

# CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2023



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## Key figures

(In millions of dirhams)	Note	FY 2023	FY 2022
<b>Revenue</b>	4.1.1.2	<b>91,277</b>	<b>114,574</b>
Profit (loss) from joint ventures	6.2	774	1,887
<b>EBITDA</b>		<b>29,396</b>	<b>50,076</b>
Operating profit (loss) before exceptional items		21,002	41,640
Cost of net financial debt	10.1.5	(2,615)	(2,286)
<b>Net profit (loss) - Group share</b>		<b>14,369</b>	<b>28,185</b>
Consolidated equity - Group share		117,051	108,052
Net financial debt	10.1.4	68,283	50,945
Net operating investments		(26,825)	(20,011)
<b>Basic and diluted earnings per share (in dirhams)</b>	12.3	<b>169.53</b>	<b>338.41</b>
<b>Dividend per share (in dirhams)</b>	12.2	<b>112.23</b>	<b>98.50</b>

In 2023, OCP's financial performance maintained a certain stability, reflecting the Group's resilience in the face of fluctuating market conditions. Indeed, the Group's fundamentals remained strong, enabling it to maintain a competitive position in the global fertilizer market.

We should take into consideration that the year 2022 was exceptional for the OCP Group. This period was characterized by a significant increase in revenue, supported by rising prices of products such as phosphoric acid and fertilizers in the global market, in what could be described as a year of widespread sharp increase in commodity prices.

## Significant events of the period

### • Business

Two new fertilizer production lines in Jorf Lasfar: As part of a program to construct three new TSP fertilizer production lines, the first and second lines commenced operations in May and December 2023, respectively, and the third line is set to be operational by the end of the first quarter of 2024. Each of these three lines will have a production capacity of 1 million metric tons equivalent of DAP. The total budget allocated for setting up the three lines amounts to 5.4 billion dirhams.

### • Water Program

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 objective is to make approximately 85 million cubic meters of drinking water available in 2023, with the aim of increasing this figure to 110 million cubic meters by 2026. The total cost of the project amounts to 4.9 billion dirhams.

Since May 2023, the chemical sites of Jorf Lasfar and Safi have achieved self-sufficiency in terms of unconventional water consumption thanks to the Water Program. The provision of drinking water to the cities of Safi and El Jadida began in August and November 2023, respectively.

### • Financing

Following the initial perpetual subordinated bond issuances raised in 2016 and 2018, the OCP Group launched its third issuance of similar perpetual bonds with options for early redemption and deferred interest payment totaling 5 billion dirhams. This issuance through a public offering consists of the issuance of 50,000 bonds with a nominal value of 100,000 dirhams each. The issuance of a perpetual bond is treated as a component of equity capital under International Financial Reporting Standards (IFRS) and aims to continue strengthening the Group's financial structure and supporting its transformation while bolstering its credit ratios.



The International Finance Corporation (IFC), a member of the World Bank Group providing financing and advisory services to private sector companies in developing countries, has granted the OCP Group a green loan of 100 million euros to finance the construction of four solar power plants. These plants will power the Group's industrial activities, enabling it to reduce its carbon footprint and increase its production of green fertilizers.

## Subsequent events

### **OCP secures \$188M financing to build 3 modular seawater desalination plants**

OCP has secured a \$188 million loan from the African Development Bank and the Canada Climate Fund. These funds will finance the construction of three modular seawater desalination plants. These future platforms will have a total annual capacity of 110 million cubic meters. In addition to providing autonomy for the industrial and mining sites of the OCP group in unconventional water, the project will supply up to 75 million cubic meters of drinking water to the cities of Safi, El Jadida, and the areas surrounding the OCP group's Safi and Jorf plants.

### **OCP Group: New Organization and Ad-Hoc Asset Transfers**

As part of the acceleration of its 3rd S-Curve, OCP is moving its Operating Model towards a multi-business Group, made up of strategically coherent performance units with end-to-end responsibility for their P&L (i.e. Strategic Business Units / Business Units), and a reinvented Corporate function at their service. In this context, and with a view to equipping itself with the resources it needs to achieve its ambitions, OCP Group has decided to launch Strategic Business Units and related strategic programs. These are the following Strategic Business Units: Mining, Manufacturing, Rock Solutions, Nutricrops, Speciality Products & Solutions, UM6P and the Mzinda-Meskala Strategic Program.

In line with this transformation, in October 2022 OCP S.A. created OCP Nutricrops S.A., a 100%-owned subsidiary dedicated to soil and plant fertilization solutions, in alignment with the Nutricrops SBU. Composed of Nutricrops SA and JFCs 1-5, this SBU will be responsible for all the Group's current and future fertilizer production and marketing assets and activities.

Thus, on January 1<sup>st</sup>, 2024, OCP S.A. carried out a carve-out operation in favor of OCP Nutricrops S.A., transferring nearly 30 billion MAD of assets, including 25.3 billion MAD of industrial assets related to fertilizers and 4.7 billion MAD of inventories, in order to strengthen the position and operational capacities of this SBU.

## Consolidated Statement of Profit and Loss

<i>(In millions of dirhams)</i>	<i>Note</i>	<i>FY 2023</i>	<i>FY 2022</i>
Revenue	4.1.1.2	91 277	114 574
Production held as inventory		(6 993)	10 403
Purchases consumed	4.2.2	(33 750)	(54 596)
External expenses	4.2.2	(9 671)	(11 754)
Personnel expenses	5.1	(11 518)	(11 615)
Taxes		(313)	(306)
Profit (loss) from joint ventures	6.2	774	1 887
Exchange gains and losses on operating receivables and payables		(697)	1 010
Other operating income and expenses		287	471
<b>EBITDA</b>		<b>29 396</b>	<b>50 076</b>
Amortization, depreciation and operating provisions	8.4 - 9.2	(8 394)	(8 435)
<b>Operating profit (loss) before exceptional items</b>		<b>21 002</b>	<b>41 640</b>
Other non-recurring operating income and expenses	7.2	(2 135)	(1 258)
<b>Operating profit (loss)</b>		<b>18 866</b>	<b>40 382</b>
Cost of gross financial debt		(3 141)	(2 508)
Financial income from cash investments		526	222
<b>Cost of net financial debt</b>	10.1.5	<b>(2 615)</b>	<b>(2 286)</b>
Exchange gains and losses on financial receivables and payables	10.2.3	863	(3 366)
Other financial income and expenses	10.2.3	(713)	(374)
<b>Financial profit (loss)</b>		<b>(2 465)</b>	<b>(6 026)</b>
<b>Profit (loss) before tax</b>		<b>16 401</b>	<b>34 356</b>
Corporate Income Tax	11.2 - 11.3	(2 105)	(6 122)
<b>Net profit (loss) for the period</b>		<b>14 296</b>	<b>28 233</b>
Net profit (loss) - Group share		14 369	28 185
Net profit (loss) - Non-controlling interests		(72)	49
<b>Basic and diluted earnings per share in dirhams</b>	12.3	<b>169,53</b>	<b>338,41</b>

## Consolidated Statement of Comprehensive Income

(In millions of dirhams)	FY 2023	FY 2022
<b>Net profit (loss) for the period</b>	<b>14,296</b>	<b>28,233</b>
Actuarial gains or losses	(311)	(47)
Taxes	97	15
<b>Items that will not be reclassified to profit or loss</b>	<b>(214)</b>	<b>(32)</b>
TRANSLATION DIFFERENCES	(361)	405
Share of gains and losses recognized in equity for equity-accounted (CFH variation)*	715	(1,504)
Taxes	(250)	526
<b>Items that may be reclassified to profit or loss</b>	<b>104</b>	<b>(572)</b>
<b>Income and expenses for the period, recognized directly in equity</b>	<b>(110)</b>	<b>(605)</b>
<b>Consolidated comprehensive income</b>	<b>14,187</b>	<b>27,629</b>
<i>Including Group share</i>	<i>14,259</i>	<i>27,580</i>
<i>Including non-controlling interests' share</i>	<i>(72)</i>	<i>49</i>

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

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

## Consolidated Statement of Financial Position

(In millions of dirhams)	Note	31 December 2023	31 December 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10.1.3.1	12,644	18,556
Cash financial assets	10.1.3.2	11	509
Inventories	4.2.4	18,272	25,990
Trade receivables	4.1.2.2	18,718	15,481
Other current assets	7.3	31,294	23,116
<b>Total current assets</b>		<b>80,940</b>	<b>83,652</b>
<b>Non-current assets</b>			
Non-current financial assets	10.2.2	2,321	1,078
Investments in equity-accounted companies	6.1	7,545	7,076
Deferred tax assets	11.4	52	125
Property, plant and equipment	8.2	151,884	129,547
Intangible assets	8.3	7,197	4,533
<b>Total non-current assets</b>		<b>168,998</b>	<b>142,359</b>
<b>Total Assets</b>		<b>249,937</b>	<b>226,012</b>

## Consolidated Financial Statements

(In millions of dirhams)	Note	31 December 2023	31 December 2022
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Current loans and financial debts	10.1.2.1 - 10.1.2.2	19,706	10,136
Current provisions	9.2	919	587
Trade payables	4.2.5	28,937	20,306
Other current liabilities	7.4	10,644	16,953
<b>Total current liabilities</b>		<b>60,205</b>	<b>47,982</b>
<b>Non-current liabilities</b>			
Non-current loans and financial debts	10.1.2.1 - 10.1.2.2	61,235	59,877
Non-current provisions for employee benefits	9.2	4,544	5,169
Other non-current provisions	9.2	1,904	1,231
Deferred tax liabilities	11.4	2,110	590
Other non-current liabilities		9	12
<b>Total non-current liabilities</b>		<b>69,801</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		75,697	52,882
Net profit (loss) - Group share		14,369	28,185
<b>Equity - Group share</b>		<b>117,051</b>	<b>108,052</b>
Non-controlling interests		2,879	3,098
<b>Total equity</b>		<b>119,930</b>	<b>111,150</b>
<b>Total liabilities and equity</b>		<b>249,937</b>	<b>226,012</b>

## Consolidated Statement of Changes in Equity

<i>(In millions of dirhams)</i>	<i>Issued capital</i>	<i>Paid-in capital</i>	<i>Actuarial gains or losses (1)</i>	<i>hybrid securities (2)</i>	<i>Other consolidated reserves</i>
<b>Equity as at 1<sup>st</sup> January 2022</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 FY 2022</b>			<b>(32)</b>		
Subordinated debt's coupons				(385)	
Change in scope					2,192
Dividends paid					(8,091)
Others					556
<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 FY 2023</b>			<b>(214)</b>		
Subordinated debt				5,000	
Subordinated debt's coupons				(442)	
Change in scope					
Dividends paid					(9,219)
Others <sup>(5)</sup>					(598)
<b>Equity as at 31 December 2023</b>	<b>8,288</b>	<b>18,698</b>	<b>(4,173)</b>	<b>12,444</b>	<b>68,355</b>

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

<sup>(2)</sup> In 2023, OCP SA closed a new perpetual subordinated bond issue with early repayment and deferred payment options for a total amount of MAD 5 billion issued in five tranches. Given the characteristics of this hybrid issue, the financing is recognized in equity according to IFRS 9.



<i>Translation difference</i>	<i>Financial assets at fair value by OCI (3)</i>	<i>Share of gains and losses recognized in equity (CFH variation) (4)</i>	<i>Net profit (loss)</i>	<i>Total equity - Group share</i>	<i>Non-controlling interests</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>88,854</b>
			(16,326)			
<b>405</b>		<b>(978)</b>	<b>28,185</b>	<b>27,580</b>	<b>49</b>	<b>27,629</b>
				(385)		(385)
				2,192	565	2,757
				(8,091)	(170)	(8,261)
				556		556
<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>(361)</b>		<b>465</b>	<b>14,369</b>	<b>14,259</b>	<b>(72)</b>	<b>14,187</b>
				5,000		5,000
				(442)		(442)
					51	51
				(9,219)	(198)	(9,417)
				(598)		(598)
<b>(381)</b>	<b>(521)</b>	<b>(29)</b>	<b>14,369</b>	<b>117,051</b>	<b>2,880</b>	<b>119,930</b>

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

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

<sup>(5)</sup> The main differences concern the variances with the final results of the subsidiaries for 2022 and the adjustment of depreciation allowances at OCP SA.

## Consolidated Statement of Cash Flows

<i>(In millions of dirhams)</i>	<i>Note</i>	<i>FY 2023</i>	<i>FY 2022</i>
<b>EBITDA</b>		<b>29,396</b>	<b>50,076</b>
Subsidies and donations		(2,259)	(988)
Other non-current operating income and expenses	7.1		24
Other non-current operating income and expenses- prior period		1,378	386
Profit or loss of associates and joint ventures		(774)	(1,887)
Other movements <sup>(1)</sup>		(4,754)	(2,133)
<b>Funds from operations</b>		<b>22,987</b>	<b>45,470</b>
<b>Impact of the change in WRC</b>		<b>1,784</b>	<b>(13,596)</b>
<i>Inventories</i>		9,057	(11,030)
<i>Trade receivables</i>		(3,480)	(2,183)
<i>Trade payables</i>		1,389	(846)
<i>Other current assets and liabilities</i>		(5,183)	462
Taxes paid		(6,421)	(4,637)
<b>Total net cash flows related to operating activities</b>		<b>18,350</b>	<b>27,244</b>
Acquisitions of PP&E and intangible assets		(26,825)	(20,011)
Disposals of PP&E and intangible assets		191	141
Net financial investments		79	1,952
Impact of changes in scope <sup>(2)</sup>	8.3	(1,447)	(51)
Acquisitions of financial assets	10.2.2	(765)	(285)
Disposal of financial assets			3,025
Dividends received		343	380
<b>Total net cash flows related to investing activities</b>		<b>(28,424)</b>	<b>(14,849)</b>
Loan issue	10.1.2.4	18,689	12,848
Loan repayment		(6,623)	(3,640)
Variation TSDI <sup>(3)</sup>		5,000	
Hybrid securities coupons		(442)	(385)
Net financial interest payments		(3,140)	(2,529)
Dividends paid to Group shareholders	12.3	(9,066)	(8,091)
Dividends paid to minority shareholders		(198)	(170)
<b>Total net cash flows related to financing activities</b>		<b>4,221</b>	<b>(1,968)</b>
Impact of changes in exchange rates on cash and cash equivalents		(60)	126
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(5,912)</b>	<b>10,554</b>
Opening cash and cash equivalents	10.1.3.1	18,557	8,003
Closing cash and cash equivalents	10.1.3.1	12,644	18,557
<b>Change in net cash</b>		<b>(5,912)</b>	<b>10,554</b>

<sup>(1)</sup> The «other» line primarily includes the cancellation of the consolidation gain following the acquisition of SAEDM for 1,390 million dirhams, the neutralization of non-monetary flows mainly related to foreign exchange impact on trade payable at OCP Africa for 1,178 million dirhams, the adjustment of VAT credit for -600 million dirhams, and the depreciation of stocks for -385 million dirhams.

<sup>(2)</sup> Including the acquisition of 49% of SAEDM's shares to reach a 100% stake for a price of 1.6 billion dirhams.

<sup>(3)</sup> Issuance of perpetual subordinate bonds in the amount of 5 billion dirhams.

## Note 1 - Accounting rules and methods

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

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

The consolidated accounts of the OCP Group as of December 31, 2023, were approved by the Board of Directors on March 6, 2024. The accounting principles adopted as of December 31, 2023, are the same as those used for the consolidated financial statements as of December 31, 2022. These accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union.

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

Amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates, and Errors. The modifications include the addition of a definition of accounting estimates and other changes to IAS 8 to assist entities in distinguishing between changes in accounting policies and changes in accounting estimates. These amendments apply to reporting periods beginning on or after January 1, 2023, as well as to changes in accounting policies and changes in accounting estimates occurring from this period onward. The application of this amendment has no significant impact on the Group's financial statements.

## Note 2 - Consolidation scope and scope change

### 2.1. CONSOLIDATION SCOPE

Entity	Country of location	Devise	31 December 2023		31 December 2022	
			Consolidation method	% Interest	Consolidation method	% Interest
Industrial activity-Mine						
OCP SA - Holding	Morocco	MAD	Parent company (Full)	100.00	Parent company (Full)	100.00
Phosboucrââ	Morocco	MAD	Full	100.00	Full	100.00
Industrial activity-Chemical						
Nutricrops - Holding	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company I - JFC I	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company II - JFC II	Morocco	MAD	Full	100.00	Full	100.00
KOFERT (ex JFC III)	Morocco	MAD	Full	50.00	Full	50.00
Jorf Fertilizer Company IV - JFC IV	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company V - JFC V	Morocco	MAD	Full	60.00	Full	60.00
Euro Maroc Phosphore - EMA	Morocco	MAD	Equity method	33.33	Equity method	33.33
Indo Maroc Phosphore - IMA	Morocco	MAD	Equity method	33.33	Equity method	33.33
Pakistan Maroc Phosphore - PMP	Morocco	MAD	Equity method	50.00	Equity method	50.00
Paradeep Phosphates Ltd. - PPL	India	INR	Equity method	28.05	Equity method	28.05
Fertinagro Biotech	Spain	EUR	Equity method	20.00	Equity method	20.00
OCP Fertinagro Advanced solutions - OFAS*	Morocco	MAD	Equity method	50.00		
Groupe PRAYON	Belgium	EUR	Equity method	50.00	Equity method	50.00
South East European Fertilizer Company - SEEFECO*	Roumanie	USD	Equity method	50.00		
Trading						
Black Sea Fertilizer Trading Company - BSFT	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	Suiss	USD	Full	100.00	Full	100.00
Energy						
OCP Green Energy - OCPGE	Morocco	MAD	Full	100.00	Full	100.00
OCP Green Water - OCPGW	Morocco	MAD	Full	100.00	Full	100.00
Engineering and consulting						
Dupont Ocp Operations Consulting - DOOC	Morocco	MAD	Full	100.00	Full	100.00
Jacobs Engineering - JESA	Morocco	MAD	Equity method	50.00	Equity method	50.00
OCP Solutions	Morocco	MAD	Full	100.00	Full	100.00
TEAL Technology & Services - TTS	Morocco	MAD	Full	100.00	Equity method	49.00
VALYANS	Maroc	MAD	Equity method	22.00	Equity method	22.00
Foundations- Education and R&D						
Fondation OCP	Morocco	MAD	Full	100.00	Full	100.00
Fondation Phosboucrââ	Morocco	MAD	Full	100.00	Full	100.00
Foundations- Education and R&D						
Association pour la Promotion de l'Enseignement d'Excellence - APEE	Morocco	MAD	Full	100.00	Full	100.00
BIDRA Innovation Ventures Fund*	USA	USD	Full	100.00		
Foncière Endowment 1 - FE1	Morocco	MAD	Full	100.00	Full	100.00
Health Care City Building Company - HCCBC*	Morocco	MAD	Full	100.00		
Mining Operations Lab- MOL*	Morocco	MAD	Full	100.00		
Moroccan Foundation For Advanced Science, Innovation and Research - MASCIR	Morocco	MAD	Full	100.00	Full	100.00
Université MED6 polytechnique - UM6P	Morocco	MAD	Full	100.00	Full	100.00
Université MED6 polytechnique Endowment Holding - UM6PEH	Morocco	MAD	Full	100.00	Full	100.00
Université MED6 polytechnique France - UM6PF	Morocco	MAD	Full	100.00	Full	100.00
INNOV*X*	Morocco	MAD	Full	100.00		
Hotel						
OCP Hospitality	Morocco	MAD	Full	100.00	Full	100.00
Maghreb Hospitality Company SA - MHC	Morocco	MAD	Full	75.61	Full	75.61
Société Foncière de la Lagune - SFL	Morocco	MAD	Full	61.84	Full	61.84
Société La Mamounia - SLM	Morocco	MAD	Full	39.37	Full	39.37
Société Palais Jamai - SPJ	Morocco	MAD	Full	75.61	Full	75.61
Société de Gestion de l'Hôtel Michlifen*	Morocco	MAD	Full	60.49		
Société Hotelière de Benguéir*	Morocco	MAD	Full	100.00		
Urban development						
Société d'Aménagement et de Développement Vert - SADV	Morocco	MAD	Full	100.00	Full	100.00
Société d'Aménagement et de Développement de Mazagan - SAEDM	Morocco	MAD	Full	100.00	Equity method	51.00
Others						
OCP Innovation Fund For Agriculture - OIFFA	Morocco	MAD	Full	100.00	Full	100.00
OCP International	Netherlands	USD	Full	100.00	Full	100.00
OCP International SAS	France	EUR	Full	100.00	Full	100.00
Société de Transports Régionaux - SOTREG	Morocco	MAD	Full	100.00	Full	100.00
Compagnie Marocaine de Transport et d'Affretments Maritimes - COMATAM*	Morocco	MAD	Full	100.00	Full	100.00
Centre d'Études et de Recherches des Phosphates Minéraux - CER	Morocco	MAD	Full	100.00	Full	100.00

\* New integration in the consolidation scope.

### 2.2. SCOPE CHANGE

The consolidation scope of the Group experienced the following changes:

- Inclusion in the consolidation scope of the new joint venture OCP Fertinagro Advanced Solutions-OFAS, owned equally by OCP.SA and Fertinagro Biotech, a Spanish company specializing in the marketing of innovative plant nutrition solutions. This new entity aims to produce concentrated granular NPK fertilizers and fertilizers enriched with urease inhibitors, biostimulants, and trace elements for the global market.
- Establishment of South East European Fertilizer Company-SEEFECO, a new joint venture established in Romania on a parity basis between the OCP Group and Al Dahra Group, active in the agriculture sector. This entity specializes in the import, storage, and marketing of fertilizers.
- 100% inclusion in the consolidation scope of BIDRA Innovation Ventures Fund entity. Based in San Francisco, USA, this is a new fund supported by Mohammed VI Polytechnic University and the OCP Group. The aim 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.
- 100% inclusion 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 Benguéir city, adjacent to Mohammed VI Polytechnic University.
- Inclusion of Mining Operations Lab (MOL), a new subsidiary created by UM6P as part of its strategic vision for innovative mining exploitation and the development of mining 4.0.
- 100% inclusion in the consolidation scope of INNOV’X entity. A subsidiary of Mohammed VI Polytechnic University (UM6P), INNOVX combines the roles of investor, technological innovation, and business developer to design, develop, and deploy innovative, high-performance, and environmentally and socially impactful technological companies and ecosystems on an industrial scale. INNOVX operates in strategic sectors essential for food sovereignty, energy transition, and digitalization, such as agriculture & water, social innovation, energy, chemistry, and digital.
- 100% inclusion in the consolidation scope of Société Hôtelière de Benguéir. This 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 international brand hotel in Benguéir.
- Acquisition in 2023 of 50% of Teal Technology & Services (TTS) shares to reach a 100% ownership.
- In December 2023, the OCP Group took control of SAEDM by bringing its control rate to 100% of voting rights.



## Note 3 - Segment reporting

The presentation of the Group segment information disclosed production axis in accordance with the Group's organization and internal reporting:

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

It should be noted that, as part of the acceleration of its 3<sup>rd</sup> 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.

In line with the action principles of agility and iterative delivery of the "Strategizing, Organizing & Delivering" dynamic that the Group is leading, it was decided to launch the Strategic Business Units and the emerging businesses linked to them. These are the following Strategic Business Units: Mining, Manufacturing, Rock Solutions, Nutricrops, Speciality Products & Solutions, UM6P et le Strategic Program Mzinda-Meskala

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 & Phosboucraâ		Head-office and other activities		Intersegment eliminations		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Revenue	68,112	94,462	15,854	21,098	23,920	13,576	(16,609)	(14,562)	91,277	114,574
Production held as inventory	(4,270)	3,645	(331)	912	(2,392)	5,846			(6,993)	10,403
Purchases consumed	(25,130)	(44,150)	(3,654)	(6,372)	(20,885)	(18,665)	15,919	14,591	(33,750)	(54,596)
External expenses	(5,022)	(7,120)	(2,437)	(2,280)	(2,755)	(2,831)	544	478	(9,671)	(11,753)
Personal expenses	(5,086)	(5,240)	(3,318)	(3,397)	(3,115)	(2,996)	1	17	(11,518)	(11,615)
Taxes	(134)	(115)	(70)	(71)	(108)	(120)			(313)	(306)
Income from joint ventures	134	614			640	1 273			774	1,888
Exchange gains and losses on operating receivables and payables	(53)	259	(34)	73	(609)	679			(697)	1,010
Other operating income and expenses	(81)	206			224	788	145	(523)	287	471
<b>EBITDA</b>	<b>28,469</b>	<b>42,562</b>	<b>6,009</b>	<b>9,964</b>	<b>(5,083)</b>	<b>(2,449)</b>			<b>29,396</b>	<b>50,075</b>
Amortization, depreciation and operating provisions	(4,536)	(4,773)	(859)	(874)	(2,999)	(2,789)			(8,394)	(8,435)
<b>Current operating profit ( loss)</b>	<b>23,933</b>	<b>37,789</b>	<b>5,150</b>	<b>9,090</b>	<b>(8,082)</b>	<b>(5,238)</b>			<b>21 002</b>	<b>41,641</b>
Other non-current operating income and expenses	(406)	(299)	(170)	(365)	(1,559)	(594)			(2,136)	(1,258)
<b>Operating profit ( loss)</b>	<b>23,527</b>	<b>37,490</b>	<b>4,980</b>	<b>8,725</b>	<b>(9,641)</b>	<b>(5,833)</b>			<b>18,866</b>	<b>40,382</b>

The Group's revenue amounted to MAD 91.3 billion during 2023, marking a decrease of 20% compared to the record year of 2022. This decrease primarily stems from the reduction in selling prices in 2023, largely influenced by lower input prices but relatively stable compared to 2021.

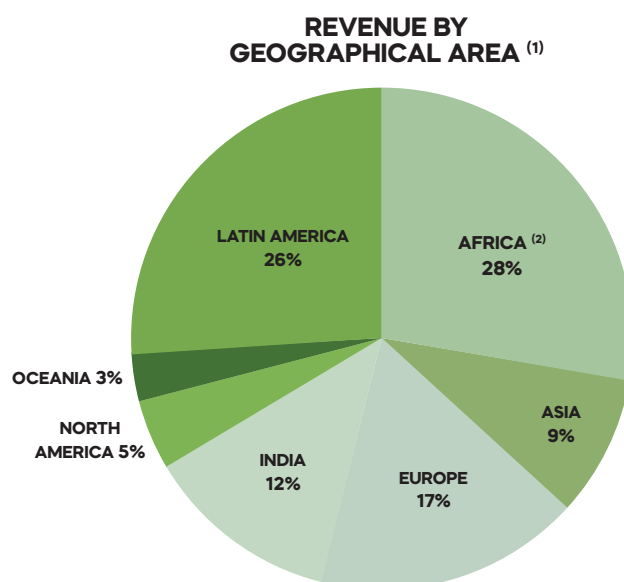
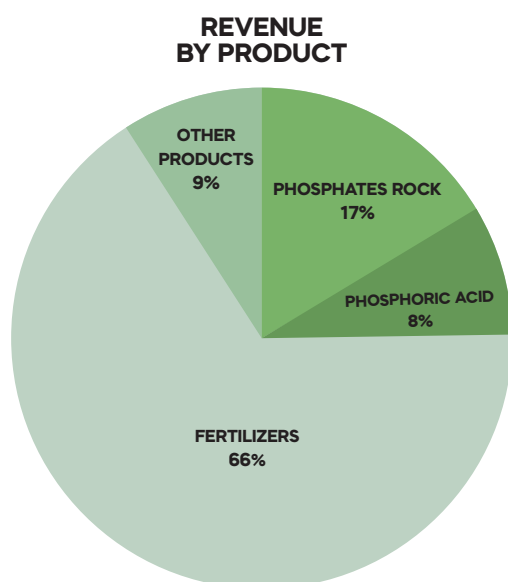
This downward trend was evident on both axes, with a decline of 28% on the northern axis and 40% on the central axis. The Group's operating expenses decreased by 29% compared to 2022, mainly due to the decrease in purchases of raw materials, as a result of lower prices for sulfur and ammonia.

The Group's EBITDA amounted to MAD 29.4 billion, registering a decrease of 41% compared to 2022, impacted by less favorable market conditions in 2023.

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

In 2023, the revenue from ordinary activities amounted to MAD 91.277 million, representing a decrease of 20.2% compared to 2022. It is also worth noting that 95% of the consolidated assets are located in Morocco.

The breakdown of the consolidated revenue by product and geographical area for 2023 is detailed as follows:



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

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

The Group generates its revenues with diversified clients. No client generates alone more than 10% of the consolidated revenue.

## 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, net of returns and rebates, trade discounts and quantity discounts. Revenue is recognized upon the control transfer of the goods, and when the amount of revenue can be reasonably estimated. This transfer of ownership is made at the time of delivery of goods for local sales and as per Incoterms for export sales:

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

##### 4.1.1.2 INFORMATION BY PRODUCT FAMILY

(In millions of dirhams)	FY 2023	FY 2022
Phosphates	15,241	18,492
Phosphoric Acid	7,312	12,272
Fertilizer	60,441	73,851
Other income	8,284	9,959
<b>Revenue</b>	<b>91,277</b>	<b>114,574</b>

(In millions of dirhams)	Phosphates		Phosphoric Acid		Fertilizers	
Main marketwts	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Local sales	6,266	6,229	1,381	2,870	816	1,184
South America	2,544	3,371	763	1,956	19,248	16,974
Europe	1,219	3,992	3,070	5,842	10,410	8,314
Africa		1			11,976	13,383
North America					4,062	3,945
India	3,527	2,504	1,461	760	5,493	17,925
Asia	1,193	1,502	638	843	6,159	11,447
Oceania	491	893			2,275	678
<b>Total</b>	<b>15,241</b>	<b>18,492</b>	<b>7,312</b>	<b>12,272</b>	<b>60,441</b>	<b>73,851</b>

## Notes to the Consolidated Financial Statements

(In millions of dirhams)	Phosphates		Phosphoric Acid		Fertilizers	
Break down by third parties	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
<b>Revenue</b>	<b>18,432</b>	<b>29,909</b>	<b>7,312</b>	<b>12,272</b>	<b>76,923</b>	<b>88,130</b>
Outside the group	8,976	12,263	6,063	9,507	60,441	73,851
Joints ventures	6,265	6,229	1,250	2,766		
Intercompany sales	3,191	11,416			16,482	14,279
<b>Eliminations</b>	<b>3,191</b>	<b>11,416</b>			<b>16,482</b>	<b>14,279</b>
<b>Total</b>	<b>15,241</b>	<b>18,492</b>	<b>7,312</b>	<b>12,272</b>	<b>60,441</b>	<b>73,851</b>

The revenue generated during 2023 decreased by 20.2% compared to 2022.

### - Phosphate sales saw a decrease of 17.6% between 2022 and 2023.

This decline primarily resulted from a decrease in selling prices observed during 2023, dropping from \$233/ton FOB in 2022 to \$157/ton FOB in the export market in 2023, correlating with a significant drop in fertilizer prices. A decrease in sales volumes was noted in Europe, attributed to reduced activity in this region. However, this decrease was offset by an increase in volumes to India and the joint ventures Pakistan Maroc Phosphore-PMP and Indo Maroc Phosphore-IMACID.

### - Sales of phosphoric acid recorded a decrease of 40.4% between 2022 and 2023

This trend is attributable to a price decrease of 39.2%, dropping from \$1,536/ton in 2022 to \$935/ton in 2023 in the international market, mainly due to the decrease in input prices between the two periods. Additionally, an increase in volumes was observed in exports, particularly to India, where OCP saw an increase in commercial demand for acid. However, this increase was partially offset by the decrease in volumes sold in Europe, resulting from reduced demand in that region. A decrease in volumes in local sales was also observed, explained by the decrease in supplies of pre-treated acid from EMAPHOS.

### - Fertilizer sales also experienced a decrease of MAD 13.4 billion between 2022 and 2023, a decrease of 18.2%.

This decrease is primarily due to a stronger-than-anticipated decline in fertilizer prices in the international market following the decline in raw material purchase prices. The price of fertilizer in the international market dropped from \$824/ton in 2022 to \$520/ton in 2023. However, fertilizer volumes increased between the two periods, particularly to Latin America, notably Brazil, due to targeting new markets, and to Europe, following increased demand resulting from favorable weather conditions.

### - Other products.

Mainly include freight activity and the sale of other ancillary products such as liquid sulfur, urea, ammonium nitrate, potassium chloride, etc. This line amounted to MAD 8.3 billion in 2023, compared to MAD 10.0 billion recorded in 2022, a decline mainly explained by the decrease in freight prices despite an increase in volumes linked to increased sales volumes. The decrease in revenue related to the resale of raw materials is mainly due to the price decrease.

## 4.1.2 TRADE RECEIVABLES

### 4.1.2.1 ACCOUNTING TREATMENT OF TRADE RECEIVABLES

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

### 4.1.2.2 ANALYSIS OF TRADE RECEIVABLES

(In millions of dirhams)	31 December 2023	31 December 2022
Trade receivables invoiced	20,356	17,168
Depreciation - trade receivables	(1,638)	(1,687)
<b>Net trade receivables</b>	<b>18,718</b>	<b>15,481</b>

Accounts receivable increased by 3.2 billion dirhams between December 31, 2022, and December 31, 2023, representing a 20.9% increase, correlating with the high sales level during December 2023.

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

(In millions of dirhams)	Depreciation at 1 <sup>st</sup> January 2023	Net dotations	Currency effect and other changes	Depreciation at 31 December 2023
<b>2023</b>	1,687	(40)	(8)	1,638
<b>2022</b>	1,409	244	34	1,687

Net trade receivable maturities as at 31 December 2023 are as follows:

(In millions of dirhams)	Unmatured receivables	Matured receivables			Total
		< 30 days	30 - 180 days	more than 180 days	
<b>Net trade receivables</b>	13,609	1,964	395	2,748	18,718

## 4.1.3 MANAGEMENT OF EXCHANGE RISK AND CREDIT RISKS

### 4.1.3.1 EXCHANGE RISK

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

### 4.1.3.2 FOREIGN EXCHANGE RISK ON FINANCING FLOWS

#### Setting up exchange rate hedge accounting:

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



OCP's revenue in 2022 amounted to MAD 114.6 billion, and the assumptions validating the effectiveness of the hedging relationship remain fully maintained, with the hedging documentation still being verified. According to the strategy initially described, OCP expects the hedge to be highly effective and it must be regularly tested over the life of the transaction, falling between the range of 80% and 125%.

Following the partial redemption of bond issues on June 23, 2021, which accounted for 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 related to this operation will be maintained in other comprehensive income for a total of MAD 496 million. These reserves 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 remaining non-repurchased tranches will continue to serve as hedging instruments for future revenue that will be realizable in 2024 and 2025.

### 4.1.3.3 CREDIT RISKS

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

The OCP group is present in more than fifty countries in the world. Its turnover is mainly generated by export sales. OCP group counts among its clients large international groups that have been in business relations with the Group for several years.

Credit risk management is based on the following elements:

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

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

## 4.2. PURCHASES CONSUMED AND EXTERNAL CHARGES

### 4.2.1 ACCOUNTING TREATMENT OF OPERATING CHARGES

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

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

## 4.2.2 ANALYSIS OF PURCHASES CONSUMED AND EXTERNAL EXPENSES

## Purchases consumed:

(In millions of dirhams)	FY 2023	FY 2022
<b>Purchases of materials and supplies</b>	<b>(3,636)</b>	<b>(2,815)</b>
<b>Purchases of raw materials</b>	<b>(21,918)</b>	<b>(44,191)</b>
Sulfur	(8,088)	(19,533)
Ammonia	(10,144)	(19,941)
Sulfuric acid	(744)	(2,829)
Back acid	(1,309)	(1,300)
Other raw materials	(1,633)	(587)
<b>Energy consumption</b>	<b>(2,831)</b>	<b>(2,947)</b>
Electric energy	(1,303)	(1,200)
Fuel	(892)	(966)
Diesel	(532)	(656)
Heating gas	(87)	(105)
Gasoline	(12)	(13)
Steam and others	(5)	(7)
<b>Spare parts</b>	<b>(811)</b>	<b>(795)</b>
<b>Purchases of works, studies and services</b>	<b>(2,654)</b>	<b>(2,141)</b>
<b>Water supply</b>	<b>(83)</b>	<b>(145)</b>
<b>Auxiliary materials and othe purchases</b>	<b>(1,816)</b>	<b>(1,561)</b>
<b>Purchased consumables of materials and supplies</b>	<b>(33,750)</b>	<b>(54,596)</b>

## Raw materials

Raw material purchases decreased significantly by MAD 22.3 billion between FY 2022 and FY 2023. This variation is mainly due to the decrease in consumed purchases of raw materials, including sulfur, ammonia, and sulfuric acid.

Indeed, sulfur purchases decreased by MAD 11.4 billion due to the drop in prices per ton (\$127/T CFR in 2023 compared to \$301/T CFR in 2022). The consumed volumes of sulfur also slightly decreased in correlation with the decline in sulfuric acid production.

Similarly, ammonia consumption recorded a decrease of MAD 9.8 billion, also due to the decrease in the price per ton, from \$1,096/T CFR in 2022 to \$614/T CFR in 2023. The consumed volumes also decreased thanks to the improvement of consumption ratios and the change in the product mix.

Sulfuric acid consumption also fell by MAD 2.1 billion, explained by a drop in the price per ton from \$224/T CFR in 2022 to \$99/T CFR in 2023, in line with the drop in the price of sulfur on the international market.

## Energy

Energy expenses remained at MAD 2.8 billion during FY 2023, showing a near-stagnation compared to 2022. This situation is mainly explained by positive price and volume effects on diesel and fuel, offset by an increase in electricity expenses mainly due to a negative price effect and a higher volume linked to activity.

## Services

Service costs increased by MAD 513 million compared to FY 2022. This change is mainly explained by the increase in product preparation and shipping services following the increase in export volumes from Jorf Lasfar and export Feed sales from Safi, as well as by the development of the UM6P ecosystem.

## External expenses:

(In millions of dirhams)	FY 2023	FY 2022
Transport	(4,755)	(6,320)
ONCF transport on sales	(882)	(651)
Shipping on sales-Freight	(3,490)	(4,772)
Truck phosphates transport	(209)	(320)
Personal transport	(108)	(98)
Other operating transport	(66)	(478)
Consulting and fees	(645)	(598)
Contributions and donations	(336)	(1,513)
Maintenance and repairs	(1,545)	(1,573)
Leases and lease expenses	(263)	(159)
Insurance premiums	(343)	(343)
Advertising, publications and public relations	(330)	(234)
Postal and telecommunications expenses	(165)	(186)
STUDY, ANALYSIS, RESEARCH AND DOCUMENTATION	(39)	(115)
Remuneration of personnel outside the company	(365)	(233)
Other external expenses	(884)	(481)
<b>External expenses</b>	<b>(9,671)</b>	<b>(11,754)</b>

External expenses amounted to MAD 9.7 billion dirhams during 2023, down 18% compared to 2022. This decrease is mainly observed in the area of shipping related to sales, in correlation with the decrease in freight prices.

Similarly, this decrease is explained by the decrease in contributions and donations for an impact of MAD 1.2 billion mainly attributable to the recording in 2022 of fertilizer donations to African countries.

## 4.2.3 RISKS RELATED TO RAW MATERIALS

### Sulfur supplies

The sulfur market experienced a downward price trend in the first half of 2023, due to limited demand from fertilizer producers and a return to normal supply that recovered from the disruptions seen in 2021 and 2022. Due to the oversupply, sulfur stocks increased by about 1.3 MT globally in the first half of 2023. Prices reached \$64/t FOB Middle East at the end of June, a reduction of \$92/t from \$155/t FOB at the beginning of the year.

In the third quarter, increased demand from fertilizer producers following the rise in fertilizer prices led to a firming of sulfur prices, which reached \$113/t FOB Middle East in mid-September. In the fourth quarter, the sulfur market was weak, due to limited demand from China in the context of the end of the autumn fertilizer season and restrictions on DAP/MAP exports. In addition, weak nickel prices led to a reduction in Indonesian demand. Finally, supply was healthy, supported by crush lump exports from Saudi Arabia and Kazakhstan. As a result, year-end prices fell to \$78/t FOB Middle East.

In 2023, OCP contributed to the creation of additional supply by purchasing crushed lump sulfur from Kazakhstan and Saudi Arabia, and during periods of low cycle, OCP benefited from favorable market conditions to build up a strategic stock.

## Ammonia supplies

During the first half of 2023, the ammonia market experienced a downward trend, due to reduced demand from the fertilizer and industrial sectors following the unfavorable macroeconomic situation and weak demand. As a result, prices fell to \$260/t FOB Caribbean in early July from \$940/t FOB at the beginning of the year.

In the third quarter of 2023, the ammonia market was tight due to a series of unexpected supply disruptions that pushed prices up to ~ \$577 FOB Caribbean. The recovery in supply led to a stabilization of the market at the beginning of the fourth quarter and to the beginning of a gradual reduction in prices in December. Year-end prices were \$475/t FOB Caribbean and \$425/t FOB Middle East.

In 2023, OCP covered most of its ammonia needs through its diversified long-term contracts and managed to ensure smooth production continuity despite a significant reduction in export disruptions from Ma'aden and Southeast Asia.

## 4.2.4 INVENTORIES

### 4.2.4.1 ACCOUNTING TREATMENT OF INVENTORIES

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

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

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

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

### 4.2.4.2 ANALYSIS OF THE INVENTORIES EVOLUTION AND PRODUCTION HELD AS INVENTORY

(In millions of dirhams)	31 December 2023			31 December 2022		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Consumable materials and supplies	6,178	(1,478)	4,700	8,149	(1,552)	6,597
In-process inventory	7,625	(328)	7,297	7,355	(337)	7,018
Finished products	6,350	(75)	6,275	12,539	(165)	12,375
<b>Total Inventories</b>	<b>20,153</b>	<b>(1,881)</b>	<b>18,272</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 life of these parts is short. So, they do not have the character of an asset. The risk of obsolescence of these parts is an indication of impairment that is reviewed annually to estimate whether impairment is required in order to take into account a potential loss in value.

Total inventories at the end of December 2023 amounted to MAD 18.3 billion, a decrease of MAD 7.7 billion compared to the end of December 2022. This is mainly due to the destocking of fertilizers and acids, and the decrease in the cost of stocks constituted in 2023 due to the decline in the prices of raw materials, auxiliary materials and other supplies.

## Notes to the Consolidated Financial Statements

It should be noted that as part of the optimization and preservation of the phosphate deposit, and in parallel with the deployment of the new washing plants in Khouribga and Gantour, the use of the results of the pilot tests planned for these plants offers the possibility of recovering stocks of Very Low Grade TBT quality. In 2023, the Group integrated 4.3 million tons of rock into these two sites in Khouribga and Gantour, representing a total value of MAD 400 million. A gradual disposal of these stocks is planned at the two sites.

### 4.2.5 TRADE PAYABLES

<i>(In millions of dirhams)</i>	31 December 2023	31 December 2022
Trade payables	7,835	6,000
Fixed assets liabilities	21,102	14,307
<b>Trade payables</b>	<b>28,937</b>	<b>20,306</b>

Trade payables correspond to payables related to trade and fixed asset liabilities. They recorded an 42.5% increase at the end of December 2023 compared to the end of December 2022 due to the increase in investments in 2023.



## Note 5 - Expenses and employee benefits

### 5.1. PERSONNEL EXPENSES

(In millions of dirhams)	FY 2023	FY 2022
Employee remuneration and related social charges	(9,389)	(9,539)
Retirement benefits and medical cover	(1,322)	(1,380)
Other employee benefits	(806)	(696)
<b>Personnel expenses</b>	<b>(11,518)</b>	<b>(11,615)</b>

Personnel expenses are almost stable between 2023 and 2022, with a slight decrease of MAD 97 million.

### 5.2. NUMBER OF EMPLOYEES

(In millions of dirhams)	31 December 2023	31 December 2022
Non-execs	6,344	4,816
Technicians, Supervisors and Administrative executives	8,707	7,650
Manual workers and Clerical staff	6,119	8,121
<b>Number of employees</b>	<b>21,170</b>	<b>20,587</b>

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

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

OCP Group has three types of benefits schemes:

- Post-employment defined contribution plans are those for which the obligation of the OCP Group is limited to the payment of a contribution that does not include any commitment by the employer to the level of benefits provided by the Group Allowance Plan "RCAR" pension. Contributions are expensed during the period in which the employees rendered the related services. Amounts assumed during the year under other defined contribution plans amounted to MAD 756 million in 2022 compared to MAD 704 million in 2021.
- Post-employment defined benefit plans include all post-employment benefits for which the OCP Group is committed to a benefit level. These include death benefit, end-of-career benefits and post-employment medical coverage for OCP staff.
- Regarding end-of-career benefits, this post-employment benefit has been outsourced to an external insurance company in the form of a defined contribution supplementary retirement product since 2023. The total amount of the related contribution in 2023 was MAD 70 million.
- Other long-term benefits are benefits, other than post-employment benefits and termination benefits, that are not due in full within 12 months of the end of the year in which the benefits are earned staff rendered the corresponding services. This includes the closed own plans for the death and disability benefit and the workers' compensation agreement. The other long-term benefit obligation is measured using an actuarial valuation method similar to that applied to defined-benefit post-employment benefits.

Defined benefit plans are subject to a provision, determined on the basis of an actuarial valuation of the commitment using the projected unit credit method, taking into account demographic and financial assumptions. Actuarial assumptions are reviewed on an annual basis.

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

### 5.3.2 MAIN ACTUARIAL ASSUMPTIONS

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

	31 December 2023	31 December 2022
<b>Discount rate</b>		
Pension supplement	5.10%	3.99%
Medical plans	4.91%	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 2026 as the year of changeover.

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

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

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

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

### 5.3.3 OBLIGATIONS RELATED TO SOCIAL LIABILITIES

(In millions of dirhams)	Post-employment benefits				Other long-term benefits	Total employee benefits
	Pension supplement	Medical plans	Fixed retirement allocation	Total post-employment benefits		
<b>Net obligations recognized at 31 December 2021</b>	<b>615</b>	<b>4,255</b>	<b>989</b>	<b>5,858</b>	<b>103</b>	<b>5,964</b>
Benefits paid	(17)	(753)	(33)	(803)	(1)	(804)
Service cost	2	64	74	140		140
Expenses related to discounting of obligations	20	140	32	193		193
Externalisation et LSF			(465)	(465)		(465)
Actuarial losses or (gains) for the period	(78)	175	(51)	47		47
Contributions		77		77		77
Other changes	17			17		17
<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	(13)	(681)		(695)		(695)
Service cost	1	55		56		56
Expenses related to discounting of obligations	22	155		178		178
Externalisation et LSF			(546)	(546)		(546)
Actuarial losses or (gains) for the period	(93)	404		311		311
Contributions		78		78		78
Other changes	(6)			(6)		(6)
<b>Net obligations recognized at 31 December 2023</b>	<b>472</b>	<b>3,967</b>		<b>4,439</b>	<b>102</b>	<b>4,544</b>

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

(as % of the item measured) Sensitivity analysis +1%	31 December 2023		31 December 2022	
	Pension supplement	Medical plans	Pension supplement	Medical plans
<b>Discount rate</b> Impact on the current value of gross obligations at 31 December	-14%	-9%	-15%	-11%
<b>Rate of change in medical costs</b> Impact on the current value of gross obligations at 31 December		17%		19%

(as % of the item measured) Sensitivity analysis -1%	31 December 2023		31 December 2022	
	Pension supplement	Medical plans	Pension supplement	Medical plans
<b>Discount rate</b> Impact on the current value of gross obligations at 31 December	17%	12%	19%	14%
<b>Rate of change in medical costs</b> Impact on the current value of gross obligations at 31 December		-13%		-15%

## 5.4. KEY MANAGEMENT COMPENSATION

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

(In millions of dirhams)	FY 2023	FY 2022
Short-term employee benefits	145	153
Post-employment benefits	25	22
<b>Total management compensation</b>	<b>169</b>	<b>176</b>

## Note 6 - Investments in Joint Ventures and associates

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

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

(In millions of dirhams)	31 December 2023	31 December 2022
Paradeep Phosphates Limited - PPL	1,318	1,320
Groupe Prayon	2,965	2,479
Pakistan Maroc Phosphore - PMP	1,099	1,084
Euro Maroc Phosphore - EMA	546	516
Indo Maroc Phosphore - IMA	645	722
Fertinagro Biotech	582	593
Société d'Aménagement et de Développement de Mazagan - SAEDM (*)		284
OCP Fertinagro Advanced Solutions - OFAS	205	
Others	185	76
<b>Participations in joint ventures</b>	<b>7,545</b>	<b>7,076</b>

(\*) In December 2023, the OCP Group took control of SAEDM by increasing its voting rights to 100%.

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

(In millions of dirhams)	FY 2023	FY 2022
Paradeep Phosphates Limited - PPL	30	214
Groupe PRAYON	577	898
Pakistan Maroc Phosphore - PMP	15	270
Euro Maroc Phosphore - EMA	30	201
Indo Maroc Phosphore - IMA	90	144
Others	31	160
<b>Profit (Loss) from joint ventures</b>	<b>774</b>	<b>1,887</b>

## Notes to the Consolidated Financial Statements

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

<i>(In millions of dirhams)</i>	<i>FY 2023</i>	<i>FY 2022</i>
Pakistan Maroc Phosphore - PMP		250
Indo Maroc Phosphore - IMA	167	117
JACOBS ENGINEERING - JESA	118	
PRAYON Group	44	
<b>Dividends received from joint ventures</b>	<b>328</b>	<b>367</b>

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

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

### Statement of Financial Position

<i>(In millions of dirhams)</i>	<i>PRAYON</i>	<i>EMAPHOS</i>	<i>IMACID</i>	<i>PMP</i>	<i>PPL</i>	<i>Others</i>
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	(172)	125	146	126	25	637
Cash financial assets		4			31	
Inventories	(119)	484	1,440	1,559	1,127	1
Trade receivables	4,484	400	516	640	2,279	4,394
Current tax receivables		116	55	177		189
Other current assets	(27)	707	1,117	1,311	430	1,801
<b>Total current assets</b>	<b>4,165</b>	<b>1,836</b>	<b>3,273</b>	<b>3,813</b>	<b>3,892</b>	<b>7,022</b>
<b>Non-current assets</b>						
Non-current financial assets	4				4	14
Investments in equity-accounted companies	242					
Equity securities						137
Deferred tax assets	130					
Property, plant and equipment	481	1,386	501	495	1,838	3,688
Intangible assets	(81)	432	17	20	2	274
<b>Total non-current assets</b>	<b>776</b>	<b>1,819</b>	<b>518</b>	<b>515</b>	<b>1,843</b>	<b>4,112</b>
<b>TOTAL ASSETS</b>	<b>4,942</b>	<b>3,655</b>	<b>3,791</b>	<b>4,329</b>	<b>5,735</b>	<b>11,134</b>



## Notes to the Consolidated Financial Statements

(In millions of dirhams)	PRAYON	EMAPHOS	IMACID	PMP	PPL	Others
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Current loans and financial debts	(687)	10			2,313	484
Current provisions	13		(16)		91	243
Trade payables	(92)	1,065	1,731	2,093	1,061	1,919
Current tax liabilities					96	282
Other current liabilities	(13)	13	72	5	201	3,457
<b>Total current liabilities</b>	<b>(779)</b>	<b>1,088</b>	<b>1,787</b>	<b>2,098</b>	<b>3,763</b>	<b>6,386</b>
<b>Non-current liabilities</b>						
Non-current loans and financial debts	203	891	2	3		5
Non-current provisions for employee benefits	150					
Other non-current provisions	(755)				29	
Deferred tax liabilities	211					
Other non-current liabilities	(4)					
<b>Total non-current liabilities</b>	<b>(195)</b>	<b>891</b>	<b>2</b>	<b>3</b>	<b>29</b>	<b>5</b>
Equity - Group share	545	347	620	800	684	1,154
Paid-in capital		110				
Reserves	178	1,132	295	1,406	1,048	1,525
Retained earnings	4,127		830		102	1,800
Net profit (loss) - Group share	1,067	87	258	21	108	264
<b>Total equity</b>	<b>5,916</b>	<b>1,676</b>	<b>2,002</b>	<b>2,227</b>	<b>1,942</b>	<b>4,743</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4,942</b>	<b>3,655</b>	<b>3,791</b>	<b>4,329</b>	<b>5,735</b>	<b>11,134</b>

### Income statement

(In millions of dirhams)	PRAYON	EMAPHOS	IMACID	PMP	PPL	Others
Revenue	12,494	1,967	4,086	3,166	16,055	9,053
Production held as inventory	(534)	(241)	(26)	(160)	(345)	
Purchases consumed	(6,002)	(1,307)	(3,168)	(2,492)	(12,333)	(5,849)
External expenses	(2,429)	(158)	(458)	(370)		(891)
Personnel expenses	(1,604)			(9)	(278)	(1,635)
Taxes		(2)	(2)	(1)		(11)
Exchange gains and losses on operating receivables and payables		(3)	(47)	(52)		(7)
Other operating income and expenses	(95)	(5)		16	(2,241)	30
<b>EBITDA</b>	<b>1,830</b>	<b>251</b>	<b>385</b>	<b>98</b>	<b>858</b>	<b>689</b>
Amortization, depreciation and operating provisions	(407)	(64)	(49)	(36)	(249)	(36)
<b>Operating profit (loss) before exceptional items</b>	<b>1,423</b>	<b>187</b>	<b>336</b>	<b>62</b>	<b>608</b>	<b>653</b>
Other non-current operating income and expenses		(41)	(32)	(41)		(116)
<b>Operating profit (loss)</b>	<b>1,423</b>	<b>146</b>	<b>304</b>	<b>21</b>	<b>608</b>	<b>536</b>
Cost of net financial debt	(138)	(20)	33	29	(430)	
Exchange gains and losses on financial receivables and payables						(1)
Other financial income and expenses		(1)	18			15
<b>Financial profit (loss)</b>	<b>(138)</b>	<b>(21)</b>	<b>52</b>	<b>29</b>	<b>(430)</b>	<b>14</b>
<b>Profit (loss) before tax</b>	<b>1,285</b>	<b>125</b>	<b>356</b>	<b>51</b>	<b>178</b>	<b>551</b>
Corporate tax	(218)	(38)	(98)	(30)	(70)	(287)
<b>Net profit (loss) for the period</b>	<b>1,067</b>	<b>87</b>	<b>258</b>	<b>21</b>	<b>108</b>	<b>264</b>

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

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

#### 6.3.1 SUPPLY OF PHOSPHATE AND PHOSPHORIC ACID

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

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

Under these transactions, OCP recorded sales of phosphates to joint ventures for MAD 7,702 million in 2023 compared to MAD 7,839 million in 2022.

OCP also supplies phosphoric acid to its joint ventures EMAPHOS, PPL and PRAYON. In regard to these sales, OCP recorded a revenue of MAD 2,283 million in 2023 in comparison with MAD 4,953 million in 2022.

#### 6.3.2 SUPPLY OF SERVICES AND UTILITIES

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

#### 6.3.3 LEASES

OCP has entered into lease agreements with local joint ventures that are based on the Jorf Lasfar platform. The rents are payable in advance at the beginning of the year and are subject to revision as per the terms and conditions outlined in the contracts.

#### 6.3.4 FINANCIAL AGREEMENT

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

#### 6.3.5 OTHER SERVICES

In addition, OCP provides marketing services for the products manufactured by its joint ventures and also offers chartering services to some of them. In 2017, OCP signed a multiparty contract with several subsidiaries and joint ventures, including Indo Maroc Phosphore-IMA and Euro Maroc Phosphore-EMAPHOS, for the sale of spare parts on the Jorf Lasfar platform.

#### 6.3.6 BENEFITS PROVIDED BY JOINT VENTURES TO OCP

JESA S.A provides engineering services to OCP under the Framework Services Agreement signed in 2017 and renewed in 2022.

## Note 7 – Other operating items

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

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

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

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

### 7.2. ANALYSIS OF OTHER OPERATING ITEMS

(In millions of dirhams)	FY 2023	FY 2022
Gains and losses on other assets	(94)	(95)
Granted subsidies, donations and liberalities	(2,168)	(911)
Social cohesion	(1,163)	(667)
Others	1,290	415
<b>Other non-current operating income and expenses</b>	<b>(2,135)</b>	<b>(1,258)</b>

The category of “Other non-recurring operating income and expenses” shows a loss of MAD 2,135 million during 2023, an increase of MAD 877 million compared to 2022.

This variation is explained, on the one hand, by the granting of a donation of MAD 1 billion to the AlHaouz Earthquake Special Fund, as well as by the granting of various donations to help the victims of the earthquake, for a total of MAD 118 million. On the other hand, it is due to the increase in the social cohesion charge of 496 million dirhams, due to the importance of the result achieved in 2022.

This increase was partially offset by the recognition of a consolidation surplus of MAD 1,390 million following the takeover of SAEDM. The goodwill recognized as a result is MAD 2,725 million.

### 7.3. OTHER CURRENT ASSETS

(In millions of dirhams)	31 December 2023			31 December 2022		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Receivables from suppliers, advances and payments on account	15,669		15,669	11,697		11,697
Social organizations	626	(35)	591	390	(35)	355
State (excluding corporate income tax)	10,645		10,645	7,373		7,373
Tax receivables	3,569		3,569	2,968		2,968
Other receivables	833	(12)	820	758	(36)	723
<b>Total other current assets</b>	<b>31,342</b>	<b>(48)</b>	<b>31,294</b>	<b>23,187</b>	<b>(71)</b>	<b>23,116</b>

## Notes to the Consolidated Financial Statements

The category of 'State (excluding corporate income tax)' mainly includes VAT, the phosphate exploitation fee, and other taxes and duties. The increase noted in the 'State' category is due to three factors: an increase of MAD 3.3 billion in the VAT credit combined with an increase of MAD 4 billion in supplier advances linked to the investment program.

The tax receivable maturities as at 31 December 2023 are detailed in the table below:

(In millions of dirhams)	Total	Unmatured	Matured		
			<30 days	30 - 120 days	> 120 days
State, VAT	1,965	1,654	38	79	195
VAT credit	8,098	728	3,525	19	3,826
State, other taxes	580	528			52
<b>Total</b>	<b>10,645</b>	<b>2,910</b>	<b>3,563</b>	<b>98</b>	<b>4,073</b>

### 7.4. OTHER CURRENT LIABILITIES

(In millions of dirhams)	31 December 2023	31 December 2022
Trade receivable credit balances, advances and payments on account	2,494	3,375
STATE	1,592	2,448
Social payables	1,909	1,946
Tax liabilities	333	5,786
Other creditors	4,316	3,399
<b>Total other current liabilities</b>	<b>10,644</b>	<b>16,953</b>

The category of 'Other current liabilities' shows a decrease of MAD 6.3 billion between the end of 2022 and the end of 2023. This variation is mainly explained by a decrease in tax debt of 5.4 billion dirhams.

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

### 8.1. ACCOUNTING TREATMENT OF ASSETS

#### 8.1.1 PROPERTY, PLANT & EQUIPMENT

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

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

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

##### Depreciation

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

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

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

##### Leases

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

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

##### Borrowing costs

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

OCP capitalized borrowing costs of MAD 462 million in 2023, compared to MAD 347 million in 2022.

## 8.1.2 INTANGIBLE ASSETS

### Initial and subsequent measurement

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

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

### Depreciation

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

### Development expenditures

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

### Goodwill

Following the integration of the Maghreb Hospitality Company-MHC in July 2021, a new goodwill of MAD1,886 was calculated for the La Mamounia entity. The Group conducted a valuation of this acquisition and allocated all of the goodwill to the prestigious La Mamounia brand.

Furthermore, in December 2022, OCP Group subscribed alone to the capital increase of Société Foncière de la Lagune-SFL, increasing its stake in the entity to 81.79%. This takeover generated a goodwill of MAD296 million, which was fully depreciated as a precautionary measure.

In December 2023, the OCP Group increased its stake in SAEDM to 100%. This takeover generated goodwill of MAD 2,725 million. In accordance with the requirements of IFRS standards, this goodwill must be allocated within the next 12 months. In this context, a strategic review is underway.

## 8.1.3 IMPAIRMENT TESTS AND IMPAIRMENT LOSSES

### Valuations used for impairment tests

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

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

Given the group's activities, the main cash generating units identified are: Mining, Manufacturing, Rock Solutions, Nutricrops, Speciality Products & Solutions and UM6P.

## Notes to the Consolidated Financial Statements

The impairment tests for assets apply the following rules:

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

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

As already mentioned earlier in this report, OCP's exceptional performance in 2023 was the result of an effective strategy, prudent resource management and favorable market conditions. Although 2023 saw a decline compared to the previous year, there is no indication of any impairment of OCP's assets, as financial performance remained strong.

### 8.2. PROPERTY, PLANT AND EQUIPMENT VARIATION

(In millions of dirhams)	31 December 2022	Aquisitions	Provisions	Reductions / Reversals	Translation difference	Other changes	31 December 2023
<b>Gross amount:</b>							
Land	8,812	117			(1)	47	8,975
Buildings	65,364	19,869		(116)	(2)	3	85,117
Technical installations, equipment and tools	105,114	3,035		(298)	(1)		107,850
Transport equipment	902	14		(7)		9	917
Furniture, office equipment and various fittings	3,897	788		(47)	(6)	134	4,767
Right of use of other tangible assets	4,539	96		(6)	(3)	(3)	4,623
Other property, plant and equipment	26,421	5,385		(64)		313	32,055
<b>Total gross amount</b>	<b>215,049</b>	<b>29,305</b>		<b>(538)</b>	<b>(13)</b>	<b>503</b>	<b>244,305</b>
<b>Depreciations:</b>							
Land	(1,196)		(21)			19	(1,199)
Buildings	(17,188)		(1,965)	215	1	(28)	(18,965)
Technical installations, equipment and tools	(59,183)		(4,134)	366		(167)	(63,117)
Transport equipment	(874)		(35)	7		7	(895)
Furniture, office equipment and various fittings	(2,084)		(377)	47	2	(64)	(2,477)
Right of use of other tangible assets	(2,639)		(371)		1	16	(2,992)
Other property, plant and equipment	(2,198)		(420)	6		8	(2,605)
<b>Impairment losses</b>							
Land	(123)		(47)				(169)
Buildings	(2)						(2)
<b>Total depreciation and impairment losses</b>	<b>(85,501)</b>		<b>(7,370)</b>	<b>640</b>	<b>4</b>	<b>(194)</b>	<b>(92,421)</b>
<b>Net carrying amount</b>	<b>129,547</b>	<b>29,305</b>	<b>(7,370)</b>	<b>102</b>	<b>(9)</b>	<b>309</b>	<b>151,884</b>



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(In millions of dirhams)	31 December 2021	Acquisitions	Provisions	Reductions / Reversals	Translation difference	Other changes	31 December 2022
<b>Gross amount:</b>							
Land	7,569	258		(2)	3	984	8,812
Buildings	59,842	5,410		(299)	9	402	65,364
Technical installations, equipment and tools	103,005	2,808		(861)	3	158	105,114
Transport equipment	887	17		(16)		14	902
Furniture, office equipment and various fittings	4,025	22		(103)	13	(59)	3,897
Right of use of other tangible assets	4,405	106		(0)	7	22	4,539
Other property, plant and equipment	16,249	11,045		(77)	1	(798)	26,421
<b>Total gross amount</b>	<b>195,982</b>	<b>19,666</b>		<b>(1,358)</b>	<b>35</b>	<b>723</b>	<b>215,049</b>
<b>Depreciations:</b>							
Land	(1,176)		(22)	1			(1,196)
Buildings	(15,891)		(1,417)	234	(2)	118	(17,188)
Technical installations, equipment and tools	(55,032)		(4,722)	823	(1)	(251)	(59,183)
Transport equipment	(852)		(37)	16			(874)
Furniture, office equipment and various fittings	(1,917)		(256)	103	(3)	(10)	(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)			11			(123)
Buildings	(2)						(2)
<b>Total depreciation and impairment losses</b>	<b>(79,045)</b>		<b>(7,498)</b>	<b>1,204</b>	<b>(7)</b>	<b>(163)</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>29</b>	<b>560</b>	<b>129,547</b>

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

### Capacity increase

- With a total budget of MAD 5.4 billion, the construction works of the three new TSP fertilizer lines are in the finalization phase. Indeed, the first and second lines have been operational since May and December 2023 respectively, and the third line will be commissioned before the end of the first quarter of 2024. Each of these three lines will have a capacity of 1 million metric tons of DAP equivalent per year.
- Progress on the construction of two new sulfuric acid lines. Each line has a production capacity of 5,000 metric tons per day. The total expenditures allocated to these projects amount to MAD 3.8 billion.
- The construction works of the new PS4 sulfuric acid line at the Safi site are reaching advanced stages. The overall CAPEX of the project is MAD 1.3 billion.
- The construction works of the new Benguéir washing plant are in the finalization phase. This project will allow to reach an annual capacity of 3 Mt and will be commissioned before the end of the year. The total investment dedicated to the construction of the said washing plant amounts to MAD 2.4 billion.
- The Laayoune site has recorded significant progress in several projects. The construction works of the washing plant are in the final phase, with a planned capacity of 3 million tons per year and a budget of MAD 1.9 billion. In addition, progress has been made in the development of the chemical complex, including the finalization of studies and commitments for the first lots, in parallel with the progress in the construction of the phosphate port. The total investment for these two projects amounts to MAD 12 billion.

## Water Program

Progress on the achievements made within the framework of the Water emergency plan launched by OCP in partnership with the State and aiming to achieve the autonomy of industrial sites as well as the supply of drinking water to the cities of El Jadida and Safi with desalinated water. Indeed, since May 2023, the sites of Jorf Lasfar and Safi have achieved self-sufficiency in terms of unconventional water consumption..

Regarding urban needs, the supply of desalinated water to the city of Safi started in August 2023 and to the city of El Jadida in November 2023.

In parallel, the Group is continuing its program of building Wastewater Treatment Plants in the cities of Equih Bensaleh, Kasba Tadla, Béni Mellal and extension Khouribga.

## 8.3. INTANGIBLE ASSETS VARIATION

(In millions of dirhams)	31 December 2022	Aquisitions	Dotations	Decreases / Reversals	Reclassification	Other variations	31 December 2023
<b>Gross amount:</b>							
Goodwill	296					2,725	3,021
R&D assets	315	6			8		328
Patents, trademarks, rights and similar items	2,160	6			39	1	2,206
Licences and software	2,242	10			156		2,408
Commercial funds	223						223
Other intangible assets	1,431	749		(65)	(549)	1	1,567
<b>Total gross amount</b>	<b>6,666</b>	<b>771</b>		<b>(65)</b>	<b>(347)</b>	<b>2,728</b>	<b>9,753</b>
<b>Amortization:</b>							
Amortization of R&D assets	(233)		(27)				(260)
Amortization of patents, trademarks, rights and similar items	(190)		(39)		1	(1)	(228)
Amortization of licences and software	(351)		(91)	8	1		(433)
Amortization of other intangible assets	(1,064)		(336)	60			(1,340)
<b>Impairment losses</b>							
Goodwill depreciation	(296)						(296)
<b>Total amortization and impairment losses</b>	<b>(2,134)</b>		<b>(493)</b>	<b>68</b>	<b>3</b>	<b>(1)</b>	<b>(2,557)</b>
<b>Net carrying amount</b>	<b>4,532</b>	<b>771</b>	<b>(493)</b>	<b>3</b>	<b>(344)</b>	<b>2,727</b>	<b>7,197</b>

In December 2023, OCP Group acquired a 49% stake in SAEDM for MAD 1.6 billion, raising its interest in this entity to 100%. This takeover generated a goodwill of MAD 2,725 million.

## Notes to the Consolidated Financial Statements

(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>4,532</b>

### 8.4. NET DEPRECIATION AND AMORTIZATION

(In millions of dirhams)	FY 2023	FY 2022
<b>Net depreciation and amortization</b>	<b>(7,519)</b>	<b>(8,111)</b>

Net depreciation, amortization and impairment charges in 2023 were 7.3% lower (MAD 592 million) than in 2022. This decline was mainly due to the extension of the useful lives of the JFCs, as well as the impairment of SFL's goodwill for MAD 296 million in 2022.

## Note 9 – Provisions and contingent liabilities

### 9.1. ACCOUNTING TREATMENT OF PROVISIONS

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

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

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

### 9.2. NET PROVISIONS

(In millions of dirhams)	FY 2023	FY 2022
<b>Net provisions</b>	<b>(875)</b>	<b>(324)</b>

Net provisions during 2023 amounted to MAD 875 million, up MAD 551 million compared to 2022. This was due to the recognition in 2023 of a MAD 565 million provision for industrial project litigation.

### 9.3. 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 Used	Unused	Other changes	31 December 2023
<b>Non-current provisions</b>	<b>6,400</b>	<b>757</b>	<b>(116)</b>		<b>(593)</b>	<b>6,448</b>
Provisions for employee benefits	5,169				(626)	4,544
Provisions for environmental risks & for site rehabilitation	452		(62)			390
Other non-current provisions	778	756	(54)		33	1,514
<b>Current provisions</b>	<b>587</b>	<b>356</b>	<b>(38)</b>		<b>6</b>	<b>919</b>
Other current provisions	587	356	(38)		6	919
<b>Total provisions</b>	<b>6,987</b>	<b>1 112</b>	<b>(154)</b>		<b>(586)</b>	<b>7,366</b>

#### Measurement of provisions for employee benefits

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

#### Measurement of provisions for site rehabilitation

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

agencies concerned at the start of the project. In addition to respecting the peculiarities of the soils and the local climatic conditions, the cultures and the introduced activities are done in the light of the local know-how. The former Khouribga mine testifies to the value of this approach.

### **Environmental risks:**

#### **- Environmental risk governance:**

The Board of Directors provides strategic direction and guarantees monitoring, while the Audit and Risk Committee helps to control operations and reviews financial and extra-financial (ESG) data, including information on climate-related risks. These bodies supervise the risk management team in understanding the main risks to the company, including environmental and climate-related risks, and consider climate-related risks and opportunities when monitoring the entity's strategy. OCP Group's Sustainability Strategy «Towards 2040» integrates climate into business strategy and permeates the entire organization, being continuously overseen by the Board and Committees. Responsibility and accountability for risk management are integrated at all levels of the organization.

#### **- Commitment of the Group:**

The OCP Group has committed to reducing greenhouse gas emissions, with a target of a 45.5% reduction by 2030, and aims to become carbon neutral across all three scopes by 2040. Governance processes, controls, and procedures have been put in place to monitor, manage, and mitigate climate-related risks and opportunities. Annual reviews of environmental and climate issues are conducted, and environmental and climate risks are integrated into the management plans of each business line according to ISO 31000 and COSO standards.

#### **- Group strategy and response to climate change:**

OCP has established a strategy to address climate-related risks and opportunities. This strategy consists of identifying and updating the significant risks and opportunities that could affect its business model, strategy and cash flows in the short, medium and long term. Priority risks identified include the impact on revenues resulting from changes in fertilizer demand in OCP's main customer regions due to extreme weather conditions, exposure to carbon pricing and litigation involving OCP Group's upstream and downstream stakeholders, with the most critical risk being related to downstream N<sub>2</sub>O emissions. In addition, OCP's failure to meet carbon emission reduction targets would exacerbate the impact of climate risks associated with operational emissions, compared with a scenario in which OCP took steps to reduce these emissions. Opportunities could arise for the expansion of OCP's global product range towards green ammonia and higher volumes of green TSP depending on the market premium, growing demand for green products and the availability of green hydrogen. Climate scenarios predict a decline in crop yields that could result in a significant loss of annual revenues for the OCP Group. To mitigate these risks, OCP Group aims to make its current and prospective global strategy more resilient to climate change. To do so, it aims to decarbonize its operations, which can reduce climate risks and generate significant economic benefits in the years ahead through the expansion of green product production.

OCP has developed a low-carbon transition strategy that includes the deployment of innovation to mitigate climate risks, such as the use of sustainable energy solutions, real-time energy management, intelligent energy automation, cogeneration capacity, wind power purchase agreements, site solar potential mapping, the development of clean drying technologies, the «Green mining» project and the study of green mobility. The OCP Group is committed to achieving carbon neutrality by 2040 and promoting sustainable development. In response to the water crisis, OCP Group has developed a water program based on the principles of the circular economy. This program includes an in-depth assessment of water shortage risks and the use of non-conventional water sources to reduce freshwater withdrawals to zero by 2026. The Group has also accelerated its water program in 2021, with exceptional measures deployed since 2022 to address water scarcity.

The OCP Group plans to replace imported ammonia, produced from fossil fuels, with green ammonia produced from renewable energies. In partnership with UM6P, they will build two pilot units for research and exclusive production of green ammonia. OCP's green ammonia program aims to produce a total of 3 million tonnes p.a.

by 2032. Two projects are in the development phase (by InnovX): the Tarfaya project (1 million tons by 2027) and Jorf Lasfar (project integrated into the industrial site with a technological development vocation, 100k tons by 2026). OCP is also keen to promote sustainable, regenerative agriculture by supporting small-scale farmers and developing programs using cutting-edge technologies. They have also launched a carbon agriculture program aimed at increasing carbon storage in soil and vegetation through changes in agricultural practices and land use.

### 9.4. CONTINGENT LIABILITIES

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

### 9.5. COMMITMENT GIVEN

<i>(In millions of dirhams)</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Letters of credit	551	1,232
Miscellaneous rights and commitments	624	614
<b>Total Commitments given</b>	<b>1,175</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)	31 December 2023	31 December 2022
<b>Current financial debts</b>		
Bank loans	12,000	9,897
Finance leases	242	240
Bond issue	7,463	
<b>Total current financial debts</b>	<b>19,706</b>	<b>10,136</b>
<b>Non-current financial debts</b>		
Bank loans	34,099	23,558
Bond issue	25,893	34,928
Finance leases	1,242	1,389
<b>Total non-current financial debts</b>	<b>61,234</b>	<b>59,875</b>
<b>Total financial debts</b>	<b>80,940</b>	<b>70,011</b>

### 10.1.2.2 ANALYSIS OF FINANCIAL DEBTS: RATES AND MATURITIES

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

(In millions of dirhams)	Interest rate	Weighted average interest rate	Weighted average residual maturity	31 December 2023
<b>Bank loans</b>				<b>12,000</b>
Denominated in USD	[2,94%-3,91%]	3,55%		535
Denominated in MAD	[3,00%-5,62%]	3,57%		4,677
Denominated in EUR	[0,63%-4,78%]	1,66%		828
Denominated in other currencies				4
Accrued interest not yet due				412
Other credits				5,544
<b>Finance lease debts</b>				
Denominated in MAD	3,80%	3,80%		242
<b>Bond issue</b>				<b>7,463</b>
Denominated in USD	[3,75%-6,88%]	5,63%		7,252
Accrued interest not yet due				212
<b>Total current financial debts</b>				<b>19,706</b>
<b>Bank loans, portion due in more than one year</b>				<b>34,099</b>
Denominated in USD	[2,94%-3,91%]	3,49%	3	735
Denominated in MAD	[3,00%-5,62%]	3,93%	5	21,884
Denominated in EUR	[0,63%-4,78%]	2,92%	7	10,208
Denominated in other currencies				37
Other credits				1,236
<b>Finance lease debts</b>				
Denominated in MAD	3,80%	3,80%	3	1,242
<b>Bond issue</b>				<b>25,893</b>
Denominated in USD	[3,75%-6,88%]	5,14%	13	25,893
<b>Total non-current financial debts</b>				<b>61,234</b>
<b>Total financial debts</b>				<b>80,940</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 31 December 2023:

<i>(In millions of dirhams)</i>	<1 yr	1-5 yrs	> 5 yrs	Total at 31 December 2023
Bank loans	12,000	29,097	5,002	46,100
Bond issue	7,463	5,487	20,406	33,356
Finance leases	242	363	879	1,484
<b>Total financial debts</b>	<b>19,705</b>	<b>34,947</b>	<b>26,287</b>	<b>80,940</b>

### 10.1.3 ANALYSE DES ACTIFS FINANCIERS

#### 10.1.3.1 CASH AND CASH EQUIVALENT

<i>(In millions of dirhams)</i>	31 December 2023	31 December 2022
Cash	6,984	8,923
Cash equivalents	5,661	9,633
<b>Total cash and cash equivalents</b>	<b>12,644</b>	<b>18,557</b>
<b>Cash and cash equivalents in the consolidated statement of Cash Flows</b>	<b>12,644</b>	<b>18,557</b>

#### 10.1.3.2 CASH MANAGEMENT FINANCIAL ASSETS

<i>(In millions of dirhams)</i>	31 December 2023	31 December 2022
Cash financial assets	11	509
<b>Total</b>	<b>11</b>	<b>509</b>

Cash management financial assets include mainly term deposits with a maturity more than three months.

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

##### Financial cash assets maturities

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

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

<i>(In millions of dirhams)</i>	0-3 months	3-6 months	6-12 months	>1 year	Total
Money market funds	5,500				5,500
Term deposit		172			172
<b>Total</b>	<b>5,500</b>	<b>172</b>			<b>5,672</b>

#### 10.1.4 ANALYSIS OF NET DEBT

<i>(In millions of dirhams)</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Financial credits	40,597	25,945
Bonds	33,144	34,928
Other loans and assimilated debts	5,713	7,510
<b>Gross financial and bond debt</b>	<b>79,454</b>	<b>68,383</b>
Financial debts from IFRS 16 leases	1,484	1,628
<b>Other Financial debts</b>	<b>1,484</b>	<b>1,628</b>
Cash equivalents	5,661	9,633
Cash	6,984	8,923
Financial assets for cash management	11	509
<b>Financial assets</b>	<b>12,655</b>	<b>19,066</b>
<b>Net financial and bond debt</b>	<b>66,799</b>	<b>49,317</b>
<b>Total Gross financial debt</b>	<b>80,940</b>	<b>70,011</b>
<b>Total Net financial debt</b>	<b>68,283</b>	<b>50,945</b>

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

<i>(In millions of dirhams)</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Net change in cash	5,912	(10,554)
Change in marketable securities	498	2,029
Issuance/Repayment of loans	10,928	14,395
<b>Change in net financial debt</b>	<b>17,338</b>	<b>5,869</b>

#### 10.1.5 COST OF NET DEBT

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

<i>(In millions of dirhams)</i>	<i>FY 2023</i>	<i>FY 2022</i>
Interest expenses	(3,141)	(2,508)
<b>Cost of gross financial debt</b>	<b>(3,141)</b>	<b>(2,508)</b>
Financial income from cash investments	219	79
Other financial income	307	143
<b>Financial income from cash investments</b>	<b>526</b>	<b>222</b>
<b>Cost of net financial debt</b>	<b>(2,615)</b>	<b>(2,286)</b>

The gross financial debt cost rose by MAD 633 million between 2023 and 2022, due to higher interest expense on issues carried out during 2023.

## 10.2. OTHER FINANCIAL ASSETS

### 10.2.1 DEFINITIONS AND ACCOUNTING TREATMENT

#### Other financial assets

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

#### Other financial income and expenses

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

### 10.2.2 ACTIFS FINANCIERS NON COURANTS

(In millions of dirhams)	31 December 2023			31 December 2022		
	Gross	Revaluation	Net	Gross	Revaluation	Net
Financial assets at fair value by OCI	1,889	(583)	1,306	1,060	(604)	457
Financial assets at fair value through profit or loss	17		17	17		17
Receivables from fixed assets disposals	63	(5)	58	94	(5)	89
Other financial receivables	940	(1)	939	515	(1)	515
<b>Total non-current financial assets</b>	<b>2,909</b>	<b>(588)</b>	<b>2,321</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 S.A. and its subsidiaries, notably OCP International and UM6P. This item recorded an increase of MAD 860 million, mainly due to new creations within the UM6P ecosystem.

Revaluation mainly concerns the write-down of Heringer shares due to its financial difficulties.

### 10.2.3 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses are as follows:

(In millions of dirhams)	FY 2023	FY 2022
Exchange income from financing operations	863	(3,366)
Revenue from financial receivables	(664)	(421)
Other	(49)	48
<b>Other financial income and expenses</b>	<b>150</b>	<b>(3,740)</b>

The net foreign exchange gain on borrowings was MAD 863 million, due to the decrease in the MAD/\$ exchange rate from 10.45 at December 31, 2022 to 9.89 at December 31, 2023. The total foreign exchange impact for the year was MAD 1,578 million, including an unrealized foreign exchange loss of MAD -458 million relating to the implementation of the moratorium on receivables at OCP Kenya, Tanzania and Ghana.

In addition, the net financial expense of MAD 664 million corresponds to the recognition, during 2023, of an additional net provision of MAD 63 million relating to the VAT credit financing agreements of 2018 and 2021. The discounting of the remaining VAT credit generated a financial expense of MAD 592 million in December 2023.

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

#### 10.3.1 WEIGHT OF FINANCIAL INSTRUMENTS

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

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

(In millions of dirhams)	At 31 December 2023					At 31 December 2022				
	Carrying value	Fair value	Level 1 : quoted prices and available funds	Level 2 : internal model with observable inputs	Level 3 : internal model with unobservable inputs	Carrying value	Fair value	Level 1 : quoted prices and available funds	Level 2 : internal model with observable inputs	Level 3 : internal model with unobservable inputs
Cash and cash equivalents	12,644	12,644	12,644			18,556	18,556	18,556		
Cash financial assets	11	11		11		509	509		509	
Available-for-sale financial assets	1,306	1,306			1,306	457	457			457
Financial assets measured at fair value through profit or loss	17	17			17	17	17			17
<b>Total financial assets</b>	<b>13,979</b>	<b>13,979</b>	<b>12,644</b>	<b>11</b>	<b>1,324</b>	<b>19,540</b>	<b>19,540</b>	<b>18,556</b>	<b>509</b>	<b>474</b>
Current loans and financial debts	19,706	19,706		19,706		10,136	10,136		10,136	
Non-current loans and financial debts	61,235	62,424	26,477	35,947		59,875	54,684	30,462	24,222	
<b>Total financial liabilities</b>	<b>80,940</b>	<b>82,130</b>	<b>26,477</b>	<b>55,653</b>		<b>70,011</b>	<b>64,819</b>	<b>30,462</b>	<b>34,358</b>	

#### 10.3.2 RISK MANAGEMENT

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

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

##### 10.3.2.2 CASH RESERVES

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

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

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

### 10.3.2.3 COMMITMENTS RECEIVED

<i>(In millions of dirhams)</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Unused borrowings	6,778	10,739
Other commitments received for contracts	14,168	9,846
<b>Total Commitments received</b>	<b>20,947</b>	<b>20,585</b>

Other commitments received on contracts concern commitments received from suppliers related to advances paid under industrial programs undertaken by the Group.

### 10.3.2.4 COUNTERPARTY RISK MANAGEMENT

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

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

#### Pre-qualifying counterparties

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

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

As for Debt issuers, the Trading Room is authorized to deal with debt issuers if the following conditions are met:

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

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

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

#### Diversifying the counterparties

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

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

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

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

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

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

### 10.3.2.5 LIQUIDITY RISK

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

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

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



## Note 11 – Corporate Income taxes

### 11.1. ACCOUNTING TREATMENT OF INCOME TAXES

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

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

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

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

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

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

Starting from January 1<sup>st</sup>, 2019, the interpretation IFRIC 23, Uncertainty over Income Tax, was added to the provisions of IAS 12, Income Taxes, specifying the evaluation and accounting methods for uncertainties related to income tax. The Group's work has identified first-time application impacts that have been recognized in equity.

### 11.2. ANALYSIS OF TAX EXPENSE

<i>(In millions of dirhams)</i>	<i>FY 2023</i>	<i>FY 2022</i>
Current tax expense/current tax income	(578)	(5,937)
Deferred tax expense/deferred tax income	(1,527)	(185)
<b>Corporate income tax</b>	<b>(2,105)</b>	<b>(6,122)</b>

Following the decline in taxable income recorded by OCP SA and some of its subsidiaries, the «current tax expense/income» line mainly concerns the minimum contribution on sales.

In addition, the Group records deferred tax charges due to the impact of longer useful lives for its equipment and technical facilities, and the latent positive impact of the MAD/USD exchange rate. Since the end of the 2022 financial year, the Group has not recognized any 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:

(In millions of dirhams)	FY 2023	FY 2022
+Net income - Group share	14,368	28,184
+Net income - Minorities' share	(72)	49
-Share of profit (loss) of equity-accounted companies	(774)	(1,887)
+/-Tax for the period	2,105	6,122
<b>Consolidated accounting income before tax</b>	<b>15,627</b>	<b>32,468</b>
+/- Permanent differences	1,755	1,096
<b>= Consolidated taxable income</b>	<b>17,383</b>	<b>33,564</b>
Theoretical tax rate	35.00%	35.00%
<b>=Theoretical tax</b>	<b>(6,084)</b>	<b>(11,747)</b>
Difference in tax rate in relation to OCP SA (35%)	(259)	3,006
Prior years' income taxes		(530)
Subsidiaries not subject to tax	4,006	4,097
Change in scope		(882)
Other items	232	(67)
<b>= Corporate income tax</b>	<b>(2,105)</b>	<b>(6,122)</b>
<b>including</b>		
current tax	(578)	(5,937)
deferred tax	(1,527)	(185)

### 11.4. DEFERRED TAX ASSETS AND LIABILITIES

(In millions of dirhams)	31 Decembre 2022	Activity changes in income	Activity changes excluding income	31 December 2023
Gross deferred tax assets	125	(73)		52
Unrecognized deferred tax assets				
<b>Net deferred tax assets</b>	<b>125</b>	<b>(73)</b>		<b>52</b>
<b>Deferred tax liabilities</b>	<b>590</b>	<b>1,454</b>	<b>66</b>	<b>2,110</b>

## Notes to the Consolidated Financial Statements

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

<i>(In millions of dirhams)</i>	<b>31 December 2023</b>	<b>31 December 2022</b>
Temporary differences	2,259	2,279
Eliminations of intercompany transactions	1,174	1,400
Intangible assets	(696)	(674)
Tangible assets	20	20
Financial assets available for sale	49	49
Other asset items	58	(152)
Provisions for employee benefits	1,617	1,617
Other provisions	664	664
Other liabilities	31	10
Tax loss carryforwards	391	376
Other	(21)	
Offsetting	(5,494)	(5,464)
<b>Total deferred tax assets</b>	<b>52</b>	<b>125</b>

<i>(In millions of Dirhams)</i>	<b>31 December 2023</b>	<b>31 December 2022</b>
Temporary differences	3	3
Eliminations of intercompany transactions	(219)	(244)
Intangible assets	220	218
Tangible assets	7,582	6,851
Financial assets available for sale	49	49
Inventories	399	399
Other assets items	(456)	(450)
Other provisions	(78)	(781)
Tax loss carryforwards	(254)	(326)
Other	358	335
Offsetting	(5,494)	(5,464)
<b>Total deferred tax liabilities</b>	<b>2,110</b>	<b>590</b>

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

### 12.1. ISSUED CAPITAL

As at 31 December 2023, the share capital amounts to MAD 8,288 million. It is composed of 82,875,000 shares with a nominal value of MAD 100. 729,300 OCP shares are held by its subsidiary SADV.

<i>(In number of shares)</i>	<i>Ordinary shares</i>
<b>Outstanding at 1 January 2023</b>	<b>82,875,000</b>
Issues of shares for cash in FY 2023	
<b>Outstanding at 31 December 2023</b>	<b>82,875,000</b>
<b>Nominal value</b>	<b>100 Dirhams</b>

### 12.2. DIVIDENDS

The MAD 9,219 million in dividends paid for FY 2023 corresponds to a net dividend per share of MAD 112.23.

	<b>31 December 2023</b>	<b>31 December 2022</b>
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.

	<b>FY 2023</b>	<b>FY 2022</b>
<b>Net profit, Group share (in millions of dirhams)*</b>	<b>13,926</b>	<b>27,799</b>
Average number of shares in circulation as at 31 December	82,875,000	82,875,000
Average number of own shares in circulation during the period	729,300	729,300
<b>Number of shares used for the calculation of income</b>	<b>82,145,700</b>	<b>82,145,700</b>
<b>Basic and diluted net earnings per share (in dirhams)</b>	<b>169.53</b>	<b>338.41</b>

<sup>(\*)</sup> In accordance with IAS 33.19 and 12, adjusted net profit includes the cost of the coupon attributable to holders of subordinated shares issued by the OCP group (MAD -442 millions).

## Note 13 – Relations with the shareholders

The State of Morocco is a shareholder of OCP with a majority share of 94.12%. The BCP group holds 5.00% with direct participation and participations through its subsidiaries Socinvest, Infra Maroc Capital and Prev Invest.SA. The shareholders receive annual dividends in accordance with the company's dividend distribution policy. The dividends to be paid are proposed by the Board of Directors to the General Meeting of Shareholders. Their amount depends on several parameters, in particular the profits made, cash available and the company's financial structure, as well as other factors that the Board of Directors may consider to be relevant.

In 2023, the Moroccan State received dividends net of taxes amounting to MAD 9.2 billion in respect of the distributable profit for 2022. In the same way as all companies resident in Morocco, OCP Group is subject to the tax legislation in force, which requires the payment of duties, taxes and levies to the Moroccan State.

The following table shows the transactions performed with the State or with State-controlled companies for 2022 and 2023 :

<i>(In millions of dirhams)</i>	FY 2023		FY 2022	
	State and State-controlled enterprises	BCP	State and State-controlled enterprises	BCP
Interest on investments	64	26	52	15
Utility costs	905		999	
Other operating expenses	187		202	
Interest on loans	12	155	11	45
Social charges	661		623	
Transport expenses ONCF	567		749	
Subscription ONCF / lump-sum contributions	400		400	
Assets and inventories purchases	461		85	

<i>(In millions of dirhams)</i>	31 December 2023		31 December 2022	
	State and State-controlled enterprises	BCP	State and State-controlled enterprises	BCP
Trade payables	394		623	
Advance payments	46			
Other receivables	204		396	
Cash and cash equivalents	656	64	1,151	919
Investments			2,500	
Loans	920	5,984	486	3,039



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**RAPPORT D'AUDIT SUR LES ETATS FINANCIERS CONSOLIDÉS  
EXERCICE DU 1<sup>er</sup> JANVIER AU 31 DECEMBRE 2023**

Nous avons effectué l'audit des états financiers consolidés de la société OCP S.A. et de ses filiales (le « Groupe »), qui comprennent l'état consolidé de la situation financière au 31 décembre 2023, ainsi que le compte de résultat consolidé et l'état consolidé du résultat global, l'état consolidé des variations des capitaux propres et le tableau consolidé des flux de trésorerie pour l'exercice clos à cette date, et les notes aux états financiers consolidés contenant des informations significatives sur les méthodes comptables. Ces états financiers consolidés font ressortir un montant de capitaux propres consolidés de MMAD 119.930 dont un bénéfice net consolidé de MMAD 14.296.

A note avis, les états financiers consolidés ci-joints, présentent sincèrement, dans tous leurs aspects significatifs, la situation financière consolidée du Groupe aux 31 décembre 2023, ainsi que sa performance financière consolidée et ses flux de trésorerie consolidés pour l'exercice clos à cette date, conformément au référentiel IFRS tel qu'adopté dans l'Union européenne.

**Fondement de l'opinion**

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

**Points clés de l'audit**

Les points clés de l'audit sont les points qui, selon notre jugement professionnel, ont été les plus importants lors de l'audit des états financiers consolidés de l'exercice 2023. Ces points ont été traités dans le contexte de notre audit des états financiers consolidés pris dans leur ensemble, établis dans les conditions rappelées précédemment, et lors de la formation de notre opinion sur ceux-ci. Nous n'exprimons pas une opinion distincte sur ces points.

Questions clés de l'audit	Notre réponse
<p><b>Evaluation des immobilisations corporelles et incorporelles</b> (cf. note 8.1 « traitement comptable des immobilisations », 8.2 « variations des immobilisations corporelles » et 8.3 « variation des immobilisations incorporelles »)</p> <p>Au 31 décembre 2023, les valeurs nettes comptables des immobilisations corporelles et incorporelles s'élèvent respectivement à MMAD 151.884 et MMAD 7.197 (soit 64% du total des actifs).</p> <p>Les immobilisations incorporelles et corporelles sont comptabilisées à leur coût historique d'acquisition, de production ou d'entrée dans le Groupe, diminué des amortissements et des pertes de valeur éventuelles. Ce coût est augmenté des coûts d'emprunt encourus pendant la phase de construction des actifs concernés. Elles sont amorties selon les modalités définies en annexe. Leur durée d'utilité est réexaminée à chaque clôture pour que celle-ci reflète les durées d'utilisation prévues.</p> <p>Le Groupe procède à des tests de perte de valeur :</p> <ul style="list-style-type: none"> <li>- des actifs corporels à durée de vie déterminée lorsqu'il existe des indices de perte de valeur tels que définis dans les annexes.</li> <li>- au moins une fois par an pour les actifs incorporels à durée de vie indéterminée.</li> </ul> <p>Ces actifs sont testés au niveau des unités génératrices de trésorerie (UGT) définies par le Groupe, sur la base de l'actualisation des flux de trésorerie futurs.</p> <p>Nous avons considéré que l'évaluation des immobilisations corporelles et incorporelles est un point clé de l'audit en raison :</p> <ul style="list-style-type: none"> <li>- du poids de ces actifs dans les comptes du Groupe, et de la poursuite par le Groupe de son programme d'investissements ;</li> <li>- du fait de l'impact significatif des dates de mise en service effectives sur les amortissements de la période et sur la valeur nette de l'immobilisation corporelle.</li> <li>- de l'importance des jugements et l'utilisation de l'estimation par la Direction dans : <ul style="list-style-type: none"> <li>• La définition des durées d'utilité</li> </ul> </li> </ul>	<p>Les travaux que nous avons effectués ont principalement consisté à :</p> <ul style="list-style-type: none"> <li>▪ prendre connaissance et tester l'efficacité des procédures de contrôle interne relatives à la comptabilisation des immobilisations incorporelles et corporelles, à la capitalisation des investissements et à la mise en service des immobilisations, à l'estimation de la durée d'utilité des actifs amortissables ainsi qu'à leur évaluation et leur dépréciation ;</li> <li>▪ tester l'efficacité des contrôles clés relatifs à ces procédures, en particulier ceux relatifs à la mise en service des immobilisations incorporelles et corporelles, à la durée et à la date de début de leur amortissement ;</li> <li>▪ nous avons également, sur la base d'échantillonnage, procédé à un examen des dates effectives de mise en service des immobilisations incorporelles et corporelles et de leurs durées d'amortissement en consultant la documentation disponible et en nous entretenant avec des chefs de projet ;</li> <li>▪ nous avons procédé à un examen critique de l'existence éventuelle d'indices de pertes de valeur au 31 décembre 2023 à travers l'analyse des indicateurs de production et de performance industrielle et commerciale par rapport aux capacités de production et aux performances historiques ;</li> <li>▪ pour les tests de dépréciation réalisés par le Groupe durant l'exercice, nous avons examiné la documentation relative à la détermination de la valeur recouvrable, et la cohérence des projections des flux de trésorerie validées par la Direction et des hypothèses retenues par rapport aux performances historiques et perspectives de marchés. Nous avons également effectué nos propres calculs de sensibilité, pour corroborer les analyses effectuées par la Direction.</li> </ul>

<p>retenues par composants ;</p> <ul style="list-style-type: none"> <li>• La détermination des flux de trésorerie futurs actualisés, des taux d'actualisation et de croissance à long terme, utilisés pour les tests de dépréciation.</li> </ul>	
<p><b>Comptabilité de couverture des risques de change</b> (cf. note 4.1.3 « Gestion du risque de change et du risque de crédit »)</p> <p>Dans le cadre de ses activités, le Groupe réalise la majorité de ses ventes en dollars et a émis deux dettes obligataires en dollars, en avril 2014 et en avril 2015, remboursables in fine pour respectivement 1,25 milliard de dollars et 1 milliard de dollars. Ces dettes généraient à chaque arrêté la comptabilisation d'écarts de change significatif en résultat, conformément à IAS 21.</p> <p>Afin de limiter cet impact, le Groupe a mis en place à partir du 1<sup>er</sup> septembre 2018, une comptabilité de couverture de type couverture de flux futurs entre les ventes futures en dollars hautement probables (élément couvert) et les deux émissions obligataires en dollars (instrument de couverture). L'élément couvert correspond aux montants de ventes futures qui seraient respectivement réalisées à partir d'avril 2024 et octobre 2025, dates auxquelles les dettes obligataires arrivent à maturité.</p> <p>Au titre de cette comptabilité de couverture, un test prospectif est réalisé à chaque arrêté comptable par le Groupe afin de contrôler le caractère hautement probable des ventes futures désignées en couverture, ainsi qu'un test d'efficacité prospective conformément aux exigences d'IAS 39.</p> <p>Cette stratégie de couverture, en application des principes de la norme IAS 39, se traduit par :</p> <ul style="list-style-type: none"> <li>▪ La comptabilisation en OCI (<i>Other Comprehensive Income</i>), pour la part efficace, de l'effet de change sur la dette jusqu'à sa maturité ;</li> <li>▪ La comptabilisation de la part non efficace en résultat ;</li> <li>▪ Le recyclage en résultat des OCI accumulés à la maturité de la dette.</li> </ul> <p>Nous avons considéré ce sujet comme un point clé de l'audit compte tenu des impacts significatifs des variations des cours de change</p>	<p>Les travaux que nous avons effectués ont principalement consisté à :</p> <ul style="list-style-type: none"> <li>▪ procéder à un examen critique de la documentation de la relation de couverture préparée par le Groupe au regard des exigences de la norme IAS 39.</li> <li>▪ examiner notamment : <ul style="list-style-type: none"> <li>- l'éligibilité à la comptabilité de couverture des ventes futures en tant qu'élément couvert conformément à IAS 39, et notamment de leur caractère hautement probable aux vues des réalisations historiques et des budgets ;</li> <li>- l'existence des dettes et de leur validité en tant qu'instrument de couverture au titre du risque de change conformément à IAS 39.</li> </ul> </li> <li>▪ analyser les tests d'efficacité de la relation de couverture ;</li> <li>▪ examiner les impacts comptables de cette couverture sur les comptes de l'exercice pour la part efficace et pour la part non efficace.</li> </ul>



<p>sur le résultat et les capitaux propres du Groupe.</p>	
<p><b>Provision pour avantages au personnel</b> (cf. note 5.3.1 « Présentation générale des régimes existant au sein du Groupe et traitement comptable »)</p> <p>Le Groupe dispose de plusieurs régimes d'avantages postérieurs à l'emploi à cotisations et prestations définies.</p> <p>Ces régimes comprennent notamment : l'allocation décès et la couverture médicale post-emploi.</p> <p>La valeur actuarielle des avantages du personnel accumulés liés à ces engagements s'élève à MMAD 4.440 au 31 décembre 2023.</p> <p>Les régimes à prestations définies font l'objet d'une évaluation actuarielle de l'engagement selon la méthode des unités de crédit projetées, prenant en compte des hypothèses démographiques et financières et dont les hypothèses actuarielles sont revues sur un rythme annuel. Les différences liées aux changements d'hypothèses actuarielles et les ajustements liés à l'expérience constituent des écarts actuariels comptabilisés en capitaux propres non recyclables conformément aux dispositions de la norme IAS 19 révisée.</p> <p>L'évaluation des passifs des engagements au titre des avantages au personnel ainsi que de la charge actuarielle de l'exercice, requiert du jugement pour déterminer les hypothèses appropriées à retenir telles que les taux d'actualisation et d'inflation, la date prévisionnelle de basculement vers l'AMO (Assurance Maladie Obligatoire), le taux d'évolution des coûts médicaux, les futures augmentations de salaires, les tables de mortalité...</p> <p>Il est à noter que le Groupe OCP a prévu le basculement du régime maladie vers l'AMO en 2026.</p> <p>La variation de certaines de ces hypothèses pourrait avoir une incidence significative sur la détermination du passif comptabilisé ainsi que sur le résultat du Groupe. De ce fait, nous avons</p>	<p>Nous avons pris connaissance du processus d'évaluation des engagements au titre des avantages postérieurs à l'emploi appliqué par le Groupe.</p> <p>Avec l'assistance de nos experts en actuariat, nos travaux ont notamment consisté à :</p> <ul style="list-style-type: none"> <li>▪ procéder à un examen des principales hypothèses retenues, notamment les taux d'actualisation et d'inflation au regard des conditions de marché ;</li> <li>▪ apprécier la cohérence des hypothèses relatives notamment aux évolutions de salaires et aux données démographiques (tables de mortalité, taux d'inflation des coûts médicaux) avec les spécificités des régimes et celles de l'entité ;</li> <li>▪ examiner les calculs préparés par le Groupe, notamment ceux étayant la sensibilité de la dette aux variations du taux d'actualisation et aux variations du taux d'évolution des coûts médicaux ;</li> <li>▪ analyser l'hypothèse relative au basculement du régime maladie vers l'AMO en 2026, au regard de l'évolution des textes réglementaires ;</li> <li>▪ examiner, sur base de sondages, la correcte transcription dans le calcul des engagements effectué par le Groupe des données individuelles et des hypothèses actuarielles et démographiques retenues par la Direction ;</li> <li>▪ examiner la cohérence des analyses de sensibilité présentées notamment dans les notes de l'annexe aux états financiers consolidés.</li> </ul>

considéré l'évaluation de la provision pour avantages au personnel comme un point clé de l'audit.

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

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

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

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

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

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

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

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

- nous identifions et évaluons les risques que les états financiers consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définissons et mettons en œuvre des procédures d'audit en réponse à ces risques, et recueillons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- nous prenons connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, mais non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne du Groupe ;
- nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, de même que des informations fournies les concernant par cette dernière ;

- nous concluons quant au caractère approprié de l'application par la direction du principe comptable de continuité d'exploitation et, selon les éléments probants obtenus, quant à l'existence ou non d'une incertitude significative liée à des événements ou conditions susceptibles de jeter un doute important sur la capacité du Groupe à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport sur les informations fournies dans les états financiers consolidés au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants recueillis jusqu'à la date de notre rapport d'audit. Cependant, des conditions ou événements futurs pourraient conduire le Groupe à cesser son exploitation ;
- nous apprécions la présentation d'ensemble, la structure et le contenu des états financiers consolidés, y compris les informations fournies dans les états financiers consolidés, et apprécions si les états financiers consolidés reflètent les opérations et événements sous-jacents d'une manière telle qu'ils donnent une présentation sincère ;
- nous recueillons des éléments probants suffisants et appropriés concernant les informations financières des entités ou activités du Groupe pour exprimer une opinion sur les états financiers consolidés. Nous sommes responsables de la direction, de la supervision et de la réalisation de l'audit de Groupe. Nous assumons l'entière responsabilité de l'opinion d'audit.

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

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

Casablanca, le 26 mars 2024

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