, and towards Europe, mainly in Turkey, Germany, and the United Kingdom. This increase was largely offset by the decline in volumes observed in India and Asia due to a delay in the launch of the Bangladesh removal program due to currency shortages, as well as in Africa, explained by an unfavorable demand context.

**Others Income**

Other income primarily relates to freight activities and other ancillary products, including the sale of liquid sulfur, urea, ammonium nitrate, potassium chloride, etc. This line amounted to 3.5 billion dirhams during the first half of 2023, compared to 5.0 billion dirhams recorded in the first half of 2022.

#### 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 2023	31 December 2022
Trade receivables invoiced	14,362	17,168
Provisions - trade receivables	(1,700)	(1,687)
<b>Net trade receivables</b>	<b>12,662</b>	<b>15,481</b>

Accounts receivable decreased by 2.8 billion dirhams between December 31, 2022, and June 30, 2023, representing a decrease of 18.2 %, in correlation with the declining sales trend during the first half of 2023.

#### 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.

The Group includes in its EBITDA the impacts of real or latent exchange rate fluctuations arising from its commercial operations. During the first half of 2023, a significant depreciation of the Nigerian currency, the Naira, versus the US dollar was observed (moving from 448 NGN/1 USD on January 1, 2023, to 760 NGN/1 USD on June 30, 2023).

##### 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 37.6 billion in the first half of 2023, 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. During the first half of 2023, the group recorded the effective portion in hedge reserves amounting to +732 million dirhams.

##### 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:

(In millions of dirhams)	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
<b>Purchases of materials and supplies</b>	<b>(2,084)</b>	<b>(1,399)</b>
<b>Purchases of raw materials</b>	<b>(11,748)</b>	<b>(21,753)</b>
Sulfur	(4,546)	(9,929)
Ammonia	(5,951)	(8,831)
Sulfuric acid	(60)	(2,201)
Back acid	(1,010)	(578)
Other raw materials	(181)	(213)
<b>Auxiliary materials</b>	<b>(482)</b>	<b>(356)</b>
<b>Energy consumption</b>	<b>(1,203)</b>	<b>(1,467)</b>
Electric energy	(616)	(614)
Fuel	(306)	(490)
Diesel	(228)	(295)
Others	(53)	(68)
<b>Spare parts</b>	<b>(388)</b>	<b>(345)</b>
<b>Purchases of works, studies and services</b>	<b>(1,110)</b>	<b>(784)</b>
<b>Water supply</b>	<b>(45)</b>	<b>(76)</b>
<b>Other purchases consumed</b>	<b>(397)</b>	<b>(437)</b>
<b>Purchased consumables of materials and supplies</b>	<b>(17,457)</b>	<b>(26,618)</b>

Purchases of raw materials decreased by 9.1 billion dirhams between the first half of 2022 and that of 2023. This variation primarily stems from the decrease in consumed purchases of raw materials, particularly sulfur, ammonia, and sulfuric acid.

Indeed, sulfur purchases decreased by 5.4 billion dirhams due to the decline in prices per ton (\$152/T CFR during the first half of 2023 compared to \$324/T CFR during the first half of 2022). The consumed volumes of sulfur also recorded a decrease in line with the decline in sulfuric acid production.

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Similarly, ammonia consumption decreased by 2.9 billion dirhams, which is also explained by the price per ton decrease from \$1.105/T CFR during the first half of 2022 to \$836/T during the first half of 2023. Consumed volumes also decreased, following the decline in fertilizer production.

Sulfuric acid consumption also recorded a decrease of 2.1 billion dirhams, explained by a drop in the price per ton, which went from \$226/T CFR during the first half of 2022 to \$59/T during the first half of 2023, in line with the sulfur price decrease in the international market.

Energy consumption amounted to 1.2 billion dirhams during the first half of 2023, a decrease of 18 % compared to the first half of 2022. This decrease is primarily explained by reduced diesel and fuel consumption due to reduced extraction, stone removal, washing, and drying activities in Gantour and Khouribga.

Service revenues increased by 326 million dirhams compared to the first half of 2022, primarily due to the growth of the UM6P ecosystem, an increase in OCPNA and SADV, as well as increased construction services in Khouribga.

### External expenses:

(In millions of dirhams)	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
Transport ONCF on sales	(168)	(307)
Shipping on sales- Freight	(1,370)	(2,017)
Other operating transport	(375)	(436)
Consulting and fees	(245)	(209)
Contributions and donations	(246)	(346)
Maintenance and repairs	(845)	(666)
Leases and lease charges	(127)	(115)
Travel and entertainment expenses	(130)	(53)
Insurance premiums	(193)	(171)
Advertising, publications and public relations	(132)	(67)
Postal and telecommunications expenses	(76)	(89)
Studies, analysis, research and documentation	(9)	(56)
Remuneration of personnel outside the company	(159)	(102)
Other external expenses	(231)	(132)
<b>External expenses</b>	<b>(4,306)</b>	<b>(4,767)</b>

External expenses amounted to 4.3 billion dirhams during the first half of 2023, a decrease of 10 % compared to the first half of 2022. This decrease is particularly noticeable in maritime transportation expenses, in correlation with the decline in transported volumes.

The maintenance and repair expenses category recorded an increase of 179 million dirhams during the first half of 2023 compared to the first half of 2022. This is primarily related to postponed maintenance work at the Jorf Lasfar site for 146 million dirhams, as well as revisions of the Sulfur & Ammonia JPH installations.

### 4.2.3 RISKS RELATED TO RAW MATERIALS

#### Sulfur Supply

During the first half of 2023, the sulfur market experienced a downward price trend (from \$91/t FOB Middle East in January to \$64/t in June 2023). This market trend can be attributed to the decrease in sulfur demand from the fertilizer sector and the return to normal supply after the end of disruptions and maintenance. Indeed, fertilizer production rates in China decreased during the second quarter, leading to a reduction in imports. However, the growth in consumption in the metals sector in Indonesia contributed to market balance and partial absorption of the surplus. Furthermore, global stock levels increased by approximately 1.3-1.5 million metric tons during the first half.

In this context, the OCP Group was able to secure sulfur volumes for fertilizer production needs by favoring spot purchases and minimizing contractual volumes. The OCP Group also took advantage of the lower prices to build up a sulfur inventory.

### Ammonia supply

During the first half of 2023, the ammonia market experienced a declining price trend (from \$1.030/t CFR Tampa in December 2022 to \$285/t in June 2023). Indeed, the market was impacted by reduced demand from both the fertilizer and industrial sectors due to unfavorable macroeconomic conditions and high price levels in 2022. Despite the absence of ammonia supply from the Black Sea region, the market remained balanced due to reduced imports from the United States and Europe and weakened demand from industrial players in Far East Asia. The decrease in gas prices in Europe (from \$30/MMBtu to \$14/MMBtu) encouraged domestic production in the region. Additionally, due to a better ammonia netback compared to urea, the market saw additional ammonia volumes initially intended for urea production.

In this context, the OCP Group was able to secure its ammonia purchases by relying on its diversified source contracts and adapting to the reduced ammonia consumption during this period, related to product mix, thanks to the flexibility of its contracts.

### 4.2.4 INVENTORIES

(In millions of dirhams)	30 June 2023			31 December 2022		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Consumables materials and supplies	4,912	(1,551)	3,361	8,149	(1,552)	6,597
In-progress inventory	6,807	(337)	6,471	7,355	(337)	7,018
Finished products	10,926	(78)	10,848	12,539	(165)	12,375
<b>Total Inventories</b>	<b>22,645</b>	<b>(1,966)</b>	<b>20,679</b>	<b>28,044</b>	<b>(2,054)</b>	<b>25,990</b>

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.

The total inventory as of the end of June 2023 amounted to 20.68 billion dirhams, a decrease of 5.3 billion dirhams compared to the end of December 2022. This decrease is primarily attributed to the reduction in raw material inventory by 3.2 billion dirhams and the decrease in fertilizer inventory by 1.5 billion dirhams.

### 4.2.5 TRADE PAYABLES

(In millions of dirhams)	30 June 2023	31 December 2022
Trade payables	3,340	6,000
Fixed assets liabilities	16,226	14,307
<b>Trade payables</b>	<b>19,566</b>	<b>20,306</b>

Trade payables correspond to trade payables and payables on fixed asset acquisitions. This item recorded a slight decrease of 3.6 % at the end of June 2023 compared to the end of December 2022.

## Note 5 - Expenses and employee benefits

### 5.1. PERSONNEL EXPENSES

<i>(In millions of dirhams)</i>	<i>1<sup>st</sup> half-year 2023</i>	<i>1<sup>st</sup> half-year 2022</i>
Employee remuneration and related social charges	(4,802)	(4,745)
Retirement benefits and medical cover	(849)	(1,026)
Other employee benefits	(1)	(1)
<b>Personnel expenses</b>	<b>(5,652)</b>	<b>(5,771)</b>

Personnel expenses decreased by 119 million dirhams in the first half of 2023 compared to the first half of 2022. This decrease is explained by the offsetting effect of the decrease in variable components correlated with the Group's results and the expansion of the scope, particularly within the UM6P ecosystem.

### 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:

	<i>30 June 2023</i>	<i>31 December 2022</i>
<b>Discount rate</b>		
Pension supplement	5.45 %	3.99 %
Medical plans	5.30 %	3.92 %
<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 January 1st, 2026 as the date of the changeover.

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 upward revaluation of the discount rate relating to medical plans had a more significant diminishing effect than the increase resulting from the postponement of the AMO changeover year, which reduced the social commitments relating to medical plans.

## 5.2.2 OBLIGATIONS RELATED TO SOCIAL LIABILITIES

(In millions of dirhams)	Post-employment benefits				Other long-term benefits	Total employee benefits
	Pension supplement	Medical plans	Fixed retirement allocation	Total post-employment benefits		
<b>Net obligations recognized at 31 December 2022</b>	<b>560</b>	<b>3,958</b>	<b>546</b>	<b>5,064</b>	<b>102</b>	<b>5,169</b>
Benefits paid	(7)	(377)		(384)	1	(383)
Service cost	1	27		27		27
Expenses related to discounting of obligations	11	77		88		88
Outsourcing & LSF			(546)	(546)		(546)
Actuarial losses or (gains) for the period resulting from changes in:	(124)	176		53		53
Contributions		39		39		39
Other changes						
<b>Net obligations recognized at 30 June 2023</b>	<b>442</b>	<b>3,899</b>		<b>4,341</b>	<b>103</b>	<b>4,447</b>

**Outsourcing of the AFDR Commitment:**

As a reminder, a contract was signed in July 2022 for the outsourcing of the AFDR (Flat-rate Retirement Departure Allowance) commitment, which corresponds to post-employment indemnity, with a partial payment of rights accrued at the end of December 2022 amounting to 465 million dirhams.

An additional payment of 393 million dirhams was made in 2023 to settle the commitment as of the end of December 2022, resulting in a gain of 114 million dirhams. A monthly contribution is paid starting from January 2023.

## 5.3. KEY MANAGEMENT COMPENSATION

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

(In millions of dirhams)	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
Short-term employee benefits	43	43
Post-employment benefits	11	10
<b>Total management compensation</b>	<b>54</b>	<b>53</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)	30 June 2023	31 December 2022
Paradeep Phosphates Limited-PPL	1,256	1,320
Groupe Prayon	2,862	2,479
Pakistan Maroc Phosphore-PMP	977	1,084
Euro Maroc Phosphore-EMA	547	516
Indo Maroc Phosphore-IMA	560	722
Fertinagro Biotech (1)	614	593
Société d'Aménagement et de Développement de Mazagan-SAEDM(1)	283	284
Teal Technology Services-TTS(1)		23
Valyans (1)	52	50
Others (2)	(49)	4
<b>Participations in joint ventures</b>	<b>7,101</b>	<b>7,076</b>

(1)SAEDM, and Fertinagro being associated companies.

(2)Includes JESA and the new joint-venture Multi-Purpose Industrial Platform Limited- MIPL owned by OCPAFRICA

The market value of the Group's stake in PPL amounted to 1.74 billion dirhams as of June 30, 2023.

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

(In millions of dirhams)	1 <sup>st</sup> half year 2023	1 <sup>st</sup> half year 2022
Paradeep Phosphates Limited	(38)	84
Groupe PRAYON	467	393
Pakistan Maroc Phosphore	(107)	122
Euro Maroc Phosphore	30	131
Indo Maroc Phosphore	5	57
Fertinagro Biotech	40	98
Valyans	1	
Others	12	18
<b>Total profit (loss) of joint-ventures</b>	<b>409</b>	<b>903</b>



## 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)	JESA	PRAYON	EMAPHOS	IMACID	PMP	PPL	SAEDM	Fertinagro	VALYANS
<b>ASSETS</b>									
<b>Current assets</b>									
Cash and cash equivalents	658	(175)	123	509	90	264	103	62,373	
Cash financial assets			9						
Inventories		(122)	578	234	206	2,414	1,609	81,619	
Trade receivables	2,777	3,393	377	819	745	3,514		79,253	104
Current tax receivables	35	-	70	68	103	105			
Other current assets	1,306	28	588	1,095	2,198	1,250	165	6,353	
<b>Total current assets</b>	<b>4,777</b>	<b>3,069</b>	<b>1,744</b>	<b>2,725</b>	<b>3,343</b>	<b>7,547</b>	<b>1,877</b>	<b>229,598</b>	<b>104</b>
<b>Non-current assets</b>									
Non-current financial assets	11	4				4		7,726	3
Investments in equity-accounted companies		246							
Equity securities	135						1		1
Deferred tax assets		133							
Property, plant and equipment	85	490	1,188	496	482	4,403	2	49,074	
Intangible assets	56	(83)	417	20	24	100	3	8,528	
<b>Total non-current assets</b>	<b>286</b>	<b>791</b>	<b>1,605</b>	<b>517</b>	<b>506</b>	<b>4,507</b>	<b>5</b>	<b>65,328</b>	<b>4</b>
<b>TOTAL ASSETS</b>	<b>5,064</b>	<b>3,860</b>	<b>3,349</b>	<b>3,242</b>	<b>3,848</b>	<b>12,054</b>	<b>1,883</b>	<b>294,926</b>	<b>108</b>

(In millions of dirhams)	JESA	PRAYON	EMA	IMA	PMP	PPL	SAEDM	Fertinagro	VALYANS
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Current loans and financial debts		(701)	6	-		3,410			38
Current provisions	277	14		1		119			
Trade payables	1,573	(76)	1,482	1,390	1,842	2,147	100		46
Current tax liabilities	60				3	111			
Other current liabilities	2,023	(14)	(-255)	94	10	365	361	149,823	
<b>Total current liabilities</b>	<b>3,933</b>	<b>(777)</b>	<b>1,234</b>	<b>1,485</b>	<b>1,856</b>	<b>6,152</b>	<b>461</b>	<b>149,823</b>	<b>84</b>
<b>Non-current liabilities</b>									
Non-current loans and financial debts		207	442	3	4	1,270	868		6
Non-current provisions for employee benefits		153							
Other non-current provisions		(770)				28			
Deferred tax liabilities		215				158			
Other non-current liabilities		(4)						24	
<b>Total non-current liabilities</b>		<b>199</b>	<b>442</b>	<b>3</b>	<b>4</b>	<b>1,456</b>	<b>868</b>	<b>24</b>	<b>6</b>
Equity -Group share	45	556	347	620	800	1,051	608	31,067	36
Paid-in capital			110						
Reserves	7	75	1,132	295	1,406	3,282	(1)	104,306	(12)
Retained earnings	999	3,301		830			(51)		(7)
Net profit (loss)-Group share	80	905	85	9	-218	114	(3)	9,255	3
<b>Total equity</b>	<b>1,131</b>	<b>4,836</b>	<b>1,673</b>	<b>1,754</b>	<b>1,988</b>	<b>4,447</b>	<b>554</b>	<b>144,629</b>	<b>19</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,064</b>	<b>3,860</b>	<b>3,349</b>	<b>3,242</b>	<b>3,848</b>	<b>12,054</b>	<b>1,883</b>	<b>294,926</b>	<b>108</b>

## Notes to the Consolidated Financial Statements

### Income statement

(In millions of Dirhams)	JESA	PRAYON	EMA	IMA	PMP	PPL	SAEDM	FERTINAGRO	VALYANS
Revenue	3,917	4,363	1,150	2,393	1,205	4,032		1,686	80
Production held as inventory		70	(148)	(3)	(91)			41	
Purchases consumed	(2,450)	(2,597)	(756)	(2,031)	(1,057)	(3,296)	(3)	(1,060)	
External expenses	(586)	(576)	(82)	(275)	(186)			(274)	
Personnel expenses	(606)	(338)			(5)	(68)		(141)	(75)
Taxes	(7)		(1)	(1)	(1)	(6)			
Exchange gains and losses on operating receivables and payables	(3)		(4)	(43)	(52)	108			
Other operating income and expenses	(7)	4	(7)	(1)	8	(481)		26	-
<b>EBITDA</b>	<b>258</b>	<b>926</b>	<b>152</b>	<b>38</b>	<b>(180)</b>	<b>288</b>	<b>(3)</b>	<b>278</b>	<b>5</b>
Amortization, depreciation and operating provisions	(83)	(85)	(5)	(23)	(29)	(51)		(23)	
<b>Operating profit (loss) before exceptional items</b>	<b>175</b>	<b>840</b>	<b>147</b>	<b>15</b>	<b>(209)</b>	<b>237</b>	<b>(3)</b>	<b>256</b>	<b>5</b>
Other non-current operating income and expenses	(32)	114	(21)	(16)	(20)				
<b>Operating profit (loss)</b>	<b>143</b>	<b>954</b>	<b>126</b>	<b>(1)</b>	<b>(229)</b>	<b>237</b>	<b>(3)</b>	<b>256</b>	<b>5</b>
Cost of net financial debt	8	(14)	(7)	18	13	(88)		(4)	(2)
Exchange gains and losses on financial receivables and payables									
Other financial income and expenses									
<b>Financial profit (loss)</b>	<b>8</b>	<b>(14)</b>	<b>(7)</b>	<b>18</b>	<b>14</b>	<b>(88)</b>		<b>(4)</b>	<b>(2)</b>
<b>Profit (loss) before tax</b>	<b>151</b>	<b>940</b>	<b>119</b>	<b>17</b>	<b>(215)</b>	<b>149</b>	<b>(3)</b>	<b>252</b>	<b>3</b>
Corporate Income Tax	(71)	(35)	(34)	(8)	(3)	(35)		(57)	
<b>Net profit (loss) for the period</b>	<b>80</b>	<b>905</b>	<b>85</b>	<b>9</b>	<b>(218)</b>	<b>114</b>	<b>(3)</b>	<b>194</b>	<b>3</b>

## Note 7 – Other operating items

### 7.1. ANALYSIS OF OTHER OPERATING ITEMS

(In millions of dirhams)	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
Gains and losses on other assets	(78)	16
Granted subsidies, donations and liberalities	(456)	(365)
Social cohesion	(648)	(333)
Others	153	263
<b>Other non-current operating income and expenses</b>	<b>(1,028)</b>	<b>(419)</b>

The line item for other non-recurring operating income and expenses reported a negative result of -1,029 million dirhams in the first half of 2023, a decrease of 610 million dirhams compared to the first half of 2022. This variation is primarily explained by an increase in the social cohesion charge of 315 million dirhams due to the increase in the tax base which corresponds to the fiscal income of FY N-1.

### 7.2 OTHER CURRENT ASSETS

(In millions of dirhams)	30 June 2023			31 December 2022		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Receivables from suppliers, advances and payments on account	11,415		11,415	11,697		11,697
Personnel	92	(1)	91	82	(1)	81
Social organizations	396	(35)	361	390	(35)	355
State (excluding corporate income tax)	8,692		8,692	7,373		7,373
Tax receivables	3,393		3,393	2,968		2,968
Other receivables	1,667	(13)	1,654	677	(35)	642
<b>Total other current assets</b>	<b>25,655</b>	<b>(49)</b>	<b>25,606</b>	<b>23,187</b>	<b>(71)</b>	<b>23,116</b>

“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 1.3 billion in the VAT credit.

The line item ‘other receivables’ mainly includes prepaid expenses related to social cohesion, donations, and insurance expenses paid during the first half of 2023.

### 7.3 OTHER CURRENT LIABILITIES

(In millions of dirhams)	30 June 2023	31 December 2022
Trade receivable credit balances, advances and payments on account	2,254	3,375
State - VAT	2,659	2,448
Social payables	2,217	1,946
Tax liabilities	119	5,786
Other creditors	12,157	3,399
<b>Total other current liabilities</b>	<b>19,406</b>	<b>16,953</b>

Other current liabilities increased by MAD 2.5 billion between December 31, 2022 and June 30, 2023. Mainly recorded on the other creditors item, this increase is mainly due to the recognition of dividends to be paid for MAD 9,4 billion at the end of June 2023 for the previous financial year.

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

### 8.1. PROPERTY, PLANT AND EQUIPMENT VARIATION

(In millions of dirhams)	31 December 2022	Aquisitions	Provisions	Reductions / Reversals	Reclassification	Translation difference	Other changes	30 June 2023
<b>Gross amount:</b>								
Land	8,812	25			79	(1)		8,915
Buildings	65,364	1,249		(110)	2,697	(4)		69,197
Technical installations, equipment and tools	105,114	186		(195)	2,219	(1)		107,323
Transport equipment	902	9		(7)	5	-		909
Furniture, office equipment and various fittings	3,897	184		(30)	101	(7)	5	4,150
Right of use of other tangible assets	4,539	50		(2)	(18)	(3)		4,566
Other property, plant and equipment	26,421	12,394		(47)	(4,955)	(1)	(5)	33,810
<b>Total gross amount</b>	<b>215,049</b>	<b>14,097</b>		<b>(390)</b>	<b>129</b>	<b>(17)</b>		<b>228,869</b>
<b>Depreciations:</b>								
Land	(1,196)		(11)	-	(1)			(1,208)
Buildings	(17,188)		(732)	37	93			(17,789)
Technical installations, equipment and tools	(59,183)		(2,406)	190	(22)	1		(61,420)
Transport equipment	(874)		(17)	7	6			(878)
Furniture, office equipment and various fittings	(2,084)		(140)	30	(85)	2	(4)	(2,281)
Right of use of other tangible assets	(2,639)		(203)		14	1		(2,827)
Other property, plant and equipment	(2,198)		(49)	3	4			(2,241)
<b>Impairment losses</b>								
Land	(123)			1				(122)
Buildings	(2)		(37)					(39)
<b>Total depreciation and impairment losses</b>	<b>(85,501)</b>		<b>(3,595)</b>	<b>268</b>	<b>23</b>	<b>4</b>	<b>(4)</b>	<b>(88,805)</b>
<b>Net carrying amount</b>	<b>129,547</b>	<b>14,097</b>	<b>(3,595)</b>	<b>(122)</b>	<b>152</b>	<b>(13)</b>	<b>(4)</b>	<b>140,064</b>

(In millions of dirhams)	31 December 2021	Aquisitions	Provisions	Reductions / Reversals	Reclassification	Translation difference	Other changes	31 December 2022
<b>Gross amount:</b>								
Land	7,569	258		(2)	944	3	40	8,812
Buildings	59,842	2,064		(299)	3,346	9	402	65,364
Technical installations, equipment and tools	103,005	490		(861)	2,318	3	158	105,114
Transport equipment	887	17		(16)	14			902
Furniture, office equipment and various fittings	4,025	22		(103)	(63)	13	4	3,897
Right of use of other tangible assets	4,405	106			22	7		4,539
Other property, plant and equipment	16,249	16,709		(77)	(6,462)	1		26,421
<b>Total gross amount</b>	<b>195,982</b>	<b>19,666</b>		<b>(1,358)</b>	<b>119</b>	<b>35</b>	<b>605</b>	<b>215,049</b>
<b>Depreciations:</b>								
Land	(1,176)		(22)	1				(1,196)
Buildings	(15,891)		(1,417)	234	(8)	(2)	(111)	(17,188)
Technical installations, equipment and tools	(55,032)		(4,722)	823	(224)	(1)	(27)	(59,183)
Transport equipment	(852)		(37)	16				(874)
Furniture, office equipment and various fittings	(1,917)		(256)	103	(8)	(3)	(2)	(2,084)
Right of use of other tangible assets	(2,282)		(350)		(7)			(2,639)
Other property, plant and equipment	(1,759)		(693)	16	237			(2,198)
<b>Impairment losses</b>								
Land	(133)							(123)
Buildings	(2)			11				(2)
<b>Total depreciation and impairment losses</b>	<b>(79,045)</b>		<b>(7,498)</b>	<b>1,204</b>	<b>(24)</b>	<b>(7)</b>	<b>(139)</b>	<b>(85,501)</b>
<b>Net carrying amount</b>	<b>116,938</b>	<b>19,666</b>	<b>(7,498)</b>	<b>(154)</b>	<b>95</b>	<b>29</b>	<b>466</b>	<b>129,547</b>

The main increases during the first half of 2023 are relate to the following projects:

### **Capacity increase :**

- With an overall budget allocation of 5.4 billion dirhams, the construction work for the three new TSP fertilizer production lines is in its final stages. In fact, the first line has been operational since last May, and the other two lines will be commissioned before the end of the year. Each of these three lines will have a capacity of 1 million metric tons of equivalent DAP per year.
- Progress on the construction of two new sulfuric acid production lines. Each line is expected to have a production capacity of 5,000 metric tons per day. The total expenses allocated to these projects amount to 3.8 billion dirhams
- The construction work for the new sulfuric acid line PS4 at the Safi site has reached advanced stages. The project's overall CAPEX amounts to 1.3 billion dirhams.
- The construction work for the new washing facility in Benguerir is in its final stages. This project will enable an annual capacity of 3 million tons and will be commissioned before the end of the year. The total investment dedicated to the construction of the said washing facility amounts to 2.4 billion dirhams.
- The Laayoune site has made significant progress in several projects. The construction of the washing facility is in its final phase, with a planned capacity of 3 million tons per year and a budget of 1.9 billion dirhams. Furthermore, progress has been made in the development of the chemical complex, including the completion of studies and commitments for the initial phases, alongside advancements in the construction of the phosphate port, which has reached approximately 65 % completion. The total investment for these two projects amounts to 12 billion dirhams.

### **Water Program :**

Progress in the achievements outlined within the framework of the Emergency Water Plan program initiated by OCP in partnership with the government, aiming to achieve self-sufficiency for industrial sites and provide drinking water to the cities of El Jadida and Safi through desalinated water. Indeed, the Jorf Lasfar site has been self-sufficient in water consumption since May, and the first cubic meters of desalinated water were delivered during this first half of the year to the city of Safi.

Simultaneously, the Group continues its program of building wastewater treatment plants (STEPs) in the cities of Safi, Fquih Bensaleh, Kasba Tadla, Béni Mellal, and the Khouribga extension, with commissioning planned between late 2023 and 2024.

## 8.2. INTANGIBLE ASSETS VARIATION

(In millions of dirhams)	31 December 2022	Aquisitions	Dotations	Reclassification	Other variations	30 June 2023
<b>Gross amount:</b>						
Goodwill	296					296
R&D assets	315					315
Patents, trademarks, rights and similar items	2,160	10			1	2,171
Licences and software	2,242	(37)		156		2,361
Commercial funds	223					223
Other intangible assets	1,431	390		(384)		1,437
<b>Total gross amount</b>	<b>6,666</b>	<b>363</b>		<b>(228)</b>	<b>1</b>	<b>6,802</b>
<b>Amortization:</b>						
Amortization of R&D assets	(233)		(12)			(245)
Amortization of patents, trademarks, rights and similar items	(190)		(16)	1	(1)	(205)
Amortization of licences and software	(351)		(75)	1		(426)
Amortization of other intangible assets	(1,064)		(106)			(1,170)
<b>Impairment losses</b>						
Goodwill depreciation	(296)					(296)
<b>Total amortization and impairment losses</b>	<b>(2,134)</b>		<b>(209)</b>	<b>3</b>	<b>(1)</b>	<b>(2,342)</b>
<b>Net carrying amount</b>	<b>4,533</b>	<b>363</b>	<b>(209)</b>	<b>(225)</b>		<b>4,461</b>

(In millions of dirhams)	31 December 2021	Aquisitions	Dotations	Decreases / Reversals	Reclassification	Other variations	31 December 2022
<b>Gross amount:</b>							
Goodwill	1,886	296			(1,886)		296
R&D assets	210	128			(23)		315
Patents, trademarks, rights and similar items	216	8			1,931	5	2,160
Licences and software	2,109	126			6		2,242
Commercial funds	239	-			(17)		223
Other intangible assets	1,198	326		(17)	(77)		1,431
<b>Total gross amount</b>	<b>5,858</b>	<b>884</b>		<b>(17)</b>	<b>(65)</b>	<b>5</b>	<b>6,666</b>
<b>Amortization:</b>							
Amortization of R&D assets	(187)		(46)				(233)
Amortization of patents, trademarks, rights and similar items	(125)		(60)			(4)	(190)
Amortization of licences and software	(338)		(12)		(1)		(351)
Amortization of other intangible assets	(823)		(243)		1		(1,064)
<b>Impairment losses</b>							
Goodwill depreciation			(296)				(296)
<b>Total amortization and impairment losses</b>	<b>(1,473)</b>		<b>(656)</b>			<b>(4)</b>	<b>(2,134)</b>
<b>Net carrying amount</b>	<b>4,385</b>	<b>884</b>	<b>(656)</b>	<b>(17)</b>	<b>(65)</b>	<b>2</b>	<b>4,533</b>

## 8.3. NET DEPRECIATION AND AMORTIZATION

(In millions of dirhams)	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
<b>Net depreciation and amortization</b>	<b>(3,719)</b>	<b>(3,814)</b>

The net depreciation allowances recorded during the first half of 2023 are nearly unchanged compared to the first half of 2022.

## Note 9 – Provisions and contingent liabilities

### 9.1. NET PROVISIONS

(In millions of dirhams)	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
Net provisions	(503)	19

The net provisions amounted to -503 million dirhams during the first half of 2023, an increase of -522 million dirhams compared to the first half of 2022. This increase is due to the recovery in 2022 of the provision for the Heringer receivable at OCP Fertilizantes following its collection, as well as the recognition of a provision for supplier disputes in the first half of 2023.

### 9.2. PROVISIONS FOR LIABILITIES AND CHARGES

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

(In millions of dirhams)	31 December 2022	Increase	Reversals		Other changes	30 June 2023
			Used	Unused		
<b>Non-current provisions</b>	<b>6,400</b>	<b>420</b>			<b>(726)</b>	<b>6,094</b>
Provisions for employee benefits	5,169				(723)	4,447
Provisions for site rehabilitation	452					452
Other non-current provisions	778	420			(4)	1,195
<b>Current provisions</b>	<b>587</b>	<b>50</b>	<b>(30)</b>		<b>27</b>	<b>640</b>
Other current provisions	587	50	(30)		27	640
<b>Total provisions</b>	<b>6,987</b>	<b>470</b>	<b>(31)</b>		<b>(699)</b>	<b>6,734</b>

#### Assessment of provisions for employee benefits

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

#### Assessment of provisions for site rehabilitation

The rehabilitation of mining soils is an integral part of the OCP’s sustainable development policy. The group anticipates the rehabilitation of the land from the beginning of the extraction. Its approach involves recovering the topsoil and storing it during the operation of the mine. Subsequently, at the end of the operation, these excavated materials are used to create a regular ground and prepare the soil for agricultural use. The Group also takes advantage of the opportunity to initiate agricultural and forestry activities that benefit the communities. This approach is based on the involvement of the local populations as well as the authorities and associations or agencies concerned at the start of the project. In addition to respecting the peculiarities of 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 2023	31 December 2022
Letters of credit	512	1,232
Miscellaneous rights and commitments	425	614
<b>Total Commitments given</b>	<b>937</b>	<b>1,846</b>

## 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)	30 June 2023	31 December 2022
<b>Current financial debts</b>		
Bank loans, portion due in less than one year	5,530	8,007
Bank loans short term portion due in less than one year	99	
Finance leases, portion due in less than one year	298	240
Bond issue	7,242	
Accrued interest not yet due	538	533
Other credits*	6,124	1,357
<b>Total current financial debts</b>	<b>19,831</b>	<b>10,136</b>
<b>Non-current financial debts</b>		
Bank loans, portion due in more than one year	33,776	19,743
Bond issue	25,813	34,928
Finance leases, portion due in more than one year	1,241	1,389
Other credits	1,482	3,815
<b>Total non-current financial debts</b>	<b>62,312</b>	<b>59,877</b>
<b>Total financial debts</b>	<b>82,143</b>	<b>70,011</b>

(\*) Including 2,0 billion dirhams related to cash pooling

### 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 2023
<b>Bank loans, portion due in less than one year</b>				<b>5,530</b>
Denominated in USD	[2.94 % - 3.91 %]	3.59 %		702
Denominated in MAD	[3.00 % - 5.62 %]	3.54 %		4,078
Denominated in EUR	[0.63 % - 4.78 %]	1.47 %		748
Denominated in other currencies				1
<b>Bank loans short term portion due in less than one year</b>				
Denominated in USD		6.57 %		99
<b>Finance lease debts</b>				
Denominated in MAD	3.80 %	3.80 %		298
<b>Bond issue</b>				
Denominated in USD	[3.75 % - 6.88 %]	5.625 %		7,241
<b>Accrued interest not yet due</b>				<b>538</b>
<b>Other credits</b>				<b>6,124</b>
<b>Total current financial debts</b>				<b>19,831</b>
<b>Bank loans, portion due in more than one year</b>				<b>33,776</b>
Denominated in USD	[2.94 % - 3.91 %]	3.49 %	3	917
Denominated in MAD	[3.00 % - 5.62 %]	3.82 %	4	22,318
Denominated in EUR	[0.63 % - 4.78 %]	2.87 %	7	10,494
Denominated in other currencies				47
<b>Finance lease debts</b>				
Denominated in MAD	3.80 %	3.80 %	3	1,241
<b>Bond issue</b>				<b>25,813</b>
Denominated in USD	[3.75 % - 6.88 %]	5.00 %	12	25,813
<b>Other credits</b>				<b>1,482</b>
<b>Total non-current financial debts</b>				<b>62,312</b>
<b>Total financial debts</b>				<b>82,143</b>

## Notes to the Consolidated Financial Statements

### 10.1.2.3 FINANCIAL DEBT MATURITIES

The table below shows the maturities of financial debts as at 30 June 2023:

<i>(in millions of dirhams)</i>	<i>&lt;1 yr</i>	<i>1-5 yrs</i>	<i>&gt; 5 yrs</i>	<i>Total at 30 June 2023</i>
Bank loans	5,629	27,862	5,914	<b>39,406</b>
Bond issue	7,242	5,479	20,333	<b>33,055</b>
Finance lease debts	188	329	867	<b>1,384</b>
Other credits	6,767	1,310	218	<b>8,297</b>
<b>Total financial debts</b>	<b>19,827</b>	<b>34,982</b>	<b>27,333</b>	<b>82,143</b>

### 10.1.3 ANALYSIS OF FINANCIAL ASSETS

#### 10.1.3.1 CASH AND CASH EQUIVALENT

<i>(In millions of dirhams)</i>	<i>30 June 2023</i>	<i>31 December 2022</i>
Cash	8,674	8,923
Cash equivalents	10,972	9,633
<b>Total cash and cash equivalents</b>	<b>19,646</b>	<b>18,556</b>
Bank (credit balances)	3,500	
<b>Cash and cash equivalents in the consolidated statement of Cash Flows</b>	<b>16,146</b>	<b>18,557</b>

#### 10.1.3.2 MATURITIES AND FAIR VALUE OF FINANCIAL CASH ASSETS

##### Financial cash assets maturities

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

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

<i>(In millions of dirhams)</i>	<i>0-3 months</i>	<i>3-6 months</i>	<i>6-12 months</i>	<i>&gt;1 year</i>	<i>Total</i>
Money market funds	10,305				10,305
Term deposit	500	518	154		1,172
<b>Total</b>	<b>10,805</b>	<b>518</b>	<b>154</b>		<b>11,477</b>

#### 10.1.4 ANALYSIS OF NET DEBT

(In millions of dirhams)	30 June 2023	31 December 2022
Financial credits	37,669	25,945
Bonds	33,055	34,928
Other loans and assimilated debts	6,380	7,510
Bank overdrafts	3,500	
<b>Gross financial and bond debt</b>	<b>80,603</b>	<b>68,383</b>
Financial debts from IFRS 16 leases	1,539	1,628
<b>Other Financial debts</b>	<b>1,539</b>	<b>1,628</b>
Cash equivalents	10,972	9,633
Cash	8,674	8,923
Financial assets for cash management	505	509
<b>Financial assets</b>	<b>20,151</b>	<b>19,066</b>
<b>Net financial and bond debt</b>	<b>60,452</b>	<b>49,317</b>
<b>Total gross financial debt</b>	<b>82,142</b>	<b>70,011</b>
<b>Total net financial debt</b>	<b>61,991</b>	<b>50,945</b>

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

(In millions of dirhams)	30 June 2023	31 December 2022
Net change in cash	(2,410)	(1,577)
Change in marketable securities	4	(2,532)
Insurance/ repayment of loans	12,131	(3,144)
Other variations	1,321	4
<b>Change in net financial debt</b>	<b>11,046</b>	<b>(7,248)</b>

#### 10.1.5 COST OF NET DEBT

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

(In millions of dirhams)	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
Interest expenses	(1,445)	(1,185)
<b>Cost of gross financial debt</b>	<b>(1,445)</b>	<b>(1,185)</b>
Financial income from cash investments	109	35
Other financial income	106	110
<b>Financial income from cash investments</b>	<b>215</b>	<b>145</b>
<b>Cost of net financial debt</b>	<b>(1,230)</b>	<b>(1,040)</b>

The gross financial borrowing cost increased by 260 million dirhams between the first half of 2023 and that of 2022, offset by the increase in interest expenses due to issuances made in 2022 and the increase in capitalizations.

## 10.2. OTHER FINANCIAL ASSETS

### 10.2.1 NON-CURRENT FINANCIAL ASSETS

(In millions of dirhams)	30 June 2023			31 December 2022		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Financial assets at fair value by OCI	1,359	(578)	781	1,060	(604)	457
Financial assets measured at fair value through profit or loss	17		17	17		17
Receivables from fixed asset disposals	96	(5)	91	94	(5)	89
Other financial receivables	818	(1)	817	515	(1)	515
<b>Total non-current financial assets</b>	<b>2,290</b>	<b>(583)</b>	<b>1,707</b>	<b>1,687</b>	<b>(609)</b>	<b>1,078</b>

Financial assets revalued at fair value through equity correspond to non-consolidated securities held by OCP,SA and its subsidiaries, notably OCP International and 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 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
Exchange income from financing operations	1,527	(2,057)
Net discount of VAT credit	(320)	(238)
Others	(18)	(26)
<b>Other financial income and expenses</b>	<b>1,189</b>	<b>(2,322)</b>

The foreign exchange result on financing operations increased by 3.5 billion dirhams compared to the first half of 2022.

This is explained by the impact of exchange rate fluctuations on loans and financial debts denominated in foreign currencies.

### 10.2.3 COMMITMENTS RECEIVED

(In millions of dirhams)	30 June 2023	31 December 2022
Unused borrowings	3,840	10,739
Other commitments received for contracts	8,438	9,846
<b>Total Commitments received</b>	<b>12,279</b>	<b>20,585</b>

## 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>1<sup>st</sup> half-year 2023</i>	<i>1<sup>st</sup> half-year 2022</i>
Current tax expense/current tax income	(188)	(4,249)
Deferred tax expense/deferred tax income	1,164	627
<b>Corporate income tax</b>	<b>976</b>	<b>(3,622)</b>

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

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

(In millions of dirhams)	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
+Net income - Group share	3,395	16,848
+Net income - Minorities' share	(37)	39
-Share of profit (loss) of equity-accounted companies	(409)	(902)
+/- Tax for the period	(976)	3,622
<b>Consolidated accounting income before tax</b>	<b>1,972</b>	<b>19,607</b>
+/- Permanent differences <sup>(1)</sup>	1,096	121
<b>= Consolidated taxable income</b>	<b>3,068</b>	<b>19,727</b>
Theoretical tax rate <sup>(2)</sup>	35.00 %	22.54 %
<b>=Theoretical tax</b>	<b>(1,074)</b>	<b>(4,446)</b>
Difference in tax rate in relation to OCP SA	(291)	53
Subsidiaries not subject to tax	2,705	
Other items	(363)	772
<b>= Corporate income tax</b>	<b>977</b>	<b>(3,622)</b>
<b>including</b>		
<i>current tax</i>	(188)	(4,249)
<i>deferred tax</i>	1,165	627

(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 %. Since December 2022 the rate is 35 %.

### 11.4. DEFERRED TAX ASSETS AND LIABILITIES

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

(In millions of dirhams)	31 December 2022	Activity changes in income	Activity changes out of income	30 June 2023
Gross deferred tax assets	125	921		1,046
<b>Net deferred tax assets</b>	<b>125</b>	<b>921</b>		<b>1,046</b>
<b>Deferred tax liabilities</b>	<b>590</b>	<b>(243)</b>	<b>239</b>	<b>586</b>

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

(In millions of dirhams)	30 June 2023	31 December 2022
Temporary differences	2,346	2,279
Eliminations of intercompany transactions	1,025	1,400
Intangible assets	(822)	(674)
Tangible assets	20	20
Financial assets at fair value by OCI	49	49
Other asset items	(53)	(152)
Provisions for employee benefits	1,617	1,617
Other provisions	664	664
Other liabilities	13	10
Tax loss carryforwards	523	376
Offsetting	(4,336)	(5,464)
<b>Total deferred tax assets</b>	<b>1,046</b>	<b>125</b>

## Notes to the Consolidated Financial Statements

(In millions of dirhams)	30 June 2023	31 December 2022
Temporary differences	3	3
Eliminations of intercompany transactions	(224)	(244)
Intangible assets	223	218
Tangible assets	7,235	6,851
Financial assets at fair value by OCI	49	49
Inventories	399	399
Other assets items	(484)	(450)
Other provisions	(87)	(781)
Tax loss carryforwards	(311)	(326)
Other	422	335
Offsetting	(6,639)	(5,464)
<b>Total deferred tax liabilities</b>	<b>586</b>	<b>590</b>

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

### 12.1. ISSUED CAPITAL

As at 30 June 2023, 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.

(In number of shares)	Ordinary shares
<b>Outstanding at 1 January 2023</b>	<b>82,875,000</b>
Issues of shares for cash in 1st half-year	
<b>Outstanding at 30 June 2023</b>	<b>82,875,000</b>
<b>Nominal value</b>	<b>100 Dirhams</b>

### 12.2. DIVIDENDS

The dividends distributed during the first half of 2022 for MAD 9,219 million correspond to a net dividend per share of MAD 112.23.

	30 June 2023	31 December 2022
Amount of dividends (In millions of dirhams)	9,219	8,091
Dividend per share (in dirhams)	112.23	98.50

### 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.

	1 <sup>st</sup> half-year 2023	1 <sup>st</sup> half-year 2022
<b>Net profit. Group share (in millions of dirhams)*</b>	<b>3,182</b>	<b>16,654</b>
Average number of shares in circulation as at 30 June	82,875,000	82,875,000
Average number of own shares in circulation during the period	729,300	729,300
<b>Number of shares used for the calculation of income</b>	<b>82,145,700</b>	<b>82,145,700</b>
<b>Basic and diluted net earnings per share (in dirhams)</b>	<b>38.73</b>	<b>202.74</b>

(\*) 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 -213 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 2022 and the first half of 2023:

<i>(In millions of dirhams)</i>	<i>1<sup>st</sup> half-year 2023</i>		<i>1<sup>st</sup> half-year 2022</i>	
	<i>State and State-controlled enterprises</i>	<i>BCP</i>	<i>State and State-controlled enterprises</i>	<i>BCP</i>
Interest on investments	25	19	28	7
Utility costs	493		576	
Other operating expenses	79		111	
Interest on loans	4	64	6	16
Social charges	312		309	
Transport expenses ONCF	407		355	
Subscription ONCF / lump-sum contributions	200		200	
Assets and inventories purchases	446		23	

<i>(In millions of dirhams)</i>	<i>30 June 2023</i>		<i>31 December 2022</i>	
	<i>State and State-controlled enterprises</i>	<i>BCP</i>	<i>State and State-controlled enterprises</i>	<i>BCP</i>
Trade payables	481		623	
Installments in progress (debtors)	46			
Other receivables	185		396	
Cash and cash equivalents	4,274	1,343	1,151	919
Investments	1,000		2,500	
Loans	402	5,060	486	3,039





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37, Bd Abdellatif Ben Kaddour  
20 050 Casablanca  
Maroc

**Deloitte.**

Bd Sidi Mohammed Benabdellah  
Bâtiment C – Tour Ivoire 3 – 3<sup>ème</sup> étage  
La Marina  
Casablanca  
Maroc

Aux Actionnaires de la société

**OCP S.A.**

2, Rue Al Abtal - Hay Erraha - Immeuble OCP  
Casablanca

**RAPPORT D'EXAMEN LIMITE SUR LES ETATS FINANCIERS CONSOLIDES INTERMEDIAIRES  
AU 30 JUIN 2023**

**Introduction**

Nous avons effectué l'examen limité de l'état de la situation financière consolidée ci-joint de la Société OCP S.A. et ses filiales (groupe OCP) au 30 juin 2023 ainsi que du compte de résultat consolidé et l'état du résultat global consolidé, de l'état des 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 des informations significatives sur les 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. 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 25 septembre 2023

**Les Auditeurs Indépendants**

**ERNST & YOUNG**

  
Abdeslam BERRADA ALLAM  
Associé

**DELOITTE AUDIT**

  
Sakina BENSOUDA KORACHI  
Associée

