NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES

OCP S.A.

(a joint stock company organised and existing under the laws of the Kingdom of Morocco)

U.S.$1,250,000,000 6.750% Notes due 2034

Issue Price: 98.491%

U.S.$750,000,000 7.500% Notes due 2054

Issue Price: 97.262%

The U.S.$1,250,000,000 6.750% Notes due 2034 (the "**2034 Notes**") and the U.S.$750,000,000 7.500% Notes due 2054 (the "**2054 Notes**" and, together with the 2034 Notes, each a "**Series**" and, together, the "**Notes**") to be issued by OCP S.A. (the "**Issuer**" or "**OCP**") will mature and be redeemed at their principal amount on 2 May 2034 in the case of the 2034 Notes, and 2 May 2054 in the case of the 2054 Notes. The Notes will bear interest from, and including 2 May 2024 (the "**Issue Date**") at a rate of 6.750% per year in the case of the 2034 Notes, and at a rate of 7.500% per year in the case of the 2054 Notes, and will be payable semi-annually in arrear on 2 May and 2 November in each year for each Series of the Notes. The first payment of interest in respect of each Series of the Notes will be made on 2 November 2024. Payments on the Notes will be made in U.S. Dollars without deduction for or on account of any Moroccan withholding taxes unless the withholding is required by law, in which case the Issuer will pay additional amounts in respect of such taxes, subject to certain exceptions as set forth in "*Terms and Conditions of the Notes—Condition 8*" and "*Taxation*".

This prospectus (the "**Prospectus**") constitutes a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as the competent authority under the Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and for the purposes only of the issue of Notes referred to above. Such approval should not be considered as an endorsement of the issuer or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. Any website referred to in this document does not form part of this Prospectus. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to its official list (the "**Official List**") and trading on the regulated market of Euronext Dublin. References in this Prospectus to Notes being "listed" (and all related references) shall mean that the Notes have been admitted to the Official List and have been admitted to trading on the regulated market of Euronext Dublin. Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended ("**MiFID II**").

This Prospectus will be valid until the admission of Notes to trading on the regulated market of Euronext Dublin. The obligation to supplement the Prospectus in the event of any significant new factor, material mistake or material inaccuracy does not apply when the Prospectus is no longer valid.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the laws of any state of the United States, and are being offered and sold only (i) in the United States to persons reasonably believed to be qualified institutional buyers ("**QIBs**"), as defined in, and in reliance on, Rule 144A under the Securities Act ("**Rule 144A**") and (ii) outside the United States to persons who are not U.S. persons, as defined in, and in reliance on Regulation S under the Securities Act ("**Regulation S**"). Prospective purchasers that are QIBs are hereby notified that the seller of Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Transfers of Notes are subject to the restrictions described under "*Transfer Restrictions*".

The Notes will be offered and sold in registered form in minimum denominations of U.S.$200,000 and any amount in excess thereof that is an integral multiple of U.S.$1,000. The Notes offered and sold in reliance on Regulation S (the "**Regulation S Notes**") will initially be represented by beneficial interests in a unrestricted global certificate (the "**Unrestricted Global Certificate**") in registered form without interest coupons attached, which will be registered in the name of Citivic Nominees Ltd, as nominee for, and shall be deposited on or about the Issue Date with a common depositary for and on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream** ") (the "**Common Depositary**"). Beneficial interests in the Unrestricted Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The Notes offered and sold in reliance on Rule 144A (the "**Rule 144A Notes**") will initially be represented by a restricted global certificate (the "**Restricted Global Certificate**" and, together with the Unrestricted Global Certificate, the "**Global Certificates**") in registered form, without interest coupons attached, which will be deposited with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co., as nominee of, The Depository Trust Company ("**DTC**") on or about the Issue Date. Beneficial interests in the Restricted Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. See "*Clearing and Settlement*". Except as described herein, definitive registered certificates evidencing holdings of Notes issued in exchange for beneficial interests in the Global Certificates will be available only in certain limited circumstances. See "*The Global Certificates—Registration of Title*".

The Notes are expected to be rated BB+ by S&P Global Ratings Europe Limited ("**S&P**"), "BB+" by Fitch Ratings Limited ("**Fitch**") and Baa3 by Moody's Investors Service ("**Moody's**") S&P is established in the European Union (the "**EU**") and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation) in accordance with the CRA Regulation as at the date of this Prospectus. S&P is not established in the UK and has not applied for registration under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK CRA Regulation**"). The rating issued by S&P has been endorsed by S&P Global Ratings UK Limited ("**S&P UK**") in accordance with the UK CRA Regulation. S&P UK is established in the UK and is registered under the UK CRA Regulation. Fitch is established in the UK and is registered under the UK CRA Regulation. The rating issued by Fitch has been endorsed by Fitch Ratings Ireland Limited in accordance with the CRA Regulation. Moody's is a wholly owned credit rating agency subsidiary of Moody's Corporation. The rating issued by Moody's has been endorsed by Moody's Investors Service Middle East Limited which is established in the Dubai International Financial Centre ("**DIFC**"), UAE, and regulated by the Dubai Financial Service Authority ("**DFSA**"). Moody's Investors Service Middle East Limited is a subsidiary of Moody's Investors Service EMEA which is established in the UK and deregistered from the CRA Regulation on 2 July 2019. Any change in the rating of the Notes could adversely affect the price that a purchaser will be willing to pay for the Notes. See "*Risk Factors—Risks Relating to the Notes—Credit ratings may not reflect all risks*".

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

An investment in the Notes involves certain risks. Prospective investors should consider the factors described in "*Risk Factors*" beginning on page 25.

Joint Lead Managers

BNP PARIBAS **Citi** **J.P. Morgan**

The date of this Prospectus is 29 April 2024.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Prospectus and declares that the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

This Prospectus will be valid until the admission of the Notes to trading on the regulated market of Euronext Dublin. The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of the Notes, prepare a supplement to this Prospectus. The obligation to prepare a supplement to this Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply after the Notes have been admitted to trading on the regulated market of Euronext Dublin.

The Issuer has confirmed to the Joint Lead Managers named under "*Subscription and Sale*" below (the "**Joint Lead Managers**") that this Prospectus contains all information regarding the Issuer and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Joint Lead Managers.

Neither the Joint Lead Managers nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the Joint Lead Managers) in connection with the issue and offering of the Notes. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

The Joint Lead Managers have not separately verified all the information contained in this Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution. No Joint Lead Manager accepts any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the offer or sale of the Notes or their distribution. Furthermore, the Joint Lead Managers expressly do not undertake to review any change in the condition (financial or otherwise) of the Issuer during the life of the Notes or to advise any investor in Notes of any information coming to their attention.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and financial affairs, and its own appraisal of the creditworthiness, of the Issuer and its consolidated subsidiaries and consolidated joint ventures (the "**Group**"). Neither this Prospectus nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Lead Managers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer or the Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same.

The Notes have not been registered with, recommended by or approved or disapproved by the U.S. Securities and Exchange Commission ("SEC") or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is a criminal offence in the United States.

This Prospectus does not constitute an offer to sell or an offer to buy in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction, nor does this Prospectus constitute an offer or an invitation to subscribe for or purchase any Notes and it should not be considered as a recommendation by the Issuer or any Joint Lead Manager that any recipient of this Prospectus should subscribe for or purchase any Notes. The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the offer or sale of the Notes should purchase Notes. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors that may be relevant to it in connection with such investment. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets in which they participate; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

None of the Issuer, the Joint Lead Managers or any of their respective representatives is making any representation to any offeree or purchaser of the Notes (or beneficial interests therein) regarding the legality of any investment by such offeree or purchaser under applicable legal investment or similar laws. Each investor should consult with its own advisers as to the legal, tax, business, financial and related aspects of an investment in the Notes.

IN CONNECTION WITH THE ISSUE OF THE NOTES, J.P. MORGAN SECURITIES PLC AS STABILISATION MANAGER (THE "STABILISATION MANAGER") (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER ALLOTMENT SHALL BE CONDUCTED BY THE STABILISATION MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

UK MIFIR product governance/Professional investors and ECPs only target market

Solely for the purposes of each manufacturer's (as used herein, "manufacturer" refers to BNP Paribas, Citigroup Global Markets Limited and J.P. Morgan Securities plc) product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Prohibition of Sales to European Economic Area Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Prohibition of Sales to UK Retail Investors

The Notes described in this Prospectus are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement the IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States, the resale of the Notes in the United States in reliance on Rule 144A under the Securities Act and the admission of the Notes to the Official List and to trading on the regulated market of Euronext Dublin. The Issuer and the Joint Lead Managers reserve the right to reject any offer to purchase Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States other than any QIB to whom an offer has been made directly by one of the Joint Lead Managers or its U.S. broker-dealer affiliate. Distribution of this Prospectus to any person within the United States, other than any QIB and those persons, if any, retained to advise such QIB with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any person within the United States, other than any QIB and those persons, if any, retained to advise such QIB, is prohibited.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Singapore Securities and Futures Act Product Classification

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital

Markets Products) Regulations 2018 (the "**SF (CMP) Regulations**")) that the Notes are "prescribed capital markets products" (as defined in the SF (CMP) Regulations) and "Excluded Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

FORWARD-LOOKING STATEMENTS

Certain statements included herein may constitute "forward-looking statements". Such statements, certain of which can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "are expected to", "intends", "targets", "will", "will continue", "should", "could", "would be", "seeks", "approximately", "estimates", "predicts", "projects", "aims" or "anticipates", or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, goals, objectives, future events, plans or intentions, involve a number of risks and uncertainties. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the Issuer's current intentions, plans, estimates, assumptions, programmes, beliefs and expectations.

Factors that could cause actual results to differ materially from the Issuer's expectations are contained in cautionary statements in this Prospectus and include, among other things, the following:

- price fluctuations in the markets for phosphate-based fertiliser and other phosphate-based products and related fluctuations in demand for such products;
- overall global economic and business conditions, including commodity prices, interest rates and currency fluctuations;
- incidents or conditions affecting the export of phosphate-based fertiliser and other phosphate-based products;
- legal, regulatory and government policy changes;
- changes in the regulations and policy of the Government of the Kingdom of Morocco (the "**Government**"), including with respect to the Group's activities, mining, environmental and health and safety regulations;
- changes to the competitive environment in the Group's industry and worldwide supply of phosphate-based fertiliser and other phosphate-based products;
- downgrades in the Issuer's rating or the rating of the Kingdom of Morocco ("**Morocco**");
- the ability of the Group to successfully implement its strategy and its capital expenditure programme launched in 2008 ("**Capital Expenditure Programme**");
- risks associated with joint ventures and mergers and acquisitions;
- changes in the Group's transportation and production costs and supply of raw materials;
- mining risks and the continuity of operation of the Group's mines, plants and production facilities;
- operational limitations, including equipment failures, labour disputes and processing limitations;
- exchange rate and interest rate risks;
- the ability of the Group to obtain financing on commercially acceptable terms;

- supply of skilled labour and labour disputes;
- economic and political conditions in Morocco and international markets, including governmental changes;
- the impact of regional tensions, including on the Group's ability to extract and transport its principal products; and
- the other factors discussed in more detail under "*Risk Factors*."

The list of factors relating to forward-looking statements is not exhaustive. Such forward-looking statements only speak as at the date on which they are made.

The sections of this Prospectus entitled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" contain a more complete discussion of the factors that could affect the Group's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Prospectus may not occur.

The Issuer is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Prospectus whether as a result of new information, future events or otherwise. The Issuer and the Group do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved. Such statements represent, in each case, only one of the range of possible scenarios that could occur and should not be viewed as the most likely scenario. All subsequent written or oral forward-looking statements attributable to the Issuer or the Group, or persons acting on their behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Notes should not place undue reliance on these forward-looking statements.

ENFORCEMENT OF FOREIGN JUDGMENTS

The Issuer is a *société anonyme*, or joint stock company, organised under the laws of Morocco. A majority of the members of the Board of Directors and all of the executive officers of the Issuer are residents of Morocco, and the substantial majority of the assets of the Group and of such persons are located in Morocco. As a result, it may not be possible for investors to effect service of process upon the Issuer or such persons outside Morocco or to enforce judgments obtained against such parties outside Morocco.

According to the Moroccan Code of Civil Procedure, any judgment obtained against the Issuer in any court other than the courts of Morocco in respect of any legal suit or proceeding arising out of or relating to the Notes will be enforced by the courts of Morocco without further review of the merits only if the foreign judgment satisfies the following conditions:

- the foreign judgment must have been issued by a court competent to do so under the law of the relevant country;
- the foreign judgment must be final and enforceable in the country in which it was rendered;
- the defendant must have been properly served with legal process with respect to the proceeding in which the foreign judgment was rendered and due process must have been observed in connection with the proceeding;
- the foreign judgment must not be contrary to Moroccan public policy; and
- a final judgment in the same case between the same parties must not have been rendered by a Moroccan court.

EXCHANGE CONTROL REGULATIONS IN MOROCCO

There are no restrictions on the payment of principal and interest on the Notes from Morocco. The Dirham is convertible for all current transactions, as well as for some capital transactions, notably capital repatriation by foreign investors. The Dirham is not, however, convertible outside of Morocco. All foreigners, whether or not they are resident in Morocco, are entitled to open a bank account in Morocco (either in foreign currencies or convertible Dirhams) and to make deposits from overseas. Moroccan exchange control regulations permit Moroccan banks to accept foreign currency deposits freely and to place funds in foreign currencies to facilitate client transactions and to finance imports and exports in foreign currencies within certain limits.

Bank Al-Maghrib (the "**Central Bank of Morocco**") sets an exchange rate on a daily basis for the Dirham against a basket of currencies of Morocco's principal trading partners. Exchange control is administered by the Office of Foreign Exchange, an agency operating under the auspices of the Moroccan Ministry of Economy and Finance.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

The Group is required to maintain its books of account in Dirhams in accordance with Moroccan accounting and tax regulations. The financial information of the Group set forth in this Prospectus has, unless otherwise indicated, been derived without material adjustment from its audited consolidated financial statements as at and for each of the years ended 31 December 2023, 2022 and 2021 (together with the corresponding audit reports and accompanying notes thereto) (the "**Financial Statements**"). The Financial Statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board (the "**IASB**") as adopted by the European Union and have been audited by Ernst & Young ("**EY**") and Deloitte Audit in accordance with International Standards on Auditing. In this Prospectus, references to a particular "**Fiscal Year**" or "**FY**" refer to the year ended on 31 December of that year, and as the context requires, information as at 31 December of that year.

The Financial Statements were prepared in French and have been translated into English. The French-language version of the Financial Statements is available from the specified offices of each of the Paying and Transfer Agents (as defined below). In the event of any discrepancy between the French-language version of the Financial Statements and the English-language version of the Financial Statements, the French-language version shall prevail.

Other Financial Information

This Prospectus includes non-IFRS measures, including EBIT, EBITDA, free cash flow, cash conversion ratio and net financial debt, that are not required by, or presented in accordance with, IFRS and which the Group considers to be alternative performance measures ("**APMs**"). The Group's management believes that the presentation of these non-IFRS measures is helpful to investors because these and other similar measures are widely used by certain investors, security analysts and other interested parties as supplemental measures of performance and liquidity. However, EBIT, EBITDA, net financial debt and other non-IFRS measures should not be considered in isolation and potential investors should not construe these non-IFRS measures as an alternative to net income determined in accordance with IFRS or to cash flows from operations, investing activities, financing activities or other measures of performance as defined by IFRS. These measures do not reflect the Group's capital expenditure or future requirements for capital expenditure, and do not reflect changes in, or cash requirements for, the Group's capital needs. They have not been prepared in accordance with SEC requirements, IFRS or the accounting standards of any other jurisdiction. The financial information included in this Prospectus is not intended to comply with the reporting requirements of the SEC and will not be subject to review by the SEC. In addition, the Group's EBIT, EBITDA, net financial debt and other non-IFRS measures may not be comparable to similarly titled measures used by other companies.

Each of the non-IFRS financial measures presented as APMs is defined below:

- *EBIT*: The Group calculates EBIT as net profit for the period plus corporate income tax, financial profit, other non-recurring operating income and expenses, and non-current depreciation and amortisation.

- *EBITDA*: The Group calculates EBITDA as EBIT plus current depreciation and amortisation.

- *Net financial debt*: The Group calculates net financial debt as the current portion of loans and financial debts plus non-current portion of the loans and financial debts minus cash and cash equivalents and cash financial assets.

- *Free cash flow*: The Group calculates free cash flow as EBITDA minus capital expenditure.

- *Cash conversion ratio:* The Group calculates cash conversion ratio as free cash flow over EBITDA.

EBIT, EBITDA, net financial debt, free cash flow, cash conversion ratio and other non-IFRS measures should not be considered in isolation or as an alternative to results from operating activities, cash flow from operating activities or other financial measures of the Group's results of operations or liquidity reported in accordance with IFRS. The Issuer has included EBIT, EBITDA, net financial debt, free cash flow, cash conversion ratio and other non-IFRS measures in this Prospectus because it believes that they are useful measures of the Issuer's performance and liquidity. Other companies, including those in the Group's industry, may calculate similarly titled financial measures differently from the Issuer. As all companies do not calculate these financial measures in the same manner, the Issuer's presentation of such financial measures may not be comparable to other similarly titled measures of other companies. These non-IFRS measures are not audited or reviewed. For reconciliations of the APMs presented in this Prospectus to the corresponding IFRS measure in the Group's Financial Statements, see "*Selected Consolidated Financial Data and Other Information—Other Financial Data*".

Currency References

Unless otherwise indicated or otherwise required by the context, all references in this Prospectus to:

- "Dirham", "Dh" or "MAD" are to the lawful currency of Morocco;
- "U.S. dollars", "dollars", "U.S.$", "USD" or "$" are to the lawful currency of the United States of America; and
- "euro," "€," "EUR" or "eurocent" are to the lawful currency of the participating Member States in the third stage of European Economic and Monetary Union of the Treaty establishing the European Community, as amended from time to time.

Rounding

Certain numerical figures included herein have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding. Further, certain percentages shown in the charts in this Prospectus reflect calculations based upon the underlying information prior to rounding off and, accordingly, may not conform exactly to the percentages that would result if the relevant calculation were based upon the rounded off figures. As used in this Prospectus, the term "billion" means one thousand million (1,000,000,000).

Certain Reserves, Production and Other Information

Certain of the estimates contained in this Prospectus, in particular with respect to reserves and production figures (including statistical data and other information relating to the phosphates industry in Morocco) have been based on the Issuer's own estimates, information obtained from trade and business organisations, the U.S. Geological Survey ("**USGS**") and other third parties.

The Issuer believes these estimates to be accurate in all material respects as at the dates indicated. However, this information may prove to be inaccurate because of the method by which the Issuer obtained some of the data for these estimates or because this information cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other inherent limitations and uncertainties.

Certain Third Party Information

Statistical data and other information appearing in this Prospectus relating to the phosphates industry in Morocco has, unless otherwise stated, been based on information obtained from the Group. In addition, certain statistical data relating to Morocco appearing in the section headed "*Risk Factors*" and elsewhere in this Prospectus has been extracted from documents and other publications released by the Central Bank of Morocco, the Moroccan Ministry of Economy and Finance and other Government sources.

This Prospectus includes market share and industry data, which the Group obtained from industry publications and surveys, industry reports prepared by consultants, internal surveys and customer feedback. The market, economic and industry data has primarily been derived and extrapolated from reports provided by the World Bank, the United Nations Food and Agriculture Organisation ("**FAO**"), the United States Environmental Protection Agency ("**EPA**"), the United States Department of Agriculture ("**USDA**"), the USGS, the International Fertiliser Industry Association ("**IFA**"), IHS Markit, CRU, The International Fertiliser Development Center ("**IFDC**"), the European Union (the "**EU**"), Arab Fertiliser Association, Argus and publicly available sources.

Third-party sources generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. The Group believes that third-party sources, to the extent quoted or referred to herein, are reliable, but the Group has not independently verified them and cannot guarantee their accuracy or completeness. The Group confirms that all third-party information has been accurately reproduced and that as far as the Group is aware and is able to ascertain from the information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Group accepts no further responsibility in respect of such information. None of the third-party sources has made any representation, express or implied, and has not accepted any responsibility, with respect to the accuracy or completeness of any of the information contained in this Prospectus. Where third-party information has been used in this Prospectus, the source of such information has been identified.

In addition, certain information in this Prospectus is not based on published data obtained from independent third parties or extrapolations thereof but on information and statements reflecting the Group's best estimates based upon information obtained from trade and business organisations and associations, consultants and other third parties, information published by the Group's competitors, and the Group's senior management team's business experience and experience in the industry. The Group cannot assure that any of the assumptions that it has made in compiling this data are accurate or correctly reflect the Group's position in its markets.

Similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Although every effort has been made to include in this Prospectus the most reliable and the most consistently presented data, the Issuer cannot guarantee that such data has been compiled or prepared on a basis consistent with international standards. In particular, any discussion of matters relating to Morocco in this Prospectus is, therefore, subject to uncertainty due to concerns about the reliability of available official and public information.

Certain Definitions and Terminology

Certain defined terms are used in this Prospectus. See *Appendix I* for a list of frequently used defined terms. Additionally, see *Appendix II* for a glossary of measurement and technical terms used in this Prospectus.

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OVERVIEW

OVERVIEW OF THE OFFERING

The following overview contains information about the Notes. It may not contain all information that is important to investors. This overview is indicative only, does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus. For a more complete understanding of the Notes, please refer to the section of this Prospectus entitled "Terms and Conditions of the Notes". Terms used in this overview and not otherwise defined have the meaning given to them in "Terms and Conditions of the Notes".

2034 Notes...........................	U.S.$1,250,000,000 principal amount of 6.750% Notes due 2034.
2054 Notes...........................	U.S.$750,000,000 principal amount of 7.500% Notes due 2054.
Interest and Interest Payment Dates....................	The Notes will bear interest from and including 2 May 2024 at the rate of 6.750% per year, in the case of the 2034 Notes, and 7.500% per year, in the case of the 2054 Notes, payable, in each case, semi-annually in arrear on each of 2 May and 2 November in each year (each an "**Interest Payment Date**"); *provided* that, as described in each case in Condition 6.4, if any such date is not a Business Day (as defined in each case in Condition 6.4), then such payment will be made on the next Business Day. The first payment (representing a full six months' interest) will be made on 2 November 2024.
2034 Notes Maturity Date .	2 May 2034.
2054 Notes Maturity Date .	2 May 2054.
Use of Proceeds..................	The net proceeds of the Offering will be used to fund the Capital Expenditure Programme and for general corporate purposes.
Status...................................	The Notes will be direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Negative Pledge	The terms of the Notes contain a negative pledge provision binding on the Issuer and its Material Subsidiaries as further described in Condition 4.1.
Other Covenants	The terms of the Notes contain certain other covenants (including in relation to the delivery of the Issuer's annual and interim consolidated financial statements), as further described in Condition 4.
Taxation; Payment of Additional Amounts...........	All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on

	behalf of a Relevant Jurisdiction (as defined in Condition 8), unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will (subject to certain exceptions) pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction. Under current Moroccan law, withholding tax at the rate of 10% applies on interest on the Notes. However, articles 6.I.C.3° and 45 of the Moroccan tax code (the "**Moroccan Tax Code**") grant an exemption to the withholding tax and that accordingly interest on the Notes will not be subject to withholding tax in Morocco. See "*Taxation—Certain Moroccan Tax Considerations*", "*Terms and Conditions of the Notes—Condition 8*" and "*Risk Factors—Risks Relating to the Notes—The Notes may be subject to withholding tax*".
Residual Maturity Redemption.........................	The Notes may be redeemed at the option of the Issuer in whole, but not in part, during the period commencing on (and including) (i) 2 February 2034 to (but excluding) the 2034 Notes Maturity Date, in the case of the 2034 Notes, and (ii) 2 November 2053 to (but excluding) the 2054 Notes Maturity Date, in the case of the 2054 Notes, in each case at their principal amount (together with interest accrued to but excluding the date of redemption).
Redemption for Taxation Reasons	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (subject to certain conditions), at their principal amount (together with interest accrued to but excluding the date of redemption) if: (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 29 April 2024, on the next Interest Payment Date and the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 beyond the prevailing applicable rates on 29 April 2024; and (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it.
Redemption at the Option of the Holders upon a Change of Control............	If a Change of Control occurs (as defined in Condition 7.3), each Noteholder will have a right, at such Noteholder's option, to require the Issuer to redeem in whole (but not in part) such Noteholder's Notes at 101% of their principal amount together with interest accrued to the date of redemption, as further described in Condition 7.3.
Events of Default................	The Notes will be subject to certain Events of Default including (among others) non-payment of principal for a period of seven days, non-payment of interest for a period of 14 days, failure to perform or observe any of the other obligations in respect of the Notes, cross-

	default and certain events related to disposals, bankruptcy and insolvency, all as further described in Condition 10. For all Events of Default except for non-payment of principal and interest, a threshold of Noteholders representing not less than 5% in aggregate of Notes then outstanding is required to call an Event of Default. See "*Terms and Conditions of the Notes—Condition 10*".
Form, Transfer and Denominations..................	Notes offered and sold in reliance upon Regulation S will initially be represented by beneficial interests in the relevant Unrestricted Global Certificate(s) in registered form, without interest coupons attached, which will be delivered to a common depositary and registered in the name of a nominee of a common depositary for Euroclear and Clearstream. Notes offered and sold in reliance upon Rule 144A will initially be represented by beneficial interests in the relevant Restricted Global Certificate(s), in registered form, without interest coupons attached, which will be deposited with the custodian and registered in the name of Cede & Co. as nominee for DTC. Except in limited circumstances, certificates for the Notes will not be issued in exchange for beneficial interests in the Global Certificates. See "*Terms and Conditions of the Notes—Condition 1*". Interests in the Rule 144A Notes will be subject to certain restrictions on transfer. See "*Transfer Restrictions*". Interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, in the case of the Regulation S Notes, and by DTC and its direct and indirect participants, in the case of Rule 144A Notes. Notes will be issued in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.
Governing Law..................	The Notes, the Agency Agreement in respect of each Series and the Deed of Covenant in respect of each Series and any non-contractual obligations arising out of or in connection with the Notes, the Agency Agreement in respect of each Series and the Deed of Covenant (each as defined in the terms and conditions in respect of each Series of the Notes (the "**Conditions**")), will be governed by, and construed in accordance with, English law subject to compliance with mandatory provisions of Moroccan law relating to the Notes and the rights of Noteholders and the Masse (as defined below).
Listing	Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on the regulated market of the Euronext Dublin.
Selling Restrictions............	The Notes have not been and will not be registered under the Securities Act or any state securities laws and beneficial interests therein may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) except to QIBs in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The offer and sale of Notes (or

	beneficial interests therein) is also subject to restrictions in Morocco, the European Economic Area, the UK, Hong Kong, Singapore and Switzerland, the United Arab Emirates and the Dubai International Finance Centre. See "*Subscription and Sale*".
2034 Notes Issue Price	98.491% of the principal amount.
2034 Notes Yield (semi-annual)..............................	6.962%.
2054 Notes Issue Price	97.262% of the principal amount.
2054 Notes Yield (semi-annual)..............................	7.736%.
2034 Notes	
Regulation S Notes Security Codes.......	ISIN: XS2810168737
Common Code.......	281016873
Rule 144A Notes Security Codes.......	ISIN: US67091TAF21 CUSIP: 67091T AF2
2054 Notes	
Regulation S Notes Security Codes.......	ISIN: XS2810168810
Common Code.......	281016881
Rule 144A Notes Security Codes.......	ISIN: US67091TAG04 CUSIP: 67091T AG0
Representation of Noteholders.........................	There will be no trustee. Under Moroccan law the Noteholders are automatically grouped in a masse endowed with legal personality for the defence of their common interests (the "**Masse**"). The Masse is a separate legal entity acting either through one or more agents (the "**Representative**") and in part through a general assembly of the Noteholders (the "**General Assembly**") as further described in Condition 13.
Expected Note Rating(s)....	"BB+" by S&P, “BB+” by Fitch and "Baa3" by Moody's. As at the date of this Prospectus, S&P is established in the EU and registered under the CRA Regulation. The rating issued by S&P has been endorsed by S&P UK in accordance with the UK CRA Regulation. Fitch is established in the United Kingdom and is registered under the UK CRA regulation. The rating issued by Fitch has been endorsed by Fitch Ratings Ireland Limited in accordance with the EU CRA Regulation. Moody's Investors Service EMEA is

	established in the UK and deregistered from the UK CRA Regulation. The rating issued by Moody's has been endorsed by Moody's Investors Service Middle East Limited. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Any change in the rating of the Notes could adversely affect the price that a purchaser would be willing to pay for the Notes.
Joint Lead Managers	BNP Paribas, Citigroup Global Markets Limited and J.P. Morgan Securities plc.
Fiscal Agent, Paying Agent and Transfer Agent	Citibank N.A., London Branch.
Registrar	Citibank Europe plc, Germany Branch.

OVERVIEW OF THE GROUP

This overview does not contain all of the information that may be important to prospective investors and, therefore, should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, the Financial Statements and the notes thereto and the other financial information contained in this Prospectus. Prospective investors should also carefully consider the information set forth in "Risk Factors" prior to making an investment decision. Any decision to invest in the Notes should be based on the consideration of this Prospectus as a whole by prospective investors.

The Group

The Group is a leading vertically integrated fertiliser company involved in the extraction, production and commercialisation of: (i) phosphate rock; (ii) phosphoric acid (including purified phosphoric acid) ("**PPA**"); (iii) phosphate-based fertilisers; and (iv) animal nutrition and speciality products. The Group is the largest producer of phosphate rock and phosphoric acid, and the largest producer of phosphate-based fertilisers (diammonium phosphate ("**DAP**"), monoammonium phosphate ("**MAP**") and triple superphosphate ("**TSP**")), globally (by volume), based on management estimates derived from company information and publicly available data of competitors for 2023. The Group's mining activities are based in Morocco and focus on the extraction, treatment, enrichment and delivery of phosphate rock to its processing facilities in Jorf Lasfar and Safi, as well as the export of phosphate rock to its customers in approximately 27 countries. The Group processes approximately more than two thirds of its phosphate rock production into phosphoric acid, a significant part of which is in turn further processed into phosphate-based fertilisers. In addition to phosphoric acid, the Group produces and exports six major types of phosphate-based fertilisers (MAP, DAP, nitrogen phosphorus ("**NPK**"), nitrogen, phosphate, and sulphur ("**NPS**"), ammonium sulphate phosphate ("**ASP**") and TSP) as well as over 174 diversified products that are primarily focused on providing customised formulas, such as fertilisers enriched with micronutrients and reactive phosphate rock. The Group sells its products to other industrial companies, including integrated and non-integrated players, large and established traders and distributors.

In FY 2023, the Group's total revenue was Dh 91.3 billion (FY 2022: Dh 114.6 billion FY 2021: Dh 84.3 billion), its EBITDA was Dh 29.4 billion (FY 2022: Dh 50.1 billion FY 2021: Dh 36.3 billion) and its net profit/(loss) for the period was Dh 14.3 billion (FY 2022: Dh 28.2 billion FY 2021: Dh 16.3 billion). The Group's total assets were Dh 249.9 billion, Dh 226.0 billion and Dh 182.0 billion as at 31 December 2023, 2022 and 2021, respectively.

According to the USGS Report of January 2024 (the "**USGS Report**"), approximately 67.6% of the world's largest reserves of phosphate rock are located in Morocco (including Western Sahara, referred to as the Southern Provinces herein), and under Moroccan law, the Group has exclusive access to Morocco's phosphate reserves. All of the Group's mining activities are conducted at open-pit mines. The Group operates ten phosphate rock mines at three locations in central Morocco (six at Khouribga, three at Gantour (Ben Guerir and Youssoufia) and one in the Southern Provinces (Boucraâ)), with a combined annual production capacity of 47.5 million tonnes for FY 2023. The average P_2O_5 content of the phosphate rock currently mined by the Group is approximately 30.7%, based on IFA estimates (World Phosphate Rock Production, 2022).

The Group operates processing plants in two locations on the Atlantic coast in central Morocco: Jorf Lasfar, which receives phosphate rock principally from the mines at Khouribga; and Safi, which receives phosphate rock principally from the mines at Gantour.

- At the Jorf Lasfar site, the Group operates a number of facilities that have a total nominal production capacity of 14.2 million tonnes of fertilisers (DAP equivalent) and 6.6 million tonnes of phosphoric acid per year, including the nominal production capacity of its joint ventures IMACID, PMP, KOFERT which have a combined production capacity of 1.5 million tonnes of phosphoric acid per year, and EMAPHOS, which has a production capacity of 0.28 million tonnes P_2O_5 of purified phosphoric acid per year.

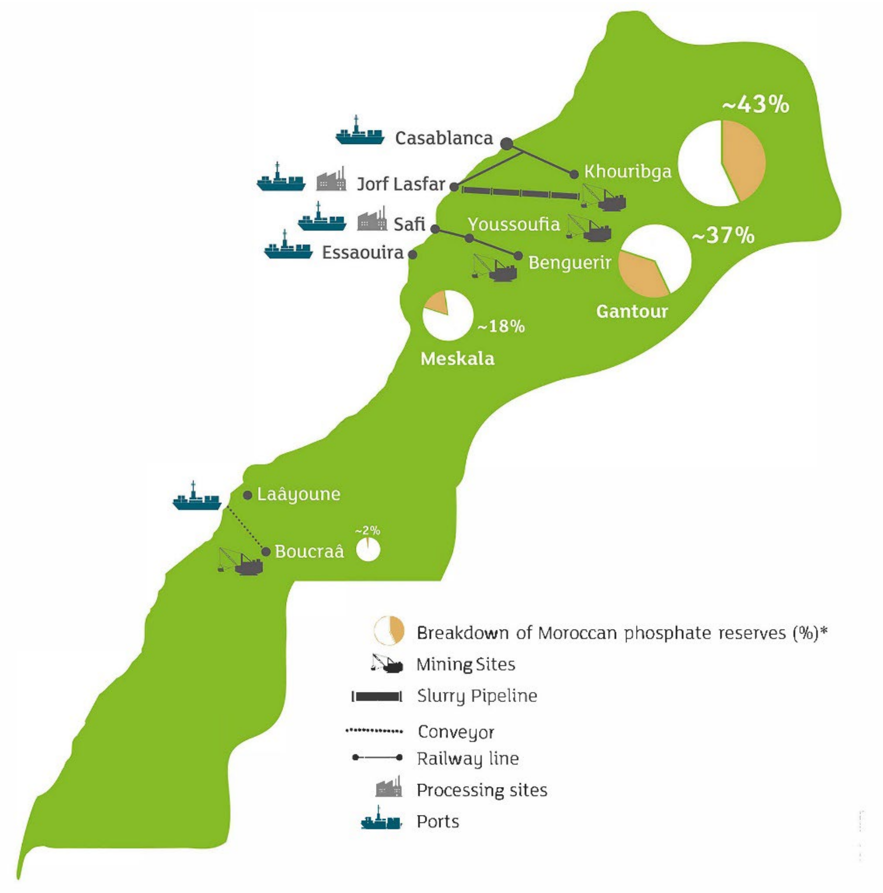
- At the Safi site, the Group's facilities have a nominal production capacity of 1.2 million tonnes of phosphoric acid, 0.9 million tonnes of TSP and 0.2 million tonnes of feed phosphate products per year.

Beyond its Moroccan production capacities, the Group has also entered into production joint ventures and has direct or indirect interests in processing plants in Belgium, Brazil, France, India, Spain and the United States.

In addition to Morocco, OCP heavily invests in production and logistics across several African countries, including fertiliser blending and storage facilities. These projects enable the Group to optimise cost efficiencies for farmers while enhancing OCP's agility and responsiveness to local requirements. These projects are located in Nigeria, Ghana, Cote d'Ivoire, Senegal, Cameroon, Rwanda and Ethiopia and have an annual capacity of more than 1.2 million tonnes of fertilisers. The projects in Nigeria and Rwanda are operational while the remainder are either in production, design, rehabilitation, pre-project or advanced project phase.

The Group is currently able to export phosphate rock from the ports of Casablanca, Jorf Lasfar and Safi, as well as the wharf at Laâyoune, phosphoric acid and phosphate-based fertilisers from the ports of Jorf Lasfar and Safi, and feed phosphate products from the port of Safi.

The following summarises the Group's principal operations and reserves in Morocco as at 31 December 2023.



(*) Total Moroccan phosphate reserves according to the USGS Mineral Commodities Summaries (January 2024).

Strengths

The Group believes that its principal strengths and competitive advantages include the following:

A Global Leader across the Phosphate Value Chain

The Group is the largest producer of phosphate rock and phosphoric acid, and one of the largest producers of phosphate-based fertilisers (DAP, MAP and TSP), globally (by volume), based on management estimates derived from company information and publicly available data of competitors as of 31 December 2023. The Group has leading positions in production and trade volumes across the phosphate value chain. As at 31 December 2023, the Group had an annual production capacity of phosphate rock, phosphoric acid and fertilisers of 47.5 million tonnes, 7.7 million tonnes of P_2O_5 and 15.4 million tonnes, respectively. In 2023, the Group accounted for approximately 20%, 36% and 27.5% of the global phosphate rock, phosphoric acid and phosphate-based fertiliser trade, respectively, according to CRU. The Group believes its vertically integrated business model across the phosphate value chain provides flexibility in optimising its product mix between phosphate rock, phosphoric acid and fertilisers, which allows it to maximise margins and optimise capacity utilisation according to demand. In addition, the Group benefits from the substantial industry expertise and experience gained during its past 100 years of phosphate production.

Large and Quality Reserve Base which Constitutes a Natural Barrier to Entry

According to the USGS Mineral Commodities Summaries published in January 2024, Morocco (including the Western Sahara, or the Southern Provinces as referred herein) has the largest phosphate rock reserves in the world with 50 billion tonnes (approximately 67.6% of estimated world total reserves of 74 billion tonnes). The average P_2O_5 content of the phosphate rock currently mined by the Group is approximately 30.7%, based on IFA estimates (World Phosphate Rock Production, 2022). With exclusive access to Morocco's phosphate reserves, the Group estimates its economically exploitable reserves are sufficient to cover several hundreds of years of global phosphates consumption (at current consumption levels).

The Group believes it is one of the lowest cost producers of phosphate rock in the industry, which it is able to maintain due to its exclusive access to large phosphate rock reserves, high grade P_2O_5 quality and low extraction costs. Fertiliser producers that do not have access to their own phosphate rock reserves tend to have higher production costs. Those producers experience significant difficulties when the phosphate rock market price increases faster than the prices of their output products. Tight or negative margins in this case may push those producers to reduce or stop production. Lack of access to phosphate rock reserves, in addition to high capital investments required, significant infrastructure facilities and lack of technical know-how, act as a significant barrier to entry for any producer seeking to enter the market on a significant scale and compete with the Group in relation to sales of phosphate rock, phosphoric acid and phosphate-based fertilisers.

Low-Cost Position in Phosphate Rock and Phosphate-Based Fertilisers

The Group believes that it is one of the lowest cost producers of phosphate rock in the industry, primarily due to:

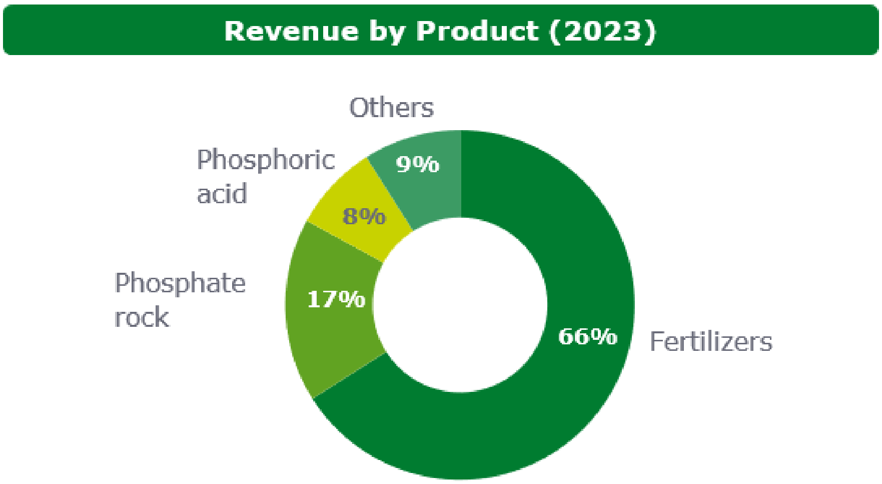
(i) access to high-quality phosphate rock reserves from mined open-pit sites with close proximity to ports, which lowers processing and production costs;

(ii) having a strategic geographic position with access to efficient shipping routes in terms of freight costs and time of delivery to key export markets; and

(iii) since April 2014, the Group has operated a slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar, which is another factor contributing to its cash cost leadership. In addition, the majority of the Group's mining operations, chemical plants and port operations are concentrated in a relatively small area in central Morocco, which allows the Group to benefit from operational synergies as well as economies of scale.

Balanced Product Portfolio and International Footprint

The Group is present in all segments of the phosphate value chain, from the extraction of phosphate rock and the production of phosphoric acid to the production of phosphate-based fertilisers. Apart from purchases of sulphur and ammonia (and, to a lesser extent, sulphuric acid, potash and micronutrients) from third-parties, the Group is self-sufficient in all three segments. The Group believes its vertically integrated business model across the phosphate value chain provides flexibility in optimising its product mix between phosphate rock, phosphoric acid and fertilisers, which allows it to maximise margins and optimise capacity utilisation according to demand. The chart below shows the Group’s revenue by product for 2023:



OCP has a well-established industrial and commercial presence in major markets, with over 350 clients across five continents. The Group is, therefore, able to mitigate decreases in sales in regions where there is poor demand by shifting sales to other regions, which creates a natural hedge against adverse events in any given market or region. The Group generates its revenues with diversified clients. No client generates alone more than 10% of the consolidated revenue and, accordingly, the Group is not dependent on any single customer. In addition, the Group's export sales are balanced between Latin America, Europe, India, Africa, North America, Brazil and Asia, which accounted for 9%, 19%, 22%, 14%, 4%, 15% and 15% of total export sales in 2022, respectively, and 12%, 20%, 14%, 16%, 5%, 18% and 11% of total export sales in 2023, respectively. As a result, the Group believes it is able to both reduce its exposure to adverse events and increase its sales where favourable conditions prevail, which, in turn, allows the Group to seek higher profitability margins. The location of the Group's operations in Morocco also gives the Group a competitive advantage in terms of time to market as compared to its main competitors, especially when combined with low-cost transportation in certain key export markets, including South America, Europe, West Africa and the United States.

Growth Industry, Underpinned by Sustainable Long-Term Trends

Given P_2O_5's role as an essential soil nutrient in agricultural production, the Group believes that it is well positioned to benefit from the strong fundamentals of the global agricultural industry, which, to a large extent, are driven by:

- population growth;
- a reduction in available arable land per capita; and
- an increase in consumption of meat and dairy in emerging markets.

According to IFA, global phosphate fertiliser demand is forecasted to grow by approximately 4 million tonnes from 2023 through to approximately 50 million tonnes P_2O_5 in 2027 and exceed 2020 record levels according to IFA's central long-term scenario. The Group believes that the long-term growth in demand for fertilisers will principally be driven by the need to increase crop production primarily due to the world's growing population, which is projected to increase to 9.7 billion people by 2050, an increase of around 26% from 2020, according to the UN. In addition, in light of the expected growth of the world's population and the expected reduction of available arable land per capita stemming in part from increased urbanisation and industrialisation, the area of arable land per capita decreased from 0.38

ha in 1970 to 0.25 ha in 2000, with a projected decline to 0.18[1] per capita by 2050, according to the FAO. As a result of the limited ability to expand the existing stock of arable land, it will be necessary to increase yields on the existing fields to improve crop yields and meet future anticipated demand for food, which in turn is expected to increase demand for fertilisers, according to the FAO. Accordingly, the World Research Institute estimates that an increase of approximately 50% to 60% in global crop production will be required by 2050 to meet global food demand.

In addition, an increase in per capita income, especially in emerging markets, such as Brazil, China and India, is leading to changes in dietary habits. According to the FAO, by 2032 world meat consumption per capita is projected to grow by 2% compared to the base period (average 2020-2022). Middle-income countries will contribute significantly to this growth, spurred by economic development and urbanization. In low-income nations, rapid population growth drives increased meat consumption, yet limited access and income levels continue to restrain per capita consumption to only 15% of high-income country averages. Higher consumption of meat results in increased demand for fertilisers (due to higher demand for crops used as feed for livestock) and feed phosphate products. In high-income countries, concerns about health, environment, and animal welfare is prompting shifts in meat consumption patterns.

Strong Financial Position and Flexible Investment Programme to Further Improve the Group's Cost Position

As described in more detail in "*—Strategies—Improve Efficiency and Increase Industrial Capacity*" below, the Group is pursuing its Capital Expenditure Programme, which the Group believes will improve its operating performance and help the Group strengthen its positions across the phosphate value chain. The Group has structured the Capital Expenditure Programme in various phases to 2030, allowing the Group significant flexibility in developing the programme according to the Group's cash position and market conditions. The Group also expects the Capital Expenditure Programme to further lower its cost position and increase the Group's profitability over the medium- to long-term, based on management's assessment.

The Group's low production cost has enabled it to preserve margins and maintain positive cash flow generation, even in periods of sustained low phosphate rock and fertiliser prices. The Group's net financial debt has generally increased from Dh 50.9 billion as at 31 December 2022 to Dh 68.3 billion as at 31 December 2023, as the Group continue to execute its Capital Expenditure Programme.

When and if completed, the projects that are the subject of the Capital Expenditure Programme are expected to improve the Group's operating performance and help the Group strengthen its position across the phosphate value chain.

The Group's financial position is bolstered by its access to a diverse range of long-term financing resources, which enable the Group to implement sustainable investment strategies that drive diversified growth. The support received from the Moroccan state as the main shareholder also provides the Group with investors that prioritize long-term value creation over short-term gains, which the Group believes further strengthens its position and reinforces its commitment to delivering lasting value to stakeholders.

The Group is targeting its leverage ratios at a level consistent with a standalone investment grade credit rating, with a maximum target net financial debt to EBITDA ratio of 2.5x (currently 2.3x).

[1] Based on FAO projections under the baseline (Business As Usual) scenario. FAO. 2018. The future of food and agriculture – Alternative pathways to 2050

Ample and low-cost access to renewable energy sources

OCP benefits from Morocco's geographical positioning, providing access to a favorable combination of solar and wind resources, particularly in the south of the country. Beyond the intrinsic potential of solar and wind resources individually, the Group believes that combining the two sources will allow OCP to achieve better loading factors and lower renewable energies production costs. Additionally, OCP is one of the major landholders in the country with access to significant land resources to secure and establish renewable energy farms and green hydrogen plants. All these factors help to facilitate highly competitive renewable energy production costs.

Given the Group's commitment to achieve carbon neutrality in its operations relating to scope one and two emissions by 2030, and on all three scopes by 2040, the Group believes that access to ample and low-cost renewable energy is a substantial competitive advantage in its journey towards carbon neutrality. For instance, the Group targets the production of 5GW of electricity from renewable sources by 2027 and no less than 13GW by 2032, which would mark a significant step towards harnessing the potential of available wind and solar resources.

Highly Experienced Management Team

The Group has a strong and experienced senior management team, which has a detailed knowledge of, and experience in, the fertiliser industry and provides the Group with the skills and expertise required to implement its strategy and Capital Expenditure Programme. The Group's senior management team combines extensive industry and marketing experience with financial and management expertise. In addition, in 2008 the Group underwent major structural changes: from the *Office Chérifien des Phosphates*, a state-owned organisation earning royalties based on volume, to becoming a joint stock company (*société anonyme*) with a new governance structure and a decentralised, more flexible and profit-driven organisation.

Strategy

The Group's goal is to strengthen its position as a leading integrated phosphate producer and maintain flexible positioning across the value chain, by focusing on the following priorities:

Increase Commercial Agility and Industrial Flexibility

The Group's Capital Expenditure Programme is designed to increase the flexibility provided by the Group's vertically integrated upstream, midstream and downstream phosphate operations. By further increasing its capacity across the three links of the phosphate value chain (i.e., phosphate rock, phosphoric acid and fertilisers), the Group believes it will be better able to respond to changes in demand and market conditions. In particular, the Group believes that fertilisers represent a significant growth opportunity within its markets, driven by the development of, and demand for, new products, services and "customised" fertilisers, which integrated 27 new products (23 new fertilisers products, three new rock products and one new acid product). In 2022, OCP expanded its portfolio to 174 diversified products that are primarily focused on providing customised formulas.

The Group also intends to continue to pursue strategic partnerships focused primarily on achieving synergies with or complementing its existing business, operations and product range, enhancing its position in the value chain. In 2023, the Group established a strategic partnership with major players in the fertiliser sector in India. The objective of this partnership is to carry out joint research and development initiatives, to jointly promote innovative fertilisation solutions and to offer customised fertilisers that meet the specific needs of Indian farmers, in close collaboration with the Indian agricultural ecosystem (including the public sector, agronomic institutes, agricultural federations and farmers). This partnership helps the Group toward its strategic goal of creating innovative fertilisation solutions adapted to differing needs of farmers worldwide. Moreover, the Group has opened representative offices and subsidiaries in a number of key geographic areas, including, among others, China, Ethiopia, Kenya, Singapore, the United Arab Emirates, the United States, Brazil, India and Argentina. These entities increase the Group's position in finished fertiliser products, globally, and its presence in key markets. The Group is also able to work closely with farmers and support on the ground development of agriculture.

Improve Efficiency and Increase Industrial Capacity

In view of the growth in global demand for fertilisers and the Group's competitive position, OCP has embarked, since 2008, on a major investment programme aimed at anticipating growth in future demand and strengthening its leading position across the value chain. The first phase of the Capital Expenditure Programme, focused on strengthening production capacity, aimed at doubling mining capacities and tripling processing capacities. As part of the second phase of the Capital Expenditure Programme, the Group launched a new strategic programme devoted to raising fertiliser production, investing in new green fertilisers and renewable energy. The Green Investment Programme aims to increase production capacity from the current 15 million tonnes of fertiliser to 20 million tonnes by 2027.

The Group also made significant investments aimed at transforming the logistics chain through the use of the slurry pipeline technology, as well as increasing its operational and environmental efficiency. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures*". These investments are a first step towards the Group's ambition to give itself the means to capture 50% of the increase in demand for phosphate fertilisers on a global scale, while ensuring a balanced presence on the three main links of the value chain.

These planned capacity increases of the Group's Capital Expenditure Programme are expected to help the Group strengthen its position across the phosphate value chain. Based on current plans, the total estimated costs of the Capital Expenditure Programme since its launch in 2008 to 2027 are approximately U.S.$21 billion[2] (Dh 190 billion), with approximately U.S.$8 billion (Dh 74 billion) already incurred between 2008 and 2022 in its first phase, and the remainder intended to be invested between 2023 and 2027 as part of the Green Investment Programme. In the year ended 31 December 2023, the Group incurred U.S.$2.65 billion (Dh 26.8 billion) in costs related to the Capital Expenditure Programme. The costs of the Capital Expenditure Programme are expected to be funded from internally generated cash flows, existing and future external financings and the proceeds of the Notes. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures*".

Moreover, OCP aims to continue its development in Africa, which is the region expected to experience the highest growth in the world in terms of fertiliser demand over the next few years according to IFA. OCP is expected to continue to increase sales in the continent and has committed to invest in new capacities in Africa (e.g. Ethiopia, Nigeria and Ghana). See also "*—Phosphoric Acid and Phosphate-Based Fertilisers—Production Facilities—Other sites and projects*".

Reinforce Cost Leadership

The Group believes that it is one of the lowest cost producers of phosphate rock in the industry. As part of its strategy, the Group is actively engaged in improving the efficiency and reducing the unit cost of its operations, in particular, its mining and transportation activities, through the adoption of new

[2] For convenience, figures expressed in U.S.$ in this paragraph have been translated into U.S.$ at the average Dh/U.S.$ exchange rate for the year ended 30 December 2022 as published by the Central Bank of Morocco, which was Dh 10.4477 per U.S.$1.00. Such translation is not reflective of a translation in accordance with IFRS and it should not be construed as a representation that the Dh amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

technologies, processes and procedures. For example, since 2014, the use of the slurry pipeline instead of rail for conveying phosphate rock significantly reduces the Group's logistics costs. Furthermore, the development of the Jorf Phosphate Hub allows the Group to increase its capacity production levels while achieving significant economies of scale by leveraging existing platforms and centralising some of the industrial operations.

Additionally, by strengthening its capacity and cost leadership, the Group aims to build an integrated and agile supply chain capable of more quickly and efficiently adapting to market dynamics. Digitalisation in particular is especially important as it can enable the optimisation of mining activities and manufacturing processes throughout the value chain.

Focus on innovation and the promotion of agricultural best practices

The Group is adopting a soil health-driven approach based on soil mapping, extension programmes, customised fertilisers and fertilisation best practices through the 4R Principles (right fertiliser, right rate, right time and right place), boosting productivity while protecting the environment.

The 4R Principles approach requires synergistic strategies that go beyond standard formulas (commodity fertilisers). For this reason, the Group advocates for a reasoned nutrient management approach to optimise nutrient use efficiency. To achieve this objective, the Group aims to be a major global supplier of soil fertility solutions by developing a portfolio of customised products and services that add value to farmers by addressing new trends and challenges that the agriculture industry is facing, such as the development of digital technologies or an increase in environmental awareness.

To bring these solutions to farmers, the Group is building strong research and development capabilities and innovation capabilities within UM6P to serve this agenda, especially as it relates to soil health, nutrient efficiency, crop health and nutrition. In addition, the Group believes that investing in digital technology and leveraging data are key to driving competitiveness, better serving farmers, and capturing new growth opportunities.

The Group first implemented this approach in Africa, developing customised products and offering extension services and digital tools to better support farming in the region. The strong growth on the African continent affirms the Group's ambition to be a partner in African agriculture and development through its African subsidiary, OCP Africa. The strategy targets a fertiliser product that is better suited to local soils and crops. Specific examples of the Group's strategy include:

- Through its subsidiary, OCP Africa, which is dedicated to developing sustainable agriculture in Africa, the Group works with farmers as part of its OCP School Lab initiative, which provides farmers with a mobile classroom that offers awareness training in best agricultural practices for the dominant crops in the relevant region (e.g., cocoa and rice in Cote d'Ivoire and corn in Kenya). The OCP School Lab leverages physical training and content as well as digital tools. Thanks to a team of agricultural engineers, farmers benefit from multi-year support and technological solutions to stay connected or in direct contact with agricultural advisors. The OCP School Lab offers demonstrations and educational training sessions raising awareness about agricultural practices in accordance with the predominant culture of the regions in which each Lab is located. The OCP School Lab also offers soil analysis which uses technology to determine the best product, soil and crop for use in the relevant region. The lab allows the Group to address more technical aspects such as soil nutrient needs and fertiliser recommendations tailored to local soils and crops. The labs have been equipped with state of the art technology, including medium infrared and technical X-ray sensors that enable soil fertility assessment in real-time. In 2022, over 136,000 farmers benefited from OCP Africa School Lab services in Kenya, Ghana, Senegal, Cote d'Ivoire and Tanzania.

- The Group is deploying an Agribooster programme on the African continent which aims at holistically supporting farmers across all the “pain points” they are facing by securing their access to high quality inputs, training on good agronomic practices, and securing of market linkages upstream of their agricultural campaign. The ecosystem developed is designed to de-risk farmers’ investments, and facilitate their access to finance. Over 2.1 million farmers have benefited from the Agribooster programme since it began in 2016, including 222,000 farmers in 2022 in Cote d’Ivoire, Nigeria, Kenya, Guinea, Togo, Ghana, Kenya, and Burkina Faso.

- The Group’s “Al Moutmir Initiative”, which seeks to bring the Group’s soil and crop expertise to Moroccan farmers, includes new municipalities, new crop types, new resources created through the Act4Farmers movement, which mobilises OCP volunteers, the implementation of agri-platforms for raising awareness and training, the "Al Moutmir Li Khadamat Al Qorb" initiative, which includes a mobile soil analysis laboratory operating in various provinces in Morocco, and the experimental farming programme "Agri-platforms", which is used for training and sharing agricultural best practices. This initiative also includes a wide range of services and tools integrating innovative production units (such as smart blenders), mobile applications, a call centre, sensors and connected devices to collect and analyse data. In 2022, 20,000 farmers were supported by the “Al Moutmir Initiative” in Morocco and 144,600 farmers were supported by the Agri-platforms in four African countries. In addition, approximately 1,000 female farmers in 43 regions of Morocco benefited from over 4,000 training and coaching sessions in the field of agriculture since the start of the “Al Moutmir Initiative”.

The Group's innovative soil farmer solutions strategy has also been rolled out globally, with initiatives in many countries, including Brazil and the United States. The Group's efforts reflect the awareness of importance and sustainable and intelligent agriculture. The Group intends to develop and implement innovative solutions that meet the needs of the market and farmers by offering tailor-made and integrated solutions, increasingly adapted fertiliser formulations and other phosphate products. For example:

- The Group established a joint venture with Fertinagro Biotech for the production of high value-added fertilisers (enhanced NPK, bio stimulants, etc.) in Jorf Lasfar. The joint venture seeks to offer advanced solutions based on combining industrial flexibility and competitiveness with innovation and agronomic services for farmers. The joint-venture operates a steam blending and granulation industrial unit, with a total annual capacity of 500 KT. It is characterised by high flexibility to produce a nearly unlimited number of specialty products NPK++, NP++, PK++, improved by five advanced technologies of high efficiency fertilisers: Duramon (N slow release), Protect (P slow release in alkaline soils), Multiphos (P slow release in Acidic soils), Actibion (soil microorganisms stimulant), SOP (high soluble K).

- The Group integrates R&D into its industrial value chain through the assistance of researchers, engineers and technicians. Since 2018, the Group has developed new fertiliser formulas and conducted agronomic tests on the performance of the fertilisers. The Group's innovative practices have evolved considerably in recent years, for example with the successful development of new fertiliser formulas (enriched liquid fertilisers, nitrogen-enriched TSP, Phosfeeds, and soluble fertilisers). The Group has key partnerships with SMEs, start-ups, research centres, and certain innovation communities and collaborates with UM6P. As a result of the Group's R&D, the Group has produced more than 40 different customised NPK formulas.

The Group's focus on innovation is also reflected in the design of the second phase of the Capital Expenditure Programme by:

- increasing flexibility: Shifting from building standard phosphate-based fertiliser production units to more flexible units which will allow the Group to increase production to higher value-added products and to offer more formulas and solutions to its customers; and

- be more dynamic: The Group intends to increase the agility of its design process, allowing the programme to be optimised to meet new developments as they arise.

Further diversify the Group's portfolio from standard phosphate commodities

As part of its strategy, the Group is actively engaged in sustainably valuing all the underlying possibilities within its resources and capabilities. OCP has adopted a balanced approach of exploiting mature projects with high potential value along with exploring products, services and technologies which could enable the Group to have a competitive edge in any existing or new market. The Group is focused on improving the way it leverages its reserves, capabilities and human capital, as well as developing new businesses and services involving by-product valorisation, technology-based expertise, engineering, consulting and analytics and maintenance and machinery.

The development of phosphate-based specialty products beyond the agricultural market would allow the Group to diversify into more value-added products in growing and established markets such as animal feeds and purified phosphoric acid. These businesses represent an opportunity to expand and for strategic resilience through diversification beyond fertilisers.

In 1998, OCP began producing purified phosphoric acid, a high-grade phosphoric acid, through EMAPHOS, a joint venture with Prayon and Budenheim. In 2021, OCP and its joint venture partners decided to double their PPA capacity and launch the construction of a second PPA unit EMAPHOS II. However, PPA is only the first step upstream in the industrial phosphates value chain.

In addition to developing new PPA capacities, OCP is considering moving downstream in the value chain by integrating PPA to applications such as soluble fertilisers, industrial phosphate salts and the fast growing LFP hub applications. Phosphate salts comprise a wide range of applications in the food, pharmaceutical and industrial sectors while LFP cathods represent a credible alternative to other existing chemistries to boost wide spread adaptation of e-mobility. Through this move, the Group is working on leveraging its competitive upstream integration to secure a strong foothold further downstream into more value-added products and growing markets.

Beyond phosphate, Moroccan rock contains different elements that can be recovered along the value chain, such as fluorine, rare earths and vanadium. For example, fluorine can be recovered from FSA, a by-product of phosphoric acid. It can be monetised by selling it directly or transforming it into a high margin product such as CaF2, HF or other downstream products. Also, the Group is exploring innovative options for monetisation of phosphogypsum, such as applications for agriculture and construction materials. These potential monetisation opportunities provide an opportunity for the Group to diversify its portfolio and sustainably manage its wastes.

Moreover, an additional area of diversification is in renewable energies. The Group believes that achieving carbon neutrality is an imperative new business component, driven by more engaged consumers, more restrictive environmental regulations, and increasingly demanding investors. As such, the Group's ambition is to achieve carbon neutrality in its operations relating to scope one and two emissions by 2030, and on all three scopes by 2040. New opportunities are emerging, and the Group believes that it could be particularly well positioned to be a leader in upstream activities through green electricity and green ammonia initiatives. The Group believes that it has several competitive advantages as it is a forerunner in the field of green phosphate fertilisers, it can benefit from Morocco's great solar potential, it has considerable electricity consumption and a large cogeneration capacity. In particular:

- Green electricity: the Group aims to achieve carbon neutrality throughout its entire value chain through green mining, solar farms, and energy for desalination and adapt its operations to accommodate the intermittency of renewable electricity and minimize the need for energy storage.

- Green ammonia: Green ammonia presents an opportunity for the Group as it can be used for its own consumption and as a chemical resource and green energy carrier for other end markets in Morocco and internationally. Moreover, the Group believes it can capture this competitive advantage thanks to access to renewable energy at a competitive cost, the scale of its captive energy and ammonia needs, and its ability to carry out large-scale projects. The Group has set a target for production of 1 million tonnes of green ammonia production by 2027 and 3 million tonnes by 2032. The Group is installing a green ammonia production complex, which is planned near Tarfaya. This is expected to have a capacity of 1 million tonnes per year powered by a solar and wind farm, with a total capacity of 4.6GW. Achieve sustainable growth

Sustainability and innovation remain at the heart of the Group's strategic priorities. OCP is embedding sustainability in the way it operates its mining and chemicals businesses, by implementing initiatives that it believes will have a positive impact in terms of the environment, employees, communities and farmers. In particular, the Group seeks to expand on its strategy, including further developments in the renewable energy sector as a result of a number of factors:

- The Group already generates electricity (~2.8 TWh in 2023) from existing facilities and has experience operating power plants, and this generation capacity and experience could provide a base to support the intermittent use of renewable energy.

- The Group has "ready-to-use" land close to its production sites with high solar irradiation and significant PV potential and the Group could benefit from Morocco's considerable renewable energy potential.

- The Group has substantial requirements for both electricity (4 TWh in 2022, i.e. 10% of the national consumption) and ammonia (NH3 consumption reached ~1.6 MT in 2023, i.e. ~46.3% of the Group's purchases of raw materials), which provide a significant incentive to develop sustainable energy solutions.

In December 2022, the Group launched its U.S.$13 billion Green Investment Programme as the second phase of the Capital Expenditure Programme. The Green Investment Programme targets the increase of the Group's mining and fertiliser production capacity, as well as an increase in rock extraction capacity by means of opening a new mine in Meskala, alongside the establishment of a new fertiliser complex located in Mzinda. The Group’s industrial facilities are all expected to be supplied with 100% non-conventional water (desalinated seawater or treated wastewater) by 2024 and 100% clean energy by 2027, in alignment with its aim to achieve carbon neutrality by 2040. See *“—Climate change—Green Investment Programme*” for more detail.

Recent Developments

On 25 January 2024, PHOSBOUCRAA S.A. signed a loan agreement with Banque Centrale Populaire, which as of the date of this Prospectus is in the amount of Dh 1 billion.

On 19 February 2024, OCP S.A. entered into three loan agreements for a total of U.S.$188 million for green investment. The first loan, amounting to U.S.$150 million from the African Development Bank, and the second loan amounting to U.S.$18 million from the Canada – African Development Bank Climate Fund, will be used to finance the construction of three modular seawater desalination plants. The third loan, amounting to U.S.$20 million from the Clean Technology Fund, will be used to finance energy storage systems generated from renewable sources. These systems will power desalination plants and other productive units of OCP Group.

At the Board of Directors meeting held on 6 March 2024, OCP Group proposed to distribute dividends of Dh 7,251 million (net) in respect of profits distributable for 2023. The amount of this distribution will be validated at the General Meeting of shareholders.

On 6 April 2024, OCP S.A. signed a revolving credit facility agreement of U.S.$400 million with Citibank, N.A. London Branch, Mizuho Bank, Ltd., SMBC Bank International plc and Al Ahli Bank of Kuwait K.S.C.P. (DIFC Branch), with a possibility for upsize.

The Issuer

The *Office Chérifien des Phosphates*, the first forerunner of the Issuer, was established on 7 August 1920. The *Office Chérifien des Phosphates* became a joint stock company (*société anonyme*) in 2008 and was renamed OCP S.A. The Issuer is 94.12% owned by the Moroccan State. The remaining interests in the Issuer are held by Infra Maroc Capital (2.98%), Prev Invest SA (1.10%), *Société d'Aménagement et de Développement Vert* ("**SADV**") (0.88%), SOCINVEST (0.82%) and *Banque Centrale Populaire S.A.* ("**BCP**") (0.10%). BCP is a major Moroccan bank. Infra Maroc Capital and SOCINVEST are owned by BCP. Prev Invest SA is wholly owned by RCAR, a major Moroccan pension fund. SADV is wholly owned by UM6P Endowement Holding (which in turn is wholly owned by the Mohammed VI Polytechnic University ("**UM6P**") ("**UM6P Endowement Holding**"). The registered office and principal place of business of the Issuer is 2-4, Rue Al Abtal, Hay Erraha, BP 5196 Casablanca, Morocco, and its telephone number is +212 5 22 23 00 25. The Issuer is incorporated as a joint stock company (*société anonyme*) under the laws of the Kingdom of Morocco and is registered in the Casablanca Commercial Registry under number 40327.

SUMMARY CONSOLIDATED FINANCIAL DATA AND OTHER INFORMATION

The tables below set forth the Group's summary selected consolidated financial data as at and for the years ended 31 December 2023, 2022 and 2021. The selected financial data has been extracted from the Financial Statements included elsewhere in this Prospectus. For further information, see "Presentation of Financial and Certain Other Information".

The Financial Statements were prepared in accordance with IFRS issued by the IASB as adopted by the European Union and have been audited by EY and Deloitte Audit in accordance with International Standards on Auditing.

The following tables should be read in conjunction with, and are qualified in their entirety by reference to, the Financial Statements and the related notes, included elsewhere in this Prospectus. Prospective investors should read this section together with the information contained in "Use of Proceeds", "Presentation of Financial and Certain Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Summary Consolidated Statement of Profit and Loss and Comprehensive Income

	Full Year		
	2023	**2022**	**2021**
		(Dh millions)	
Revenue	91,277	114,574	84,300
Production held as inventory	(6,993)	10,403	278
Purchases consumed	(33,750)	(54,596)	(29,360)
External expenses	(9,671)	(11,754)	(9,969)
Personnel expenses	(11,518)	(11,615)	(10,550)
Taxes	(313)	(306)	(278)
Profit (loss) from joint ventures	774	1,887	1,185
Exchange gains and losses on operating receivables and payables	(697)	1,010	620
Other operating income and expenses	287	471	44
EBITDA	**29,396**	**50,076**	**36,269**
Amortisation, depreciation and operating provisions	(8,394)	(8,435)	(9,016)
Operating profit before exceptional items	**21,002**	**41,640**	**27,254**
Other non-recurring operating income and expenses	(2,135)	(1,258)	(1,454)
Operating profit (loss)	**18,866**	**40,382**	**25,799**
Cost of gross financial debt	(3,141)	(2,508)	(2,384)
Financial income from cash investments	526	222	161
Cost of net financial debt	**(2,615)**	**(2,286)**	**(2,223)**
Exchange gains and losses on financial receivables and payables	(863)	(3,366)	(899)
Other financial income and expenses	(713)	(374)	(2,178)
Financial profit (loss)	**(2,465)**	**(6,026)**	**(5,299)**
Profit (loss) before tax	**16,401**	**34,356**	**20,500**
Corporate income tax	(2,105)	(6,122)	(4,164)
Net profit (loss) for the period	**14,296**	**28,233**	**16,336**
Net profit (loss) Group share	14,369	28,185	16,326
Net profit (loss) non-controlling interests	(72)	49	10
Actuarial gains or losses	(311)	(47)	(552)
Taxes	97	15	109
Financial assets at fair value by OCI	-	-	-
Items that will not be reclassified to profit or loss	**(214)**	**(32)**	**(443)**
Translation differences	(361)	405	(25)
Share of gains and losses recognised in equity (CFH variation)	715	(1,504)	(464)

	Full Year		
	2023	2022	2021
	(Dh millions)		
Taxes	(250)	526	103
Share of gains and losses recognised in equity on joint ventures	-	-	-
Items that may be reclassified to profit or loss	**104**	**(572)**	**(387)**
Income and expenses for the period, recognised directly in equity	**(110)**	**(605)**	**(830)**
Consolidated comprehensive income	**14,187**	**27,629**	**15,506**
Including Group share	14,259	27,580	15,496
Including non-controlling interests' share	(72)	49	10

Summary Consolidated Statement of Financial Position

	Full Year		
	2023	2022	2021
	(Dh millions)		
ASSETS			
Current assets			
Cash and cash equivalents	12,644	18,556	8,001
Cash financial assets	11	509	2,538
Inventories	18,272	25,990	14,804
Trade receivables	18,718	15,481	13,184
Other current assets	31,294	23,116	15,765
Total current assets	**80,940**	**83,652**	**54,293**
Non-current assets			
Non-current financial assets	2,321	1,078	708
Investments in equity accounted companies	7,545	7,076	5,518
Deferred tax assets	52	125	156
Property, plant and equipment	151,884	129,547	116,938
Intangible assets	7,197	4,532	4,385
Total non-current assets	**168,998**	**142,359**	**127,705**
TOTAL ASSETS	**249,937**	**226,012**	**181,998**
LIABILITIES			
Current liabilities			
Current loans and financial debts	19,706	10,136	4,662
Current provisions	919	587	556
Trade payables	28,937	20,306	18,141
Other current liabilities	10,644	16,953	10,104
Total current liabilities	**60,205**	**47,982**	**33,463**
Non-current liabilities			
Non-current loans and financial debts	61,235	59,877	50,954
Non-current provisions for employee benefits	4,544	5,169	5,964
Other non-current provisions	1,904	1,231	1,131
Deferred tax liabilities	2,110	590	1,633
Other non-current liabilities	9	12	-
Total non-current liabilities	**69,801**	**66,880**	**59,681**
EQUITY – GROUP SHARE			
Issued capital	8,288	8,288	8,288
Paid-in capital	18,698	18,698	18,698
Consolidated reserves – Group share	75,697	52,882	42,888
Net profit (loss) – Group share	14,369	28,185	16,326
SHAREHOLDERS' EQUITY	**117,051**	**108,052**	**86,200**

	Full Year		
	2023	2022	2021
	(Dh millions)		
Non-controlling interests	2,879	3,098	2,654
TOTAL EQUITY	**119,930**	**111,150**	**88,854**
TOTAL EQUITY AND LIABILITIES	**249,937**	**226,012**	**181,998**

Summary Selected Statement of Cash Flows

	Full Year		
	2023	2022	2021
Net cash flows from/(used in) operating activities	18,350	27,244	32,167
Net cash flows used in investing activities	(28,424)	(14,849)	(15,658)
Net cash flows from/(used in) financing activities	4,221	(1,968)	(14,941)
Impact of changes in exchange rates on cash and cash equivalents	(60)	126	10
Net increase/(decrease) in cash and cash equivalents	(5,912)	10,554	1,577

Other Financial Data

The tables below include certain non-IFRS financial measures, including EBIT, EBITDA and net financial debt, which are not liquidity or performance measures under IFRS, and which the Group considers to be APMs. These APMs are prepared in addition to the figures that are prepared in accordance with IFRS and are not audited. The Group uses APMs to provide additional information to investors and to enhance their understanding of the Group's results. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS. Moreover, these metrics may be defined or calculated differently by other companies, and, as a result, they may not be comparable to similar metrics calculated by the Group's peers.

Non-IFRS Measures

	Full Year		
	2023	2022	2021
	(Dh millions)		
EBIT(1)	21,802	42,022	27,668
EBITDA(1)	29,396	50,076	36,269
Net financial debt(2)	68,283	50,945	45,076

(1) The reconciliation of net profit for the period to EBIT and EBITDA is as follows for the periods indicated.

	Full Year		
	2023	2022	2021
	(Dh millions, unless otherwise indicated)		
Net profit (loss) for the period	14,296	28,233	16,336
Corporate income tax	(2,105)	(6,122)	(4,164)
Financial profit (loss)	(2,465)	(6,026)	(5,299)
Other non-recurring operating income and expenses	(2,135)	(1,258)	(1,454)
Non-current depreciation and amortisation(a)	(800)	(382)	(415)
EBIT	**21,802**	**42,022**	**27,668**
Current depreciation and amortisation(a)	(7,594)	(8,054)	(8,601)
EBITDA	**29,396**	**50,076**	**36,269**
EBITDA margin	32.2%	43.7%	43.0%

(a) Non-current depreciation and amortisation consists of exceptional depreciation and amortisation of assets. Current depreciation and amortisation consists of depreciation and amortisation of assets in the normal course of business.

(2) The calculation of net financial debt is as follows for the periods indicated.

	Full Year		
	2023	2022	2021
	(Dh millions)		
Total current financial debt	19,706	10,136	4,662
Total non-current financial debt	61,235	59,877	50,954
Total financial debt	**80,940**	**70,011**	**55,616**
Less:			
Cash and cash equivalents	12,644	18,556	8,001
Cash financial assets	11	509	2,538
Net financial debt	**68,283**	**50,945**	**45,076**

Other Metrics

	Full Year		
	2023	2022	2021
	(Dh millions, unless otherwise indicated)		
EBIT/Interest expense(1) (*x*)	(7)	(17)	(12)
Capitalisation (2)	200,869	181,161	144,469
Net capitalisation(3)	188,214	162,095	133,930
Net financial debt/EBITDA(4) (*x*)	2.3	1.0	1.2
Debt/Equity (5) (*x*)	0.7	0.6	0.6
Current liquidity(6) (*x*)	1.3	1.7	1.6
Capital expenditure	26,825	20,011	13,135
Free cash flow(7)	2,571	30,065	23,134
Cash conversion ratio(8)	8.7%	60.0%	63.8%

(1) Calculated as EBIT divided by the Group's interest expense for the given period.
(2) Capitalisation is total financial debt plus equity.
(3) Net capitalisation is net financial debt plus equity.
(4) Calculated as net financial debt at period end divided by the Group's EBITDA for the given period.
(5) Debt/Equity is total financial debt divided by equity.
(6) Current liquidity is current assets divided by current liabilities.
(7) Calculated as EBITDA minus capital expenditure.
(8) Calculated as free cash flow over EBITDA.

	As at 31 December 2023
	(Dh millions)
Cash and cash equivalents	12,644
Cash financial assets	11
Current financial debt	
Guaranteed(1)	-
Current bank debt	12,000
Bond issued	7,463
Other current financial debt	242
Total current financial debt	**19,706**
Non-current financial debt	
Guaranteed(1)	-
Non-current bank debt	34,099
Bonds issued	25,893

	As at 31 December 2023
	(Dh millions)
Other non-current debt	1,242
Total non-current financial debt	**61,235**
Total financial debt	**80,940**
Share capital	8,288
Paid-in capital	18,698
Consolidated reserves	75,697
Net profit-group share	14,369
Non-controlling interests	2,879
Total equity	**119,930**
Total capitalisation	**200,869**

(1) Consists of sovereign guaranteed bank loans.

RISK FACTORS

The purchase of Notes involves substantial risks and is suitable only for, and should be made only by, investors that are fully familiar with the Group in general and that have such other knowledge and experience in financial and business matters as may enable them to evaluate the risks and the merits of an investment in the Notes. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information set forth herein and, in particular, the risk factors set forth below.

The Issuer believes that the risk factors described below represent the principal risks in relation to the Group and the Notes. Prospective investors should, however, note that there may be additional risks and uncertainties that the Issuer currently considers immaterial or of which the Issuer is currently unaware, and any of these risks and uncertainties could have similar effects as those set forth below or other adverse effects. Prospective purchasers of Notes should make such inquiries as they think appropriate regarding the Group and the Notes without relying on the Issuer or the Joint Lead Managers.

Risks Relating to the Phosphates and Fertiliser Industry

The Group is exposed to fluctuating prices of phosphate-based fertiliser and other phosphate-based products.

The Group is a vertically integrated fertiliser company involved in the extraction, production and commercialisation of phosphate rock, phosphoric acid and phosphate-based fertilisers. The prices of phosphate rock, phosphoric acid and phosphate-based fertilisers are affected by supply and demand, both globally and regionally, and depend on a variety of factors external to the Group, over which the Group has no control. Factors that tend to impact prices of the Group's phosphate-based products include, among others:

- changes in the global economy and/or regional economies, significant global or regional political events and financial market conditions, including the ongoing conflict in Gaza as well as the ongoing conflict between Russia and Ukraine as further described in "—*The Russia-Ukraine conflict has adversely affected macro-economic trends and prevailing levels of inflation and created political, regulatory and reputational risks in respect of the Group's international operations*." See also "— *Deterioration of global market and economic conditions could have a material adverse effect on the Group's business, financial condition, results of operations and cash flows*.";

- changes in the global or regional supply of, and/or demand for, fertilisers and related changes in expectations of future supply and demand;

- changes in the global supply of, and/or demand for raw materials required to make phosphoric acid and phosphate-based fertilisers;

- changes to the agricultural sector as described further in "—*The Group's business depends in large part on the demand from the agricultural sector and is significantly affected by trends influencing the agricultural sector generally*";

- changes in inventory levels by wholesalers and distributors, who typically have significant storage capacity to account for seasonal variations, and can take advantage of low market prices or may be affected by local demand levels;

- movements in U.S. dollar- and Euro-related exchange rates;
- consolidation in the phosphate-based fertiliser industry generally; and
- government regulations and regulatory actions, including tariffs, quotas, customs duties, taxation, embargos and warehousing rules.

In addition, the fertiliser industry has historically been cyclical in nature, which normally results in fluctuations in prices for the Group's products. Such supply and demand fluctuations can be unexpected and may significantly impact selling prices. Demand for fertilisers is affected by planted acreage and application rates, which is driven by population growth, changes in dietary habits (including as a result of income growth in emerging economies crop economics), and governmental agricultural policies, among other things. The international market for fertilisers and other phosphate-derived products has been and is expected to continue to be affected by periodic imbalances of supply and demand. Periods of high demand, high-capacity utilisation and increasing profit margins tend to result in new plant investment and increased production, thereby causing supply to exceed demand and prices and capacity utilisation to subsequently decline. The resulting reduced prices then generally lead to restricted investment thereby initiating a new cycle. As a result, fertiliser prices and volumes have been, and are expected to continue to be, volatile.

For example, the previous cycle is generally considered to have started between 2010 and 2011, with the DAP FOB Tampa index peaking at approximately U.S.$659 per tonne in August 2011. The high demand and prices experienced during this period led to major investments in capacity, which started to become operational between 2015 and 2020. As a result of the excess supply created by the investments, prices were generally low between 2015 and 2020, reaching U.S.$260 per tonne on average in December 2019. From mid-2020, delayed planned additional capacities combined with stronger demand fundamentals has led to a recovery in prices and the initiation of a new cycle, with prices exceeding U.S.$500 per tonne in early 2021.

Russia's invasion of Ukraine in February 2022, and the resulting war between Russia and Ukraine (the "**Russia-Ukraine conflict**"), disrupted global markets for certain commodities and raw materials, including natural gas, ammonia, nitrogen fertilisers and certain commodity grains. This disruption has led to changes in sourcing patterns, production curtailments, export reductions and logistical complications involving these commodities. While the effects of the conflict have abated in the year ended 31 December 2023, any potential further escalation may prompt renewed disruption in the fertiliser value chain.

With Russia being a key supplier of energy to Europe and fertilisers to global markets, as well as both Russia and Ukraine being major suppliers of food to global markets, the war contributed to significant volatility in energy, fertiliser, and food prices. The war coincided with a rise in market tensions in the phosphate fertiliser market, which was driven by strong post-COVID demand recovery and a supply shock stemming from China's decision to drastically limit fertiliser imports in September 2021. As such, fertiliser prices initially experienced a steep surge, reaching levels not attained since 2008 in a matter of weeks. For example, DAP FOB Tampa reached 1,231 $/T as of April 2022. This, coupled with severe weather conditions in key fertiliser import markets (including the U.S., Europe, and Australia) translated into a significant drop in imports, eventually exercising a downward pressure on prices that brought them back to pre-war levels, with DAP FOB Tampa reaching 600 $/T as of December 2022.

January 2023 began in the wake of this downward pressure, fuelled by a wait-and-see attitude among importers in hopes of further price decrease. Prices reached a floor in June 2023 (CFR India at $440/t).

From July 2023, price began a rebound trajectory until reaching approximately $595/T CFR India in October 2023. This was supported by several factors: (i) small remaining export quotas in China in the third quarter following the significant volumes in the second quarter (ii) advent of the high import season in India and Brazil in particular offering less possibility of deferring imports, (iii) recovery in demand in several markets, particularly in Europe and the United States, and (iv) limited stock in several basins following low imports made in previous quarters.

The end of 2023 was marked by a reduction in liquidity with the Chinese announcement in November 2023 to suspend exports and India reducing its subsidies. As a result, prices remained generally stable between October 2023 and February 2024.

Price and supply volume volatility has historically affected demand for fertilisers and may cause the Group's results of operations to fluctuate and potentially deteriorate.

The price at which the Group sells its products and its sales volumes could fall in the event of industry oversupply conditions, which could have a material adverse effect on the Group's business, results of operations and financial condition. In addition, high prices for the Group's fertiliser products may lead the Group's customers to delay purchasing decisions in anticipation of future lower prices, which could, in turn, negatively impact the Group's sales volumes. Most recently, the Group experienced a decline in sales volumes as a result of the increased prices for the Group's fertiliser products due to the war in Ukraine and farmers' rationing of fertiliser consumption. Accordingly, the cyclical nature of the fertiliser global industry, impact of geopolitical events and volatility in prices for the Group's products, has had and may continue to have a material adverse effect on the Group's business, results of operations and financial condition. The Group's business depends in large part on the demand from the agricultural sector and is significantly affected by trends influencing the agricultural sector generally.

The principal use for the Group's products is, directly and indirectly, in agriculture as a fertiliser for crops. A decline in the demand for fertiliser and in fertiliser prices due to developments affecting the agricultural industries in the Group's major export markets (including markets in South America, North America, Africa, Asia and Europe) have in the past adversely affected, and may in the future adversely affect, the Group's business, results of operations and financial condition.

Farmers' decisions about the application rate for each fertiliser, or to forego application of a fertiliser, particularly phosphate, vary from year to year depending on a number of factors, including, among others, crop prices, fertiliser and other crop input costs or the level of the fertiliser remaining in the soil following the previous harvest. For example, lower agricultural product prices may result in reduced production of agricultural products, which could decrease the demand for fertilisers and result in downward pressure on fertiliser prices. Moreover, due to increased fertiliser prices as a result of the war in Ukraine, farmers rationed their fertiliser consumption in 2022, leading to a drop in sales volume for the Group. Movements in commodity crop prices also affect the Group's results, and which may result not only in reduced sales but also in competitive price pressure in certain markets when commodity crop prices are depressed. This variability in application rates can materially accentuate the cyclicality in prices for the Group's products and sales volumes.

In addition, the replacement of fertiliser application with other products or enhanced agricultural techniques aimed at improving crop yield could result in a decline in fertiliser demand and prices.

Competition within the phosphate industry may also be impacted by access to the latest technology for the extraction and treatment of phosphates. There is no guarantee that the Group will have access to future technological advances and, as a result, technological advances unavailable to the Group may have a material adverse effect on the Group's business, results of operations and financial condition. See also "*—The phosphate and fertiliser market is competitive*".

The agricultural sector is also heavily influenced by local weather conditions. Significant deviations from the typical weather patterns of a given region, variations in local climates or major weather-related disasters may reduce demand for the Group's fertilisers, particularly in the short-term, if agricultural products or the land on which they grow are damaged or if such deviations, variations or disasters reduce the income of growers and, accordingly, their ability to purchase the Group's products. The effect of adverse weather conditions, in particular, can be significant and result in delays or intermittent disruptions during the planting and growing seasons, which may, in turn, cause agricultural customers to reduce their use of fertilisers or change the timing of their use of fertilisers. For example, in early 2022, the U.S. experienced adverse weather conditions, impacting the imports of fertilisers which dropped by approximately 50% in the first half of that year. Similarly, adverse weather conditions that occur following a harvest may delay or eliminate appropriate opportunities to apply fertiliser in the autumn in certain regions. Adverse weather conditions may also have an adverse effect on crop yields, which, in turn, lowers the income of growers and may reduce their ability to purchase fertilisers. For example, according to the IFA estimates, global fertiliser use increased by 4.9% to 202 million tonnes of nutrients (N, P and K) in 2020/2021 as compared to 2019/2020 due to normal weather conditions across the world. It then decreased to 195MnT in 2021/22 and further decreased to 187MnT in 2022/23, partially driven by adverse weather conditions in key markets and low affordability. It is then expected to increase to 191MnT in 2023/24 and further increase to 195MnT in 2024/25 Furthermore, the impact of potential climate change, including on weather conditions, rainfall patterns, local water shortages, rising sea levels, changing storm patterns and changing temperature levels, remains uncertain. See also "—*Future climate change could adversely affect the Group.*".

A decline or changes in agricultural production, particularly in one or more of the Group's major export markets, due to these or other factors could result in decreased demand and prices for the Group's fertilisers, which could have a material adverse effect on the Group's business, results of operations and financial condition.

Deterioration of global market and economic conditions could have a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

A slowdown of, or persistent weakness in, economic activity caused by a deterioration of global market and economic conditions could adversely affect the Group's business in the following ways, among others: conditions in the credit markets could affect the ability of its customers and their customers to obtain sufficient credit to support their operations; the failure of its customers to fulfil their purchase obligations could result in increases in bad debts and impact the Group's working capital; and the failure of certain key suppliers could increase its exposure to disruptions in supply or to financial losses. The Group in the future may also experience declining demand and falling prices for some of its products due to its customers' reluctance to replenish inventories. Additionally, deteriorating economic conditions, to the extent that they limit demand for the Group's products, may also increase pricing pressure on the Group's products and result in a corresponding decline in the Group's margins. For example, the Russia-Ukraine conflict and Russia-related sanctions and strains on international supply chains caused and may continue to cause raw materials, input shortages and cost increases and exacerbate prevailing levels of inflation. While the effects of the conflict have abated in the year ended 31 December 2023, any potential further escalation may prompt renewed disruption in the fertiliser value chain.

Moreover, cost inflation may require the Group to take additional price increases on its products which may in turn reduce demand from the Group's customers, resulting in a corresponding decline in its revenue. The Group's revenue and profitability could therefore be adversely affected by unfavourable economic conditions, an economic downturn or an otherwise uncertain economic outlook, globally or in one or more of the principal markets in which the Group operates, or will operate in the future. The overall impact of a global economic downturn on the Group is difficult to predict, and its business could be materially adversely impacted.

Government policies and regulations could adversely affect demand and prices for the Group's products.

Government policies and regulations in Morocco and the Group's export markets, as well as in other markets that are significant consumers of products sold by the Group, or markets where key raw materials suppliers of the Group operate, significantly affect the demand and prices for the products sold by the Group including:

- policies and commodity support programmes that provide fertiliser and logistics subsidies;
- export and import duties on fertilisers;
- quotas imposed by governments that limit the amount of phosphate products that may be imported or exported;
- government policies affecting prices of raw materials used in fertiliser production (which may affect the production costs and profitability of fertiliser producers, which, in turn, may result in upward pressure on fertiliser prices);
- environmental and other regulations affecting the production, transport, storage or sale of phosphates and phosphate products, and environmental and other fertiliser-use policies affecting the application of fertilisers;
- policies affecting trade of agricultural products;
- government regulations imposing restrictions on certain types of phosphate rock, phosphoric acid and fertilisers; and
- other policies such as those restricting the number of hectares that may be planted, requiring particular type of crops to be grown and limiting the use of fertilisers in certain areas or for certain types of agricultural products.

For example, fertiliser demand and prices in India, one of the markets to which the Group exports its products, have historically been heavily dependent on government policies, and the Indian government has provided subsidies to nutrient importers. Government policies can also influence market conditions in markets with indirect government subsidies such as in Europe and the United States, which are also export markets of the Group. In a number of markets, the Group benefits from governmental policies that support the agricultural industry and fertiliser products specifically. International treaties and agreements, including those promulgated by the World Trade Organisation (the "**WTO**"), may also result in reductions in the subsidies available for agricultural producers or in other adverse changes to agricultural state support programmes, which could undermine the growth of, or cause a decline in, demand and prices for fertilisers. There can be no assurance that such policies will not be reduced, eliminated or changed to favour other products in the future, which could have an adverse effect on demand for the Group's products.

Certain of the Group's products could also be impacted by the imposition of global trade regulations and barriers, such as duties, tariffs and quotas, in one or more of the Group's principal export markets. These trade regulations and barriers could affect the demand for the Group's products by effectively increasing the prices for imports of those products, as compared to domestically produced products or limiting the permitted supply of the Group's products in these markets. For example, since late 2020, imports into the United States of certain of the Group's fertiliser products are subject to countervailing duties, following regulatory decisions published by the United States Department of Commerce and by the U.S. International Trade Commission. The regulatory decisions were issued in response to a countervailing duty petition filed by the Mosaic Company on 26 June 2020. OCP's current duty rate of 2.12% was established by the United States Department of Commerce in November 2023 and is expected to remain in effect through approximately early November 2024 when the United States Department of Commerce is expected to amend the duty rate again. This current duty rate is a temporary rate and there can be no assurance that this rate will remain at this level, or to what level it may be increased.

The Group has and will continue to defend itself vigorously against the countervailing duties imposed as a result of these regulatory decisions, including through judicial challenges to the duties at the United States Court of International Trade (the "**USCIT**"). The Group initiated separate lawsuits at the USCIT in June 2021 to challenge, the final determinations by the U.S. International Trade Commission with respect to injury to the U.S. fertiliser industry and by the U.S. Department of Commerce regarding the applicable duty rate during the period of investigation. In September 2023, the USCIT in both lawsuits found significant errors in the agencies' determinations and remanded the determinations back to the respective agencies for further consideration. Both agencies have now submitted revised determinations to the USCIT for the court to either affirm or send back the determinations to the agencies for further consideration. The Group also initiated another lawsuit at the USCIT in December 2023 to challenge the final results of the first administrative review of the countervailing duty order issued by the U.S. Department of Commerce in November 2023.

The Group has also opposed the efforts by The Mosaic Company to increase the level of duties that apply by filing a motion to intervene in the lawsuits initiated by The Mosaic Company at the USCIT and by fully participating in administrative reviews of the countervailing duty order requested by The Mosaic Company.

Any such statutory or regulatory changes, or adverse changes in government policies relating to agriculture or fertiliser use, could materially adversely affect fertiliser demand and prices, including demand and prices for fertilisers produced by the Group, which would have a material adverse effect on the Group's business, results of operations and financial condition.

The phosphate and fertiliser market is competitive.

The Group is subject to intense competition from foreign producers. Phosphate rock, phosphoric acid and phosphate-based fertilisers are global commodities. Customers make their purchasing decisions principally on the basis of delivered price, customer service, product quality and time to market. The Group competes with a number of foreign producers, including certain producers that benefit from government support as state-owned or government-subsidised entities. Some of the Group's competitors (such as Ma'aden (Saudi Arabia), PhosAgro (Russia), Eurochem (Russia), Mosaic (USA), Nutrien (Canada), Yara (Norway), ICL (Israel), Jordan Phosphates Mines Company (Jordan), Kailin (China), Wengfu (China) and Yuantianhua (China)) may have competitive advantages similar to, or even superior to, those of the Group, such as control over or access to a low-cost raw materials base or naturally lower levels of certain heavy metals which could give it a competitive advantage in certain jurisdictions, access to low-cost credit, locations close to major suppliers or consumers, strong market reputations and long-standing trade relationships with global market participants. Moreover, certain of such competitors may produce their own sulphur and ammonia, giving such competitors an advantage in terms of price and supply of sulphur and ammonia. The Group's industry has in recent years experienced, and may in the future experience, consolidation of the Group's competitors. For example, the Group experienced a drop in phosphate rock sales in Brazil following the acquisition of Vale Cubatao Fertilizantes by Yara International, a Norwegian chemical company. The consolidation of Potash Corp and Nutrien also resulted in the shutdown of the newly consolidated group's integrated capacities, which resulted in a drop in phosphate rock sales for OCP. In addition, government policies in the countries in which the Group's competitors operate may have an impact on these producers' ability to compete with the Group. For example, in September 2021 China implemented severe restrictions on fertiliser exports. As a result, Chinese exports of DAP, MAP and TSP declined by 4.8 million tonnes to reach their lowest level since 2013. As a result of the impact on global supply, fertiliser prices increased, impacting all players in the fertiliser sector. Furthermore, in certain markets, some of the Group's customers of phosphate rock and phosphoric acid are also the Group's competitors in the phosphate-based fertilisers market. Any failure of the Group to compete successfully could result in the loss of customers, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's gross margins and profitability could be negatively affected by lag effects between phosphate-based fertiliser and raw material prices.

During some periods, changes in market prices for raw materials can lead to changes in the global market prices for phosphate-based fertiliser. In particular, the global market prices for phosphate-based fertiliser can be affected by changes in the market prices for sulphur, ammonia, phosphate rock, phosphoric acid or other raw materials. Increasing market prices for these raw materials tend to put upward pressure on the selling prices for phosphate-based fertiliser. For example, the conflict in Ukraine and the resulting inflationary environment resulted in increases in the prices of raw materials, energy, transportation, labour and other inputs that the Group used to produce and distribute its fertiliser products. While the effects of the conflict have abated in the year ended 31 December 2023, any potential further escalation may prompt renewed disruption in the fertiliser value chain. Some of these costs may not be fully or timely recoverable through price adjustments or contractual mechanisms, and the selling prices for the Group's phosphate-based fertilisers may not increase as rapidly. On the other hand, decreasing market prices for these raw materials tend to put downward pressure on selling prices for phosphate-based fertiliser. When the market prices for these raw materials decline rapidly, the selling prices for the Group's phosphate-based fertiliser can decline more rapidly than the Group is able to consume its raw material inventory that the Group purchased or committed to purchase in the past at higher prices. As a result, the Group's costs may not fall in lockstep with the selling prices of the Group's products. Until the Group is able to pass on the cost impact of higher-priced raw materials, gross margins and profitability can be adversely affected.

The Group is exposed to seasonality, which may result in excess inventory or product shortages.

Fertiliser application periods differ from region to region which may lead to significant fertiliser demand variations through the year. Farmers tend to apply fertilisers during two short application periods, with the largest one taking place in the spring, before planting, and the other in the autumn, after harvest. As a result, the strongest demand for the Group's products typically occurs during the spring planting season, with a second period of strong demand following the autumn harvest. Therefore, purchasing timing by farmers and distributors could lead to increased seasonality and volatility in demand. If the Group is unable to spread this seasonality throughout the year as a result of the varied export markets in which it operates, the Group's profitability, as well as its working capital and liquidity requirements may be adversely affected. If seasonal demand is less than the Group's projections, the Group may be left with excess inventory and higher working capital and liquidity requirements. The degree of seasonality of the Group's business can change significantly from year to year due to conditions affecting the agricultural sector and other factors, including changes in purchasing and import timing, which can vary depending on importers' and consumers' purchasing behaviour. Differences in seasonal demand from the Group's projections could impact the Group's capacity to deal with the increased demand or result in product shortages, and therefore could have a material adverse effect on the Group's business, results of operations and financial condition.

Natural disasters or health epidemics or pandemics, such as the recent coronavirus (COVID-19) pandemic, may disrupt the Group's operations, decrease the demand for its products or otherwise have an adverse impact on its business.

Extraordinary events such as natural disasters or global or local health epidemics or pandemics could result in significant damage to the Group's facilities and/or disruption of its operations and may negatively affect local economies, including those of the Group's customers or suppliers. Any governmental or industry measures taken in response to natural disasters, new outbreaks of COVID-19 or future pandemics may adversely impact the Group's operations and are likely to be beyond the control of the Group.

The resulting damage from a natural disaster could include loss of life, property damage or site closure, which may disrupt the Group's ability to manufacture and deliver products and require it to temporarily declare an excused performance, or force majeure, under the Group's existing agreements with customers. Any damage resulting in stoppage or reduction of its facilities' production capacity could reduce the Group's revenues and any unanticipated capital expenditures to repair such damage (to the extent not covered by its insurance policies) may reduce profitability. Any, or a combination, of these factors could also adversely impact the Group's business, results of operations and financial condition.

In addition, global or local heath epidemics or pandemics may result in disruption of the Group's operations, including its ability to freely obtain supplies, move people and equipment to and from its mining sites, operate its mining sites and other operations. Such disruptions could cause delays or cost increases. Furthermore, any infections at the Group's mining sites or plants could result in the Group's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on Group's business, results of operations and financial condition. There can be no assurance that any preventative or health and safety measures taken by the Group to mitigate the impact of a health emergency will prove effective and the Group's operations will not be disrupted.

The COVID-19 pandemic caused disruption, volatility and uncertainty in economies and markets around the world. Future surges in COVID-19 or similar pandemics may result in closures, quarantines, travel restrictions and extended shutdowns of certain businesses in regions in which the Group operates and could also substantially interfere with general commercial activity related to its supply chain and customer base. The Group's customers, suppliers and third-party service providers, including transportation providers, may in the future be affected by COVID-19 or similar pandemics, including as a result of measures taken by federal and local governments to slow any such pandemic. For example, due to certain factory closures in India due to COVID-19 during the second quarter of 2020, the Group's exports of phosphoric acid were reduced. While the Group was able to pivot and export fertiliser to distributors in India, thus compensating for reduced acid exports, there can be no guarantee that future disruptions of this nature will not have a negative impact on the Group's operations and/or sales. Any negative impacts on the Group's customers, suppliers and third-party service providers, such as restrictions on or disruptions to transportation, port closures or increased border controls or closures, or other impacts on domestic and global supply chains or distribution channels, could increase the Group's costs and limit its ability to meet customer demand and negatively impact its business, financial condition, results of operations or cash flows.

The effects of COVID-19 or another similar pandemic, including any further economic slowdown, could exacerbate other risks faced by the Group as described herein, which may be unpredictable and outside the Group's control. Any of these factors could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

The ongoing Russia-Ukraine conflict has adversely affected macro-economic trends and increased levels of inflation.

On 24 February 2022, Russia launched a large-scale military invasion of Ukraine and the active military conflict remains ongoing as of the date of this Prospectus. Many governments, including markets in which the Group operates, enacted comprehensive sanctions on Russia. Additionally, the war disrupted financial markets and has had adverse impacts on supply chains and macro-economic conditions. In particular, the war has disrupted global markets for certain commodities, including natural gas, ammonia, nitrogen fertilisers and certain commodity grains, leading to price increases, production curtailments, export reductions and logistical complications involving these commodities. While the Group was able to diversify its procurement and sourcing strategies, increased fertiliser prices did result in a drop in sales volumes for the Group and increased costs. See also "*The Group is exposed to fluctuating prices of phosphate-based fertiliser and other phosphate-based products.*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations and Financial Condition—Costs of Raw Materials and Energy*".

The Russia-Ukraine conflict and resulting sanctions and strains on international supply chains have caused and may continue to cause raw material, energy and input shortages or cost increases and exacerbate prevailing levels of inflation. To the extent the Russia-Ukraine conflict continues to adversely affects the Group's business and financial results, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section. Any future act of war or event of geopolitical instability could have a similar impact.

Risks Relating to the Group's Business

Changes in transportation costs and delays in transportation may cause delays and reduced sales volumes.

The Group uses a number of different forms of transportation to move its products and the costs associated with such forms of transportation expose the Group to a number of risks, including in relation to the following:

Transportation Risks

The cost of delivery of the Group's products is a significant factor in the total cost of the Group's products to its customers; as a result, changes in transportation costs or customers' expectations in respect of transportation costs can affect the Group's sales volumes and prices. The Group regularly enters into cost and freight ("**CFR**") contracts with customers that require the Group to arrange for the transportation of its products directly to the customers or to a port. When the Group enters into a CFR contract, it assumes the risk that its transportation costs will not increase, which can affect the profitability of such contracts. In addition, the Group also enters into free on board ("**FOB**") contracts with customers, whereby the customers are responsible for transport costs. In 2021 and 2022, container prices increased significantly, which has made it difficult for some of the Group's smaller customers to buy the Group's products. While container prices are showing emerging signs of price stabilisation, the Group cannot be sure when such stabilisation will occur. If such costs increase, it may reduce the ability of the Group's customers to purchase its products. Moreover, the ongoing conflict in Gaza and the subsequent escalation in the Red Sea has resulted in ongoing maritime freight disruptions, including the partial disruptions in trade of fertiliser and raw materials. The increase in travel time due to rerouting and the increase in insurance premiums through the Red Sea route were reflected in freight rates, especially for November and December 2023 shipments. In January 2024, the freight cost normalised, but there remains a risk of further cost increases. If transportation costs negatively affect the Group's sales volumes and prices or its profit margins, this would have a material adverse effect on the Group's business, results of operations and financial condition.

Railway Transportation

Railway transportation is currently the Group's principal means of transporting phosphate rock from its mines to the Group's processing facilities (with the exception of phosphate rock extracted at Khouribga, which is transported by slurry pipeline to Jorf Lasfar) and to the ports of Casablanca and Safi for export, as well as certain raw materials that the Group imports from ports to the Group's production facilities. As a result, the Group's transport operations depend, to a degree, on *Office National des Chemins de Fer* ("**ONCF**"), the Moroccan state-owned railway company. The Group has historically negotiated long-term agreements with ONCF, setting tariffs according to a pricing formula which resets each year. The Group is currently negotiating the renewal of its contracts with ONCF. In addition, a strike or other industrial action affecting ONCF or any other disruption to ONCF's operations could result in disruption to the transportation of the Group's raw materials and products, including delays, increased transportation costs for the Group and phosphoric acid and fertiliser production disruptions, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

Sea Transportation

The Group's export products are shipped through the ports of Casablanca, Jorf Lasfar and Safi and the wharf at Laâyoune. Were these facilities to experience a sustained disruption due to inclement weather (including, in particular, wind at Laâyoune, which typically shuts the wharf for, on average, 200 days per year), strikes, political or other factors, the Group could face difficulties transporting export products or accessing raw materials or doing so at a reasonable cost. Disruptions in sea transportation due to inclement weather, reduced availability of vessels of the required tonnage or other reasons could result in higher transportation costs, delays for the Group and phosphoric acid and fertiliser production disruption, and, if alternative shipment routes are not available at a reasonable cost or at all, such disruptions may have a material adverse effect on the Group's business, results of operations and financial condition. Moreover, lockdown measures or other restrictions imposed by the Group's principal export customers as a result of COVID-19, similar pandemics or otherwise could limit the Group's ability to conduct business or supply its products. For example, the closure of ports or other restrictions on trade and travel could affect the Group's ability to sell to certain markets, which could lead to reduced demand or increased costs, any of which could negatively impact the Group's business, results of operations and financial conditions. Although the Group did not experience such adverse effects as a result of the COVID-19 pandemic, there can be no guarantee that circumstances will not arise that could negatively impact the Group's business, results of operations and financial conditions. See also "*—Natural disasters or health epidemics or pandemics, such as the recent coronavirus (COVID-19) pandemic, may disrupt the Group's operations, decrease the demand for its products or otherwise have an adverse impact on its business.*".

Increases in the Group's production costs would have a material adverse effect on the Group's business, results of operations and financial condition.

In addition to the costs of materials and services, the Group's significant production costs are expenditures on sulphur, sulphuric acid, ammonia and potash, salaries and social contributions, as well as fuel and electricity costs, all of which could increase.

Sulphur is the principal raw material used in the production of sulphuric acid, which is required for the production of the Group's phosphoric acid. Sulphur and ammonia are the principal raw materials used in the production of the Group's fertilisers. The Group's profitability has in the past been, and may continue to be, affected by the price and availability of those raw materials. As the majority of the

Group's products are commodities, the Group may not be able to pass on an increase in raw materials and other production costs to its customers. The Group's expenditures on sulphur accounted for 36.9% of the Group's purchases of raw material consumed in FY 2023. The price of the sulphur obtained from third-party suppliers is generally negotiated on a quarterly or annual basis under medium-term supply agreements and has, historically, been volatile. In FY 2023, FY 2022 and FY 2021, the Group's average sulphur consumption cost was U.S.$127 per tonne, U.S.$301 per tonne, and U.S.$170 per tonne, respectively. The Group's expenditures on ammonia accounted for 46.3% of the Group's purchases of raw material consumed in FY 2023. The Group primarily purchases ammonia through medium-term agreements, with prices fixed on a cargo-by-cargo basis or over a short-term period due to volatility in ammonia prices. The Group's average ammonia consumption cost amounted to U.S.$614 per tonne in FY 2023, U.S.$1,096 per tonne in FY 2022 and U.S.$444 per tonne in FY 2021.

In addition, government policy has had, and may in the future have, an impact of the Group's costs. For example, Government increases in minimum wage in Morocco have an indirect impact on the Group's labour costs, as well as the rates the Group pays for sub-contractors, which employ minimum wage workers. The Government may enact further policies that have the effect of increasing the Group's costs, which could have a material adverse effect on the Group's business, results of operations and financial condition, in particular, if the Group is unable to pass on these cost increases to its customers.

If the prices at which the Group purchases its raw materials or other production costs increase, then the Group's cost of sales would increase accordingly, which could have a material adverse effect on the Group's business, results of operations and financial condition.

Any interruption to the Group's supplies of raw materials could have a material adverse effect on the Group's business, results of operations and financial condition.

If any of the Group's principal raw materials suppliers were to experience business interruptions or become insolvent, or if the Group was unable to renew contracts with its suppliers on commercially reasonable terms or at all, it could be difficult or impossible to replace these suppliers either in a timely fashion or at all. In particular, the Group requires sulphur and ammonia for its production which it purchases from third-party suppliers. For example, the Group purchased ammonia from various sources, including Ukraine. After ammonia exports were interrupted in March 2022 due to the Ukraine war, the Group was able to quickly source ammonia from other suppliers in the Middle East. Although the Group was able to source ammonia from alternative suppliers, initially the Group had to procure ammonia at higher spot prices before being able to enter into contracts with such alternative suppliers. If any such supplies were interrupted in the future, it may be difficult for the Group to obtain alternative supplies on commercially reasonable terms or at all. Moreover, in the event that either the Group's demand increases or its suppliers experience a scarcity of resources, the Group's suppliers may be unable to meet the Group's demand for raw materials.

In addition, any disruptions to the Group's mining activities or other disruptions to the Group's ability to produce phosphate rock may prevent the Group from continuing to provide current or sufficient levels of supply of this raw material to the Group's processing activities (including but not limited to phosphoric acid and phosphate-based fertilisers). See also "—*The Group may experience equipment failure, production curtailment, shutdowns or other interruptions to its mining and production processes.*". If supply of phosphate rock from within the Group were disrupted, the Group may have to reduce its processing activities or otherwise procure phosphate rock externally on the market, which would have a material adverse effect on the Group's costs (including higher transportation costs and import, customs or other duties) and profit margins, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may not be able to realise all of the expected benefits of its Capital Expenditure Programme or secure funding sufficient for its future projects.

In 2008, the Group launched a significant Capital Expenditure Programme to invest in its infrastructure and operations. The first phase of the programme, which has been completed, included a number of capital-intensive expansion projects aimed at increasing the Group's production, mining and processing capacities, transforming the Group's logistics chain and increasing its operational and environmental efficiency. See "*Business—Strategies—Improve Efficiency and Increase Industrial Capacity*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures*". The first phase of the Capital Expenditure Programme had been developed based on certain assumptions about fertiliser demand and prices, global fertiliser production capacity, potential efficiency gains, economic growth, global trade and shipping conditions and demographic developments, and similar factors that are inherently susceptible to uncertainty and changes in circumstances. In the event such assumptions prove inaccurate, the Group may not be able to realise the benefits anticipated from these investments, which may negatively impact the Group's ability to execute its business strategy, increase the Group's costs or negatively impact revenue.

The second phase of the Group's Capital Expenditure Programme was recently launched and consists of a green investment programme of approximately U.S.$13 billion over the 2023-2027 period (the "**Green Investment Programme**"). The Green Investment Programme includes the new strategic programme devoted to raising fertiliser production, investing in new green fertilisers and renewable energy. This investment programme aims to increase production capacity from the current 15 million tonnes of fertiliser to 20 million tonnes by 2027. In particular, it provides for an extension of mining capacities via the opening of a new mine in Meskala in the Essaouira region and the installation of a new fertiliser production complex in Mzinda. The latter will process rock from the mines at Ben Guerir and Youssoufia as well as from the new mine of Meskala. Once such projects are implemented, challenges the Group may face in executing these and future projects include similar factors to those noted above, as well as higher capital costs than expected, delays in project completion, cost overruns, defects in design or construction, the deployment of resources and human capital in a new territory, the availability of engineering resources and skilled labour, the adoption of new technologies, the existence of reliable transportation and support infrastructure, negotiating with and coordinating multi-national consortium arrangements, and other technical, environmental, fiscal, regulatory and political challenges.

Based on current plans, the total estimated costs of the Capital Expenditure Programme since its launch in 2008 to 2027 are expected to be approximately U.S.$21 billion[3] (Dh 210 billion), with approximately U.S.$8 billion (Dh 86 billion) already incurred between 2008 and 2022 in its first phase, and the remainder expected to be incurred between 2023 and 2027 as part of the Green Investment Programme. In the year ended 31 December 2023, the Group incurred U.S.$2.65 billion (Dh 26.8 billion) in costs related to the Capital Expenditure Programme. These costs are expected to be funded from internally generated cash flows, existing and future external financings and the proceeds of the Notes. Accordingly, the Group expects its interest costs to increase in the future.

The Group may not be able to secure sufficient financing to complete its ongoing or future projects on acceptable commercial terms or at all. An inability to finance planned capital investments, to finance such investments at an acceptable cost or to fully implement its Capital Expenditure Programme for any other reason could have a material adverse effect on the Group's business, results of operations and financial condition.

3 For convenience, figures expressed in U.S.$ in this paragraph have been translated into U.S.$ at the average Dh/U.S.$ exchange rate for the year ended 30 December 2023 as published by the Central Bank of Morocco, which was Dh 9.8929 per U.S.$1.00. Such translation is not reflective of a translation in accordance with IFRS and it should not be construed as a representation that the Dh amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

The Group may experience equipment failure, production curtailment, shutdowns or other interruptions to its mining and production processes.

The Group's business depends on the uninterrupted operation of the Group's mines, the Group's phosphate rock processing plants and the Group's production facilities, as well as various critical pieces of equipment at these and other facilities. The Group's facilities may experience shutdowns, downtime or periods of reduced production as a result of unanticipated malfunction, including due to power shortages, equipment failure or defect, human error or other circumstances. For example, in 2023, the boiler at KOFERT (formerly, Jorf Fertilizer Company 3) was damaged as a result of corrosion, which led to an interruption of approximately two months where production was reduced by 50%. In addition, the Group's facilities may be damaged as a result of unforeseen events, including natural disasters such as floods or fires resulting in property damage, casualties or loss of life. In the event of equipment failure or damage to the Group's facilities, the Group may experience loss of, or a decrease in, revenue due to lower production levels and may require additional capital expenditure to repair or replace faulty equipment. In addition, restarting a production line may involve significant additional costs and time. As a result of the Group's vertically integrated business model, disruption at one of the Group's facilities could adversely affect the Group's other facilities. Any of these factors or events could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to mining risks.

The Group's phosphate mining operations are subject to the hazards and risks normally associated with the exploration and extraction of natural resources, any of which could result in extraction shortfalls or damage to persons or property. The principal hazards and risks associated with the Group's open-pit mining operations include, among others, accidents and other incidents associated with blasting operations; accidents and other incidents associated with construction activities; collapses of mine walls; accidents and other incidents associated with the operation of large mining and transportation equipment; falling of personnel into ore passes; flooding; and accidents or other incidents arising from the exposure to chemicals and other potentially harmful substances. See also, "—*Accidents or other incidents involving the Group's production facilities could cause severe damage or injury, which could result in the incurrence of significant costs*" below.

The occurrence of any of these hazards could delay the extraction of phosphate, increase production costs and result in injury to, or the death of, the Group's employees, contractors or other persons and damage to property, as well as in liability for the Group or damage the Group's reputation, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

Accidents or other incidents involving the Group's production facilities could cause severe damage or injury, which could result in the incurrence of significant costs.

As a business working with chemicals and hazardous substances, the Group's production activities are inherently subject to the risk of spills, discharges or other releases of hazardous substances into the environment. The Group uses, manufactures, stores or transports ammonia, sulphur, sulphuric and phosphoric acid and phosphate-based fertilisers, as well as other chemicals and chemical products that are volatile and explosive or the release of which may have an adverse impact on the environment and human health.

Environmental risks associated with the Group's production operations include:

- explosions at the Group's production facilities;
- discharges of ammonia or toxic gases into the atmosphere; and

- spillages of sulphuric or phosphoric acid.

Accidents or other incidents involving these or other substances could result in fires, explosions, severe pollution or other catastrophic circumstances, which could cause severe damage or injury to persons, property or the environment, as well as disruptions to the Group's business. Such events could result in equipment failures or shutdowns, civil lawsuits, criminal investigations and regulatory enforcement proceedings, any of which could lead to significant liabilities and/or reputational damage for the Group. Any damage to persons, equipment or property, or any other disruption to the Group's ability to produce or distribute its products could result in a significant decrease in the Group's revenue and profits, as well as the incurrence of significant additional cost to replace or repair the Group's assets, and, depending on the nature of the incident, the Group may not be fully insured, or insured at all, all of which could result in a material adverse effect on the Group's business, results of operations and financial condition.

In addition, certain environmental laws applicable to the Group impose liability on the Group for clean-up costs on persons who have disposed of or released hazardous substances into the environment to the extent that the Group is responsible for such disposals or releases. As a result, given the nature of the Group's business, it may incur environmental clean-up liabilities in respect of its current or former facilities, adjacent or nearby third-party facilities or offsite disposal locations. Moreover, any adverse publicity as a result of any actual or alleged environmental issues could have a reputational impact on the Group or result in additional compliance or other costs. Pollution risks and related clean-up costs are often impossible to assess unless environmental audits have been performed and the extent of liability under environmental laws is clearly determinable. See also "—*The Group is subject to increasingly onerous environmental and health and safety laws and regulations*". The costs associated with future clean-up activities that the Group may be required to conduct or finance may be material. Additionally, the Group may become liable to third parties for damages, including personal injury and property damage, resulting from the disposal or release of hazardous substances into the environment. The Group may also be exposed to environmental and health and safety risks through the actions and activities of vendors, suppliers, subcontractors or other third parties.

Furthermore, the Group's properties have a long history of industrial operations and its mines and plants generate large amounts of waste materials. The Group incurs substantial costs to manage, store and dispose of such waste materials. Any findings of contamination at the Group's properties and facilities could require removal and reclamation action and result in costs and other liabilities that could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to risks associated with failures in information systems and cyber-security.

Information technology ("**IT**") systems are embedded in the Group's business and operational control systems and, as the Group grows the digital platform and process automation systems may become more exposed to cyberattacks, which continue to become increasingly sophisticated. The operation of many of the Group's business processes depend on the uninterrupted availability of the Group's IT systems and, to maintain competitiveness, the Group is increasingly reliant on automation, centralised operation and new technologies to manage and monitor the Group's complex production and processing activities. As a consequence, any localised or widespread system failure, whether deliberate (such as an outage resulting from a cyber-attack) or unintentional (such as network, hardware or software failure), could have adverse effects at various levels.

In recent years, incidents across many industries have shown that parties who are able to circumvent barriers aimed at securing industrial control systems are capable of and willing to perform attacks that destroy, disrupt or otherwise compromise operations. Following a Moroccan Government decree in 2016 relating to the protection of sensitive data and infrastructure and the *Directive Nationale de la Sécurité des Systèmes d'Informations* ("**DNSSI**"), OCP was designated as critical infrastructure, in view of the potentially significant impact on the Moroccan economy if the Group were to suffer a cyber-attack. This designation could expose the Group to the risk of being targeted by groups seeking to disrupt critical infrastructure in Morocco. Although the Group has security barriers, policies and risk management processes in place that are designed to protect the Group's information systems and digital infrastructure against a range of security threats, there can be no assurance that these efforts will prove effective or that cyber-attacks will not be successful in penetrating the Group's systems, which would have an adverse impact on the Group's operations.

Any failure to protect the Group's information systems and digital infrastructure from any of the foregoing or other IT risks could affect the confidentiality, integrity or availability of such systems, including those critical to the Group's operations. In addition, the Group could face regulatory action, legal liability, damage to the Group's reputation, a significant reduction in revenue or increase in costs, a shutdown of the Group's operations and losses on the Group's investment in affected areas, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Issuer conducts certain of its production operations through joint ventures in which it has a non-controlling interest.

The Issuer directly or through its subsidiaries is party to several joint venture entities and partnership agreements relating principally to fertilisers, phosphoric acid, purified phosphoric acid production and animal nutrition, and it holds a 50% or less interest in the majority of these joint ventures. For example, in addition to the Group's own operations, certain of the Group's joint ventures operate production facilities at Jorf Lasfar, India, Belgium and Spain, including KOFERT, Euro-Maroc Phosphore ("**EMAPHOS**"), Indo Maroc Phosphore ("**IMACID**"), Pakistan Maroc Phosphore ("**PMP**"), Paradeep Phosphates Limited ("**PPL**"), OCP Fertinagro Advanced Solutions ("**OFAS**") , Prayon S.A. ("**Prayon**") and Global Feed, of which the Group directly or indirectly owns 50%, 50%, 33.33%, 50%, 28.05%, 50%, 50% and 50%. The Issuer is also party to other joint ventures, including South East European Fertilizer Company ("**SEEFCO**"), JESA and Maghrib Hospitality Company ("**MHC**"), of which the Group directly or indirectly owns 50%, 50% and 75.6%, respectively.

In addition, as part of its strategy, the Group may enter into a number of additional joint ventures with certain strategic partners, including Sovereign Owned Entities ("**SOEs**") representing local governments. The Group's investments in joint ventures may expose it to additional risks over which the Group has limited or no control. Such risks can include conflicts of interest with joint venture partners, exposure to credit risk, operational risks and reputational risks. In addition, although the Group retains a certain degree of influence in these joint ventures, the Issuer does not solely control the operations or the assets of these joint venture entities, nor can it unilaterally make major decisions with respect to such entities. This lack of majority control may constrain the Issuer's ability to cause such entities to take actions that would be in the best interests of the Group or refrain from taking actions that would be adverse to the interests of the Group and may result in operational or production inefficiencies or delay, which could, in turn, adversely affect the Group's business, results of operations and financial condition.

Loss of services of the Group's senior management could have a material adverse effect on the Group's competitive position.

The Group's ability to maintain its competitive position is dependent to a large degree on the Group's senior management team. The Group depends on its senior management for the implementation of the Group's strategy and Capital Expenditure Programme and the management of day-to-day activities. In addition, the senior management team has extensive knowledge of and experience in the fertiliser industry and has strong business and governmental connections, which are important to the Group's business.

These individuals, however, may not continue to make their services available to the Group in the future or, if they do not, the Group may be unable to replace such personnel with suitable personnel in a timely manner. The loss or unavailability of the Group's senior management and other skilled personnel for an extended period of time, or any inability of the Group to promptly replace such personnel with suitably qualified and experienced personnel to support its business, could have a material adverse effect on the Group's business, results of operations and financial condition. The Group does not maintain key person life insurance on any of its senior managers.

The Group's business may be affected by shortages of skilled labour or labour disputes.

Competition for skilled labour in Morocco is intense due to the relatively small number of available qualified individuals. The demand for skilled engineers, technicians, chemical experts, mining and construction workers, and operators of specialised equipment continues to increase, reflecting the significant demand from other industries and public infrastructure projects. Further increases in demand for skilled labour are likely to lead to increases in labour costs and the Group may also be forced to incur significant training expenses if it is unable to hire employees with the requisite skills, which could have a material adverse effect on the Group's business, results of operations and financial condition.

There are five main labour unions that represent the Group's employees. As at 31 December 2023, approximately 20% of the Group's employees were estimated to be members of a labour union. Such union representation subjects the Group's businesses to the threat of interruptions through strikes, lock-outs or delays in the renegotiation of labour contracts. Although the Group has not experienced any strikes in the last five years and has not experienced any production stoppages in the last ten years, there can be no assurance that the Group will not experience strikes or production stoppages in the future. The Group may also be adversely affected by labour strikes or other disruptions due to labour disputes at third-party companies that are suppliers or contractors for the Group. In addition, the Group's existing collective bargaining is required to be renewed on an annual basis and there can be no assurance that the Group will be able to renew such agreements with the Group's employees on favourable terms. Any failure to renew the Group's collective bargaining agreements, significant work slowdowns, stoppages or other labour-related developments could have a material adverse effect on the Group's business, results of operations and financial condition.

There are certain events for which the Group may not be adequately insured.

While the Group believes that the types and amounts of insurance coverage it currently maintains are in line with customary practice in the phosphate industry and are adequate for the conduct of its business, the Group's insurance does not cover all potential risks associated with its business or for which it may otherwise be liable, as it is not possible for companies within the industry to obtain meaningful coverage at reasonable rates for certain types of hazards. For example, the Group's insurance policies may not cover, or fully cover, the Group against certain risks such as environmental risks or the inherent hazards of the Group's operations and products. In addition, the Group's policies are subject to standard deductibles, exclusions and limitations that could affect the Group's ability to make a claim. Consequently, the Group cannot provide any assurance that the Group's insurance coverage will adequately protect it from all risks that may arise or in amounts sufficient to prevent any material loss.

Legal, Regulatory and Environmental Risks

The Group is subject to increasingly onerous environmental and health and safety laws and regulations.

The Group's operations and properties are subject to various environmental protection and occupational health and safety laws and regulations relating to the protection of the environment and the protection of human health and safety in Morocco and in each of the jurisdictions in which it conducts business, including those governing the discharge of substances into the air and water, the use and handling of hazardous substances and waste, the remediation of environmental contamination and protection of flora and fauna.

In particular, the discharge of phosphogypsum in waterways (typically done in rough seas to reduce pollution risks) is subject to international and domestic environmental laws and regulations. The Group is investing in storage and the valorisation of phosphogypsum, which has significantly reduced effluent levels. However, there can be no assurance that regulations related to phosphogypsum disposal, storage or use will not become more constraining and require additional investments for the Group to comply with new regulations.

These laws and regulations set various standards regulating certain aspects of health, safety, security and environmental quality, provide for civil and criminal penalties and other liabilities for the violation of such standards and may in certain circumstances impose obligations to remediate current and former facilities and locations where operations are or were carried out.

For example, a number of the Group's markets, including in Europe, Africa, North America, Australia and Japan, have adopted regional and national fertiliser standards as well as limitations on the use and application of fertilisers due to concerns about the impact of these products on the environment. In particular, in 2019, the European Union passed new regulations which impose limits on the content of cadmium (60 mg/kg P_2O_5) and other heavy metals in fertilisers, which came into effect in July 2022. The Group has also invested and continues to invest to support research related to decadmiation, in order to be able to continue to meet market demand in the event of a possible evolution of the applicable regulations. A review of the limit values for cadmium content in phosphate fertilisers is planned in 2026 by the European Commission, with a view to assessing the feasibility of reducing these limit values to a lower appropriate level on the basis of available technologies and scientific evidence on cadmium exposure and accumulation in the environment, taking into account environmental factors, health factors, as well as socio-economic factors, including considerations of security of supply. An assessment of the application of restrictions on levels of the other contaminants is also planned including uranium. There can be no assurance that the European Union or other jurisdictions will not introduce more restrictive cadmium or other limitations on the contents of the phosphate fertilisers, which could restrict the Group's ability to export its products, impact the quality of its products or otherwise give a competitive advantage to the Group's competitors which have deposits with naturally lower levels of cadmium and other heavy metals.

In addition to regulations and standards on fertilising products specifications, in May 2020, the European Commission published communication outlining the Farm to Fork Strategy, a key component of the European Green Deal of the European Union (the "**EU Green Deal**"), which aims to make the European Union's food system more sustainable, healthy, resilient, and fair. The strategy sets out a range of targets and actions that could potentially impact the Group's exports to the European Union. In particular, the Commission has proposed a targeted reduction in nutrient losses (which can pollute the environment and may be caused by improper use of fertilisers) of at least 50% and a reduction in fertiliser use by at least 20% by 2030 within the European Union through, for example, a more precise application of fertilisers. Other proposals included in the Farm to Fork Strategy which could impact the EU fertiliser market include: targets to increase the share of organic farming to 25% of agricultural land by 2023; targets to improve animal welfare standards and reducing the environmental impact of animal production; incentives to expand recycling of nutrients from waste; and food labelling that includes nutrition and environmental information. The European Union is also pursuing a range of related initiatives, including reducing EU dependency on imports of critical raw materials (which includes phosphates rock and phosphorus) and initiating discussions on an international agreement on the management of natural resources; and additional measures to further reduce soil pollution.

Furthermore, the East African Community (an intergovernmental organisation composed of eight countries in East Africa) is reviewing its standards for certain fertilisers, including proposals that would raise the maximum limits on cadmium and arsenic However, even if the adopted limits for cadmium are above the average cadmium content of the Group's products, a lowering of the limit on arsenic, although not currently proposed, could restrict the Group's ability to export certain products to East African Community partner states.

In February 2022, the UN Environment Programme ("**UNEP**") published a report that calls for more harmonised and coherent policies and standards, as well as more investment and innovation in sustainable and integrated pest and nutrient management practices, such as agroecology, organic farming, biological control, and precision agriculture, with the aim to reduce the impact of pesticides and fertilisers on health and the environment. In addition to this report, the UNEP has published various other reports that reference phosphorus and fertilisers in the broader context of discussions around reducing the environmental impact of agricultural inputs and food production. The biennial United Nations Environment Assembly meeting held between 19 February and 1 March 2024 in Nairobi, Kenya, addressed a range of topics including the environmental aspects of minerals and metals, the sound management of chemicals and wastes, and land degradation. Although the Assembly on this occasion did not adopt recommendations for more restrictive regulation of fertilisers, it is expected that UNEP will continue to discuss the role of fertilisers in respect of matters such as pollution, water quality and soil health. Although any recommendations made by UNEP are not binding on UN member states, there can be no assurance that member states will not voluntarily adopt more restrictive regulations, initiate a formalised treaty process or launch similar international initiatives in the future.

While the Group is committed to being in full compliance at all times with all applicable environmental and health and safety laws and regulations, any of these laws and regulations could change from time to time. Any failure by the Group to comply with existing or future environmental requirements could result in the imposition of fines, assessments, or other liabilities against the Group or the incurrence of costs that could have a material adverse effect on the Group's business, results of operations and financial condition. In addition, lack of adherence to international standards relating to environmental, health and safety and sustainability matters or social and community issues (including issues relating to the resettlement of people, such as in Jorf Lasfar) may adversely affect the Group's reputation.

Furthermore, the Group and its operations may be also impacted by regulations and legislation relating to environmental protection which are aimed directly at the Group's activities, such as the reduction of fertiliser use in the European Union. For further information, see "*—Regulatory restrictions on greenhouse gas emissions and climate change regulations could adversely affect the Group, and these effects could be material and the Group may fail to meet its sustainability and climate targets*" and "*—Government policies and regulations could adversely affect demand and prices for the Group's products.*"

In addition, the Group's fertiliser products are subject to international and national standards and various regulations in a number of jurisdictions, and the content or enforcement of such regulations may evolve over time. If the Group's fertiliser products failed to meet the regulatory criteria in a given jurisdiction or market, the Group may be unable to sell its products in such jurisdiction or market, which could have an adverse effect on the Group's business. For example, in 2023, the Group's operations in Senegal were suspended for seven days after it was discovered that errors were made in the labelling of certain products, which showed an incorrect production date. The Group implemented urgent corrective measures after which the Senegalese authorities confirmed the Group was able to resume its operations. Moreover, in 2018, authorities in Kenya alleged that the Group's fertilisers sold in that market were non-compliant with local regulatory standards and the Kenyan Director of Public Prosecutions brought criminal charges against the Group's subsidiary, OCP Kenya Ltd and its directors. Although the charges and ban on the Group's products were ultimately withdrawn when it was established by international laboratory analysis that the Group's fertilisers were in fact in full compliance with the Kenyan standards, there can be no assurance that the Group's products will not be subject to similar challenges in the future.

The enforcement of environmental and health and safety regulation in Morocco is evolving, and governmental authorities' attitude to such enforcement is being assessed on a continual basis. Any failure of the Group to comply with applicable environmental and health and safety requirements could subject the Group to, among other things, civil liabilities, administrative sanctions and penalty fees and, as a last resort, the temporary shutdown of Group facilities. To the extent that the Group incurs fines or remediation costs for environmental or health and safety liabilities, which are not provisioned for, or are greater than any such provisions, this could have a material adverse effect on the Group's business, results of operations and financial condition.

Regulatory restrictions on greenhouse gas emissions and climate change regulations could adversely affect the Group, and these effects could be material and the Group may fail to meet its sustainability and climate targets.

Various governmental initiatives to limit greenhouse gas emissions are underway or under consideration around the world and in Morocco, which could adversely affect the Group. For example, Morocco has adopted ambitious climate targets in accordance with the Paris Agreement, including a 15% reduction through energy efficiency measures by 2030 compared to the current trend, and an increase in the capacity of renewable energy to 52% of the total electricity capacity by 2030. In addition, the European Union "Carbon Border Adjustment" mechanism regulation entered into force on 16 May 2023 and its transitional phase has applied since 1 October 2023. This mechanism will require European Union importers of certain types of goods with high carbon footprints, including fertilisers, to report on the greenhouse gas emissions embedded in their imports. When the permanent regulation enters into force on 1 January 2026 it will require importers to purchase carbon emission allowances.

In addition, a number of jurisdictions, including the European Economic Area, have adopted limitations on the use and application of fertilisers, particularly nitrogen fertilisers, in order to manage the impact of these products on the environment. For example, the use of urea as a fertiliser is increasingly regulated in the EU. National legislation is in place or is being drafted in various EU member states prohibiting or taxing the use of uncoated or non-inhibited urea. This development might require the Group to make changes in its operations or sales activities.

The Group's ability to satisfy environmental compliance requirements and achieve its environmental targets and strategy depends on, among other things, the timing, scale and area of focus of regulatory and fiscal support, the EU's Green Deal and governmental support and subsidies for green initiatives, availability and cost of sustainable technology, access to requisite capital and partnerships, and the commercial visibility and scalability of its sustainability projects. If the required financial, regulatory, commercial, technological, or other factors do not materialise as expected, the Group may be unable to meet all environmental requirements of its markets or customers or achieve its environmental targets and strategy in the current timescale or costs it envisions, which may have a material adverse effect on its business, financial condition, and results of operations.

Although the impact of such initiatives on the Group's business is difficult to predict, these or similar initiatives could restrict the Group's operating activities, require the Group to make changes in operating activities that would increase the Group's operating costs, reduce the Group's efficiency or limit the Group's output, require the Group to make capital improvements to the Group's facilities, increase energy, raw material and transportation costs or limit their availability, or otherwise adversely affect the Group's results of operations, liquidity or capital resources, and these effects could be material to the Group.

Future climate change could adversely affect the Group.

The prospective impact of climate change on the Group's operations and those of the Group's customers and farmers remains uncertain.

Risks related to climate change are commonly grouped into physical risk and transition risk. Physical risks include the impact that climate change could have on operations, customers, and supply chains. Climate change may cause or result in, among other things, more frequent and severe weather events, changing weather factors such as changing temperatures, precipitation, wind, and water levels and it may affect freshwater availability. In particular, water is critical to the Group's operations and customers, but localised challenges exist regarding the availability and quality of water, which may be intensified by the effects of climate change. Physical risks from climate change may also result in operational or supply chain delays, depending on the nature of the event. These events may impact the demand for the Group's products, availability and/or cost of raw materials or insurance or increase the costs to its operations or capital projects.

Transition risks relate to the risk inherent in changing strategies, policies or investments as society and industry work to reduce the reliance on carbon and impact on the climate. Impacts of transition risks include, among other things, policy constraints on carbon emissions, the imposition of carbon pricing mechanisms and carbon taxes, enhanced reporting obligations, risks associated with investments in new technologies, costs of transitioning to lower emissions technologies, stranded assets, diminished access to capital and financing, water restrictions, land use restrictions or incentives, changing consumer behaviour and preferences, and market demand and supply shifts. There are also reputational risks associated with climate change including the Group's stakeholders' perception of its role in the transition to a lower-carbon economy. See also "*—Regulatory restrictions on greenhouse gas emissions and climate change regulations could adversely affect the Group, and these effects could be material and the Group may fail to meet its sustainability and climate targets*".

There can be no assurance that the Group's efforts to anticipate the costs associated with mitigating the physical risks of climate change and working with governments and industry on potential regulatory requirements associated with climate change will be effective or that climate change or related governmental policy action in response to climate change will not have an adverse impact on the Group's business and negatively impact its strategy, financial condition, results of operations, and/or cash flows, and reputation and stakeholders' support. At the present time, the Group cannot predict the prospective impact of climate change on the Group's results of operations, liquidity or capital resources, or whether any such effects could be material to the Group.

The Group is subject to risks associated with operating in several jurisdictions.

The Group's global business operations are subject to numerous risks and uncertainties, including difficulties and costs associated with complying with a wide variety of complex laws, treaties and regulations; unexpected changes in regulatory environments; currency fluctuations; changes to tax treaties or tax rates; changes to domestic and international tax law; earnings that may be subject to withholding requirements; and the imposition of tariffs, exchange controls or other restrictions.

The Group is subject to anti-corruption laws and regulations and economic sanctions programmes in various jurisdictions, including the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act of 2010, and economic sanctions programmes administered by the United Nations (the "**UN**"), the European Union and the Office of Foreign Assets Control of the U.S. Department of the Treasury, and regulations set forth under the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, as well as the recent sanctions on Russia issued in connection with the Russia-Ukraine conflict. The terms of legislation and other rules and regulations that establish sanctions regimes are often broad in scope and difficult to interpret. In particular, the Group owns approximately 10% of Fertilizantes

Heringer S.A. ("**Heringer**"), which is majority controlled by EuroChem Group AG ("**EuroChem**"), which is majority-owned and controlled by EU trustees of a trust, whose beneficiary, Aleksandra Melnichenko, the spouse of a Russian businessman, is subject to sanctions by EU authorities. The Group is not currently the target of any such sanctions and the Group has adopted policies and comprehensive compliance procedures designed to comply with applicable sanction regulations, including to ensure no proceeds from the Notes are transferred to sanctioned entities. However, the Group may be subject to the risk of indirect contact with targets of sanctions.

As a result of doing business internationally, the Group is exposed to a risk of violating anti-corruption laws and sanctions regulations applicable in those countries where the Group, its partners or agents operate. Violations of anti-corruption and sanctions laws and regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licences, as well as criminal fines and imprisonment. The violation of applicable laws by the Group's employees, consultants, agents or partners could subject it to penalties and could have a material adverse effect on its business, results of operations, financial condition and cash flows.

The Group is subject to antitrust and competition laws in various countries throughout the world. It cannot predict how these laws or their interpretation, administration and enforcement will change over time. Changes in antitrust laws globally, or in their interpretation, administration or enforcement, may limit the Group's existing or future operations and growth.

In addition, the Group is required to comply with applicable domestic and international tax laws, in addition to export controls and international trade laws and regulations, all of which are subject to change at any time based on social and political conditions. For example, the Moroccan Finance Law 2023 enacted changes to the applicable Corporate Income Tax ("**CIT**") rates, particularly the rates applicable as from 2023 to mining and exporting companies such as OCP, which resulted in an increase in the Group's effective tax rate. This law replaced the prior reduced rate of 20% for mining and exporting activities with CIT rates increasing gradually to 35% in 2026 for taxable profits exceeding 100 million MAD and 20% for taxable profits equal to or lower than 100 million MAD. See also "—*The Group has operations in the Southern Provinces (also referred to as the "Western Sahara" region by certain third parties, including the United Nations)*". While the Group continuously monitors changes in applicable laws and regulations, violation of any of these laws and regulations could result in penalties, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may be involved in judicial, regulatory, administrative, criminal or arbitration proceedings.

In the ordinary course of business, the Group has in the past and may in the future be involved in a number of judicial, regulatory, administrative, criminal or arbitration proceedings, particularly with regard to contractual, competition, labour and employment, intellectual property, tax, industrial or environmental or sustainability matters. See also "*—The Group is subject to increasingly onerous environmental and health and safety laws and regulations*" and *"—Business—Litigation*". Claims for a significant amount may be made against the Group in connection with certain of these proceedings. Any corresponding potential provisions which the Group may make in its accounts may prove inadequate.

In addition, it cannot be excluded that in the future, new proceedings, whether or not connected to existing proceedings, relating to risks currently identified by the Group or resulting from new or unforeseen risks, may be brought against the Group. Any adverse outcome from any such proceedings may have a material adverse effect on the Group's business, results of operations and financial condition.

Risks Relating to the Group's Financial Position

A downgrade in the Issuer's credit ratings could jeopardise the Group's ability to raise capital on favourable terms and borrowing costs could increase.

On 19 April 2024, S&P revised the Issuer's credit rating from B++ (outlook stable) to B++ (positive) as a result of the revision in the outlook of the Kingdom of Morocco from stable to positive on 29 March 2024, OCP being considered by S&P as a government related entity and therefore capped by the sovereign's rating. S&P maintained OCP's stand-alone credit profile unchanged at BBB-. The rating was affirmed in the latest annual review of June 2023. On 23 October 2023, Fitch affirmed the Issuer's long-term Issuer Default Rating to BB+ (outlook stable) and revised the standalone Credit profile to bbb- from bb+. In January 2023, Moody's assigned the Group a Baa3 rating (outlook stable). The ratings assigned to the Group, among other things, are dependent on those assigned to Morocco as well as on the overall global economic conditions, the economic and financial conditions in Morocco and the market for fertilisers and related products. In the event that the ratings agencies further downgrade Morocco's ratings or downgrade the Issuer's ratings, the Issuer's ability to obtain debt or equity financing may be materially adversely affected and any debt financing the Issuer were then able to obtain would likely bear higher interest than would have been the case had the rating not declined. Furthermore, any downgrade of the Issuer's credit rating may impact on both the availability and cost of funding for the Group's Capital Expenditure Programme and the refinancing of its existing obligations.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Ratings may not reflect the potential impact of all risks related to structure, market, the risk factors discussed in this section and other risks that may affect the value of Notes.

The Issuer has significant outstanding indebtedness and may be unable to obtain financing, or refinancing for its current borrowings, on commercially acceptable terms, if at all.

As at 31 December 2023, the Group's total outstanding loans and financial debts (current and non-current) were Dh 80.9 billion and its financial leverage was net financial debt to EBITDA ratio of 2.3x. See Note 10 of the Financial Statements. In addition, in connection with its Capital Expenditure Programme, the Group has increased its borrowing levels in recent years. The Group's debt levels may impair its operating and financial flexibility and could adversely affect its business and financial position. A high level of indebtedness could cause the Group to dedicate a substantial portion of cash flow from operations to payments to service debt, which could reduce the funds available for working capital, capital expenditure, and other general corporate purposes and could limit its ability to borrow additional funds and its flexibility in planning for, or reacting to, changes in customer demand, competitive pressures and other market conditions, placing the Group at a competitive disadvantage compared to those of its competitors that are less leveraged than it is. In addition, a high level of indebtedness together with future debt financing, if accessible, may increase the Group's vulnerability to both general and industry specific adverse economic conditions.

The Group evaluates its options in respect of its debt based on its actual performance in any given year. If the Group's cash flows are insufficient to repay its loans and financial debts as they fall due, the Group will need to renegotiate its loans or seek alternative financing from the capital markets. The Group's ability to raise alternative financing or to renegotiate loans on commercially acceptable terms, or at all, depends on, among other factors, the general condition of the domestic and international capital markets and the overall economic conditions in Morocco. If alternative financing becomes necessary, the Group may not be able to obtain such financing on commercially acceptable terms, if at all.

Any default under the Group's existing indebtedness or any failure to generate sufficient funds from operating cash flows or obtain sufficient debt financing on commercially acceptable terms to repay its loans and financial debts could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed to exchange rate risk.

The Dirham/U.S. Dollar exchange rate affects the Group's results of operations principally because the Group's reporting currency is Moroccan Dirhams and substantially all of the Group's revenue, derived from export sales, are received in U.S. Dollars. In FY 2023, export sales accounted for 81.7% of the Group's total revenue. In addition, the Group purchases raw materials (sulphur and ammonia), international freight services and certain other goods and services in U.S. Dollars. Furthermore, volatility in the Euro/U.S. Dollar exchange rate could potentially affect the Group. If the Euro were to depreciate materially against the U.S. Dollar, phosphate imports from OCP priced in U.S. Dollars could become substantially more expensive for European importers, which could lead to reduced demand or phosphate substitution by such importers. As a result, fluctuations in the Dirham/U.S. Dollar or Euro/U.S. Dollar exchange rates could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group seeks to hedge its U.S. Dollar and Euro exposure through natural hedging, by matching foreign currency revenue with foreign currency expenses, and also by borrowing in U.S. Dollars. In FY 2023, 56.6% (excluding hybrid bonds) or 47.8% (including hybrid bonds) of the Group's debt was denominated in foreign currencies (principally U.S. Dollars). See also Note 10 of the Financial Statements. Any depreciation of the Dirham against the U.S. Dollar will result in higher interest expense on the Group's U.S. Dollar-denominated borrowings (in Dirham terms) and in losses from the translation of U.S. Dollar-denominated monetary liabilities into Dirhams at the end of each reporting period. The Group may be unable to successfully manage any exchange rate risk relating to its operations or its loans and borrowings.

In addition, the Group's business is affected by the foreign exchange rate risk to which its customers are exposed. While the Group sells its products primarily in U.S. Dollars, its customers pay for such products in local currencies, and, accordingly, their willingness or ability to purchase the Group's products is dependent on the relevant exchange rate at any given time. For example, the depreciation of local currencies against the U.S. Dollar may have an adverse impact on such importers' purchasing power, which, in turn can lead to reduced imports of the Group's products in such market. Starting in 2018, depreciation of the Turkish Lira against the U.S. Dollar had an adverse impact on the Group's imports, leading Turkish customers to favour local production in some instances. Continued depreciation or similar depreciation experienced in other markets in which the Group operates could have a similar effect on demand for the Group's products. Any decline in demand for the Group's products, or significant financial difficulties by the Group's customers, could have a material adverse effect on the Group's business, results of operations and financial condition.

Any mismatch between the proportion of total revenue received in foreign currencies and the proportion of total costs and expenses paid in foreign currencies, or a material fluctuation in the exchange rate of the Dirham against the U.S. Dollar could have a material adverse effect on the Group's business, results of operation and financial condition.

The Group is exposed to interest rate risk.

As at 31 December 2023, the Group's total outstanding loans and financial debts (current and non-current) were Dh 80.9 billion and was primarily composed of fixed rate instruments. In addition, as of 31 December 2023, the Group had Dh 15.0 billion of hybrid bonds, which are not included in the Group's gross indebtedness under IFRS, a portion of which is variable rate. Variable rates expose the Group to the risk of increasing interest rates, while fixed interest rates expose the Group to the risk of declining interest rate levels. In particular, any continuation or increase in the higher interest rate environment that has prevailed since the beginning of 2023 could materially increase the finance costs of the Group throughout the second phase of its Capital Expenditure Programme. See also "*—The Group may not be able to realise all of the expected benefits of its Capital Expenditure Programme or secure funding sufficient for its future projects*". Interest rates are sensitive to many factors beyond the Group's control, including the policies of central banks, economic conditions and political factors.

Increased investment in non-core activities could have an adverse effect on the Group's profits.

The Group undertakes a number of non-core projects to support its phosphates activities, including the construction and operation of facilities designed to provide social services to employees and their families in the areas in which the Group operates and the construction of infrastructure in Morocco in order to facilitate transportation of the Group's products. The Group is also engaged in a number of non-core projects that are not directly related to its phosphates activities, such as initiatives to improve education (including higher education programmes) and research and development initiatives, back sustainable technology, reduce poverty, improve food security, improve access to healthcare services, increase youth employability, foster agricultural development, promote socio-cultural activities and preserve Moroccan heritage through the OCP Foundation and the Phosboucraâ Foundation. See "*Business—Non-Core Activities*". Although the Group maintains close control on such non-core projects, an increase in the investment related to such activities could divert funds needed for the Group's core activities, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

Risks Relating to the Kingdom of Morocco

The Moroccan State, in its capacity as shareholder, may cause the Group to engage in business practices that may not be in the interests of the Noteholders.

The Moroccan State directly owns 94.12% of the Issuer. The Moroccan State has conferred on the Issuer a monopoly since 1920, at the time the Issuer was the *Office Chérifien des Phosphates*, and subsequently to the Issuer in 2008 (when the Issuer became a joint stock company), pursuant to Article 2 of Law No 46-07 promulgated on 26 February 2008 (the "**OCP Law**"), with respect to phosphates exploration and mining in Morocco, although the Moroccan State retains ownership of phosphate rock reserves in Morocco. The remaining interests in the Issuer are held by Infra Maroc Capital (2.98%), Prev Invest SA (1.10%), *Société d'Aménagement et de Développement Vert* ("**SADV**") (0.88%), SOCINVEST (0.82%), and BCP (0.10%). BCP is a major Moroccan bank. Infra Maroc Capital and SOCINVEST are owned by BCP. Prev Invest SA is wholly owned by RCAR, a major Moroccan pension fund. SADV is wholly owned by UM6P Endowment Holding.

The rights of the Moroccan State as a majority shareholder of the Issuer are contained in the Issuer's articles of association and the Issuer is managed in accordance with those articles and with the provisions of Law n°17-95 (as amended from time to time) relating to *sociétés anonymes*. The Moroccan State, as a majority shareholder of the Issuer, has the right to propose and approve the appointment of, and to remove, the members of the Issuer's Board of Directors (the "**Board of Directors**"). The Interior Minister, the Minister of Industry and trade, the Minister of Foreign Affairs, African Cooperation and Moroccan Abroad, the Minister of Economy and Finance, the Minister of Energy Transition and Sustainable Development, and the Minister of Agriculture, Fisheries, Rural Development and Water and Forests are members of the Board of Directors. Accordingly, none of the Issuer's directors are independent directors. The Moroccan State may also influence the Issuer's results or financial condition through shareholder approval of the Issuer's capital-related matters and other policies. For example, dividend payments are subject to the approval of the General Meeting of shareholders on an annual basis. See "*Relationship with the Government—Dividends*".

As a result of all of the foregoing, the Moroccan State has the ability to control the operations of the Group. The Moroccan State may cause the Group to engage in business practices, including undertaking new or loss making activities, which could materially affect the Group's ability to operate on a commercial basis or in a way that is consistent with the best interests of the Noteholders. Should the Moroccan State choose or compel the Group to make commercially unfavourable decisions, this will have a material adverse effect on the Group's business, results of operations and financial condition.

Emerging markets such as Morocco are generally subject to greater risks than more developed markets.

Investments in securities of issuers located in emerging markets, such as Morocco, generally involve a higher degree of risk than investments in securities of issuers from more developed countries. These higher risks include, but are not limited to, higher volatility, limited liquidity, a narrow export base, current account deficits, exchange capital controls and changes in the political, economic, social, legal and regulatory environment. Morocco's budget deficits and other weaknesses characteristic of emerging market economies make it susceptible to future adverse effects similar to those suffered by other emerging market countries. In any event, the market for securities bearing Moroccan risk, such as the Notes, could be affected negatively by events elsewhere, especially in emerging markets.

The Moroccan economy remains vulnerable to external shocks, including events part of, or similar to, the recent COVID-19 pandemic, the Arab Spring, the global financial crisis and the Eurozone crisis, as well as to increased international commodity prices. A decline in the economic growth of, or receipt of remittances from, Morocco's major trading partners, such as France, Spain or the United States, as a result of such external shocks, could have a material adverse impact on Morocco's balance of trade and adversely affect the Morocco's economic growth. There can be no assurance that any crises such as those described above or similar events will not negatively affect investor confidence in emerging markets or the economies of the principal countries in the EU or the Middle East and North Africa ("**MENA**") region, including Morocco.

International investors' reactions to events occurring in one emerging market country or region sometimes appear to demonstrate a "contagion" effect, in which an entire region or class of investment is disfavoured by such investors. If such a "contagion" effect occurs, Morocco could be adversely affected by negative economic or financial developments in other emerging market countries. Morocco has been adversely affected by "contagion" effects in the past, including recent volatility in the Middle East and North Africa, as well as the recent global financial crisis and could be affected by similar effects in the future.

As a consequence, an investment in the Group carries risks that are not typically associated with investing in more mature markets. These risks may be compounded by incomplete, unreliable or unavailable economic and statistical data on Morocco, including elements of information provided in this Prospectus. Prospective investors should also note that emerging economies, such as Morocco's, are subject to rapid change and that the information set out in this Prospectus may become outdated relatively quickly. Accordingly, prospective investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved. Prospective investors are urged to consult with their own legal and financial advisers before making an investment decision.

The Government may seek higher dividend or other payments from the Group as a result of the Government's budget deficit or other payment requirements.

Since 2007, the budget deficit has been financed by increased borrowing. In particular, similar to the situation in many countries, government efforts to combat the COVID-19 pandemic and to support the

Moroccan economy led to a substantial increase in the budget deficit and public debt levels in 2020. Recently, higher levels of inflation and increased energy supply costs have also strained government budgets. More specifically, as a result of the current risks and uncertainties in the global agricultural product markets, driven by supply issues stemming from the Russia-Ukraine conflict, in particular, the Government has increased, and may be required to further increase, at least on a temporary basis, expenditures related to domestic subsidies, including those related to wheat and butane gas prices, which will likely, in turn, negatively impact government finances and increase the budget deficit. In 2022, Morocco's budget deficit was 5.1% of GDP, down from 5.9% in 2021. While the Government has taken measures to reform public subsidies, if the budget deficit is not reduced or the Government is unable to finance the budget deficit through other means, the Government may seek funding through higher dividend or other payments from the Issuer, which could materially adversely affect the Group's business, results of operations and financial condition. See "*Relationship with the Government*".

The Issuer is subject to changes in government policy.

As a state-owned company, the Issuer is subject to changes in government policy. In the event of a change of government, a new government may not have the same or similar economic, political or social policies as the current Government, including with respect to the Group and the monopoly on the mining of phosphate resources first conferred on the Issuer's predecessor, *l'Office Chérifien des Phosphates*, in 1920 and subsequently conferred on the Issuer in 2008, pursuant to the OCP Law. Moreover, the Government's strategy with respect to the Group may be subject to change as a result of macroeconomic conditions or other priorities, which could have a material impact on the Group, including its structure and strategy. Any change to such policies and, in particular, the OCP Law, could have a material adverse effect on the Group's business, results of operations and financial conditions.

The Group has operations in the Southern Provinces (also referred to as the "Western Sahara" region by certain third parties, including the United Nations).

The Group's Boucraâ mining operations are located in the Southern Provinces (also referred to as the "Western Sahara" region by certain third parties, including the United Nations), an area which until 1975 was a colony of Spain. Following the Madrid Accords, Spain withdrew from the region and Morocco proclaimed its sovereignty over the territory. The Polisario Front, a political organisation opposing Morocco's control over the Southern Provinces, commenced hostilities with Morocco following this proclamation. The United Nations brokered a ceasefire in 1991 and subsequently convinced the parties to pursue, under the auspices of the United Nations, a negotiated resolution of the conflict. On 15 November 2020, the Polisario Front announced that it would no longer abide by the terms of the ceasefire. However, Morocco has stated that it remains committed to the ceasefire and there has been no significant escalation of conflict to date. The United Nations continues to lead negotiations concerning the pursuit of a mutually acceptable political solution. The United Nations issued a legal opinion in 2002 concluding that resource development in the Southern Provinces is permissible under international law so long as it is for the benefit of the local people. In 2012 and 2013, the UN Office of Legal Affairs reaffirmed this conclusion. Because the Group's Boucraâ operations provide significant employment, investment and other benefits to the local economy and its people, the Group views its Boucraâ operations as permitted under applicable international law. Though not anticipated, any renewal of violence in the region, any change in the applicable legal standard, or any adverse determination by the United Nations or other relevant authorities about the benefits of the Group's operations to the local peoples could disrupt the Group's operations and adversely impact the Group's business at the Boucraâ mine, or adversely impact existing or potential customers' willingness to purchase the phosphate rock and, in due course, fertilisers produced in Boucraâ, any of which could adversely affect the Group's business, results of operations or financial condition.

A small number of non-governmental organisations have intermittently confronted certain customers and suppliers of Boucraâ's mining operations, including through direct communication and internet publication. Although such activity to date has been limited and sporadic, there can be no assurance that this activity will not impact the behaviour of individual suppliers or customers, which, in turn, could adversely affect the Group's business, operations or financial condition. In particular, a non-governmental organisation, Western Sahara Resource Watch, publishes an annual report entitled “P for Plunder” aimed at influencing public opinion and customers, suppliers and shippers for the Group’s operations at Boucraâ. The impact of such publications to date has been minimal, but there can be no assurance that such activity will not adversely impact the Group's business at Boucraâ

Certain sustainability assessment companies, including Sustainalytics and MSCI, have previously stated that the Boucraâ mining operation represents a notable controversy for ESG (Environmental, Social and Governance) purposes. There can be no assurance that these or similar statements will not adversely impact investor or customer behaviour, which could have an adverse impact on the Group's business, results of operations or financial condition.

In May 2017, the Polisario Front brought an application before a local court in Port Elizabeth (South Africa) to prevent the Group's cargo aboard the vessel NM Cherry Blossom, which included phosphates from the Group's mine in Boucraâ, from leaving Port Elizabeth where the vessel was carrying out bunkering operations en route to its final destination in New Zealand. The Group did not participate in the subsequent legal proceedings on the merits of the case and in early 2018, the court of Port Elizabeth issued a default judgment attributing ownership of the cargo to the Polisario Front, although, after a judicial auction with no bidders, the cargo was ultimately returned to the Group for a symbolic amount of one dollar. In May 2017, a similar claim was brought by the Polisario Front in Panama and was dismissed the following month by a Panamanian court, which claimed that the matter involved a political and diplomatic issue and that nothing in the court's records proved that the Polisario Front was the owner of the phosphate cargo. There can be no assurance that further claims will not be made in the future, which could disrupt the Group's operations, or adversely impact existing or potential customers' willingness to purchase the phosphate rock produced in Boucraâ, any of which could adversely affect the Group's business, results of operations or financial condition.

In March 2020, the Polisario Front brought a legal action in New Zealand challenging certain investments made by the New Zealand Superannuation Fund in OCP Group, in multinational companies trading in the Southern Provinces, and in farms that use fertilisers containing phosphate originating in Boucraâ. The New Zealand High Court issued its judgment on 15 March 2021. The Polisario Front's case was dismissed in full, with no qualifications, and costs were awarded against it. The Court found that the Superannuation Fund had fully complied with its duties to observe ethical investment policies and to avoid damaging New Zealand's international reputation. While the Superannuation Fund was not required to take any corrective actions, such as to review its investment policies, there can be no assurance that similar claims will not be made in the future, which could disrupt the Group's operations or adversely impact existing or potential customers' willingness to purchase the phosphate rock produced in Boucraâ, any of which could adversely affect the Group's business, results of operations or financial condition.

The Court of Justice of the European Union issued judgments in December 2016 and February 2018 that the 1996 Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one hand, and the Kingdom of Morocco, of the other hand, as amended by the 2010 Agreement in the form of an Exchange of Letters between the European Union and the Kingdom of Morocco concerning reciprocal liberalisation measures on agricultural products, processed agricultural products, fish and fishery products, the replacement of Protocols 1, 2 and 3 and their Annexes and amendments to the Euro-Mediterranean Agreement (the "**EU-Morocco Agreement**") did not apply to "Western Sahara" as they were then drafted. Products originating in "Western Sahara", therefore, would not qualify for preferential trade access to the EU market and would have faced tariff barriers that could have priced them out of the EU market. Following the rulings, the EU and Morocco reached an agreement in 2019 to amend the EU-Morocco Agreement (the "**2019 EU-**

Morocco Amendment") to explicitly extend their application to goods originating from "Western Sahara", in order to ensure that EU trade preferences fully applied to such goods. The Polisario Front filed a case before the Court of Justice of the EU challenging the 2019 EU-Morocco Amendment. In September 2021, the Court annulled the 2019 EU-Morocco Amendment on the basis that the consent of the people of "Western Sahara" is required and had not been obtained. In December 2021, the European Commission and the European Council appealed the ruling with a ruling expected by mid or late 2024. On 21 March 2024, the Advocate General of the Court of Justice of the European Union issued opinions on this and related cases concluding that the consent of the people had been given on their behalf by Morocco and on this basis recommending that the Court of Justice of the European Union should uphold the appeal in this case. However, these opinions are advisory and not binding on the Court of Justice of the European Union. During the appeals process, the 2019 EU-Morocco Amendment remains in effect. There can be no assurance that the appeals process will not result in removing EU trade preferences from goods originating in the Southern Provinces. This would not directly impact the Group's ability to restart exporting phosphate rock from Boucraâ to the EU since the EU imposes no import tariffs on phosphate rock. However, it could mean that any future exports of phosphoric acid and finished fertilisers to the EU from new facilities currently under construction by OCP Group in the Southern Provinces could face EU import tariffs. There can also be no assurance that the appeals process will not result in other outcomes that adversely impact the Group's operations in the Southern Provinces. In October 2019, the UK and Morocco signed an association agreement following Brexit and the agreement has been in effect since 1 January 2021 (the "**UK-Morocco Association Agreement**"). In May 2023, the UK Court of Appeal definitively dismissed an appeal by the pro-separatist non-governmental organisation, WSC, against a previous decision by the UK High Court. The lawsuit sought to persuade the British court to re-examine the trade agreement between the UK and Morocco, to annul its application to goods originating in "Western Sahara". The UK High Court initially rejected the association's lawsuit in December 2022. This decision was further confirmed by the UK Court of Appeal ruling, thereby reaffirming the validity of the agreement. There can be no assurance that no other legal challenge to the UK-Morocco Association Agreement is filed which may undermine the Group's ability to export phosphate rock from Boucraâ to the UK. There can be no assurance that no other judicial or non-judicial challenges to the Group's operations in the Southern Provinces, or to similar activities by other companies, will not impact the Group's ability to produce and export phosphate rock and fertilisers from Boucraâ. For example, in 2018, an NGO, the Global Legal Action Network, filed a complaint with Ireland's National Contact Point for the OECD Guidelines for Multinational Enterprises against San Leon, an Irish oil company that had prospected for oil in the Southern Provinces, on the grounds that this breached the human rights of the local people and constituted a breach of the OECD Guidelines. The National Contact Point issued non-binding recommendations stating that operations in such "Non-Self-Governing Territories" carry heightened risks of adverse impact concerning human rights, that companies are expected to undertake enhanced due diligence measures to identify and address such risks and that in some circumstances, mitigation of human rights risks will be impossible and the related OECD guidance will require them to disengage from the business relationship. There can be no assurance that similar claims will not be made in the future which could adversely impact the Group's reputation, existing or potential suppliers' willingness to supply goods or services to the Group's operations in the Southern Provinces or existing or potential customers' willingness to purchase the phosphate rock and fertilisers produced in Boucraâ, any of which could adversely affect the Group's business, results of operations or financial condition.

The European Union's Corporate Sustainability Reporting Directive, which began to apply from 5 January 2023, expanded the information required to be published by companies within its scope previously defined by the Non-Financial Reporting Directive. The first reports will have to be published in 2025, in respect of the 2024 financial year. The information required includes details on the due diligence processes implemented by the companies to identify the principal adverse sustainability impacts, including on human rights, in their value chains and the actions taken to prevent, mitigate and remediate such impacts. In addition, the European Union is close to adopting the Corporate Sustainability Due Diligence Directive. If adopted in its current form, this directive would require companies within its scope to identify, prevent, bring to an end or mitigate the impacts of their activities on the environment and on human rights abuses. The directive would also oblige such companies to conduct due diligence on entities in their value chains with which they have direct and indirect business relationships. There can be no assurance that the application of these directives will not damage the Group's operations or reputation or that these directives will not adversely impact the Group's existing or potential suppliers' willingness to supply goods or services to the Group's operations in the Southern Provinces or existing or potential customers' willingness to purchase goods produced in Boucraâ, any of which could adversely affect the Group's business, results of operations or financial condition.

Regional tensions could have a material adverse effect on the Group's business.

Morocco is located in a region that has been subject to ongoing political and security concerns, especially in recent years. Political instability in the region has increased since the terrorist attacks of 11 September 2001, the U.S. intervention in Iraq, the ongoing conflict in Syria, the threat of terrorist organisations such as the self-declared Islamic State, Boko Haram and Al-Qaeda, the ongoing conflict in Yemen, instability and conflict in Libya and ongoing tensions with Iran. Some Middle Eastern and North African countries have experienced in the recent past, or are currently experiencing, political, social, and economic instability, extremism, terrorism, armed conflicts and war, some of which have negatively affected Morocco in the past.

Since the Arab Spring began, a number of Arab countries have experienced significant political and military upheaval, conflict and revolutions leading to the departure of long-time rulers in Tunisia, Egypt, Yemen and Libya. Among the short-term effects of the Arab Spring has been a destabilisation of the region and increased political and social instability. This instability is likely to continue for some years. In addition, a number of Arab countries, including Iraq, Libya, Syria and Yemen, have continued to experience significant civil unrest and internal conflict. In particular, the ongoing conflict in Syria has been the subject of significant international attention and intervention, including by the Russian military, and its impact and resolution are difficult to predict. Any further escalation of this conflict, additional international military intervention in Syria or a more aggressive stance by parties to the conflict could further destabilise the region. The instability caused by the ongoing conflict has been exacerbated by terrorist attacks by the self-declared "Islamic State" in the region and internationally. Morocco has been adversely affected by these types of "contagion" effects in the past, including the violence involving the terrorist organisation known as the self-declared "Islamic State" and other recent events of volatility in the MENA region.

In recent years, the number of Islamic militants has grown in a number of Middle East and North African countries. Morocco has to date been less vulnerable to violent expressions of Islamic opposition, although Morocco has experienced terrorist attacks in the past.

More broadly, the current events in Gaza that commenced in October 2023 could increase the risk of destabilisation of the broader region and the situation remains highly volatile and uncertain. These recent and ongoing developments may contribute to instability in the region and may have a material adverse effect, or may be perceived to have material adverse effects on the MENA region, and the MENA region's, security, attractiveness for foreign investment and capital, ability to engage in international trade and, consequently, economic, external and fiscal positions.

The continuation of such events or the outbreak of new problems in the region could further strain political stability in the region, the general resources of the Government and the Government's finances and negatively affect Morocco's economy, any of which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's facilities are located in a region that is vulnerable to natural catastrophes.

The Group is exposed to the adverse effects of natural catastrophes occurring in Morocco. Some regions of Morocco have suffered serious earthquakes in the past. For example, in 1960 an earthquake killed more than a third of the population of Agadir, in addition to the destruction of assets in the region. More recently, in September 2023, an earthquake near Marrakech killed more than 2,900 people. A significant seismic event at one of the Group's mines or other facilities could result in significant and costly damage and cause the Group to change its processes or abandon the facility or mine.

In addition, sections of Morocco's Atlantic coastline are vulnerable to tsunamis. The Group's facilities at Jorf Lasfar are located on the Atlantic coast and are approximately 60 metres above sea level. The Group's facilities at Safi are also located on the Atlantic coast and are between 10 metres and 20 metres above sea level. A seismic effect that produces a tsunami that comes ashore at or close to the Group's facilities could result in significant and costly damage and cause the Group to change its processes, abandon the affected facility or incur significant reconstruction, environmental and other clean-up liabilities.

Any of the foregoing factors could have a material adverse effect on the Group's business, results of operations and financial condition.

Risks Relating to the Notes

The market price of the Notes may be subject to a high degree of volatility.

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of other debt securities, as well as other factors, including the trading market for notes issued by Morocco. In addition, global financial markets have recently experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Group's results of operations or financial condition. Factors including increased competition, fluctuations in commodity prices or the Group's operating results, the regulatory environment, availability of reserves, general market conditions, natural disasters, health pandemics, terrorist attacks and war may have an adverse effect on the market price of the Notes.

The market price of the Notes is influenced by economic and market conditions in Morocco and, to a varying degree, economic and market conditions in other countries in the region and the international capital markets generally. Volatility in the international capital markets in the past has adversely affected market prices for companies that operate in those and other developing economies. Even if Morocco's economy remains stable, financial turmoil in the international capital markets could materially adversely affect the market price of the Notes.

Disruptions in the international capital markets may lead to reduced liquidity and increased credit risk for certain market participants and could result in a reduction of available financing. Companies located in emerging market countries, such as Morocco, may be particularly susceptible to these reductions in the availability of credit or to increased financing costs, which could result in financial difficulties for them. In addition, the availability of credit to entities operating within the emerging markets is significantly influenced by levels of investor confidence in these markets and, as such, any factors that impact market confidence, for example, a decrease in credit ratings or state or central bank intervention in one market could affect the price or availability of funding for entities within any of these markets.

Such disruption and volatility could have a negative impact on the Noteholders because it may impede the Issuer's ability to access financial markets, it may cause the value of the Notes to decrease and it may ultimately impact the Issuer's creditworthiness.

The Notes may be subject to withholding tax.

Based on articles 6.I.C.3° and 45 of the Moroccan Tax Code, the interest payments on the Notes will not be subject to withholding tax in Morocco. In the event that this interpretation is incorrect, however, payments made in respect of Notes will be subject to withholding tax. Generally, payments of interest on borrowed funds made by a Moroccan entity to a non-resident are subject to Moroccan withholding tax at the rate of 10% for legal entities, unless such withholding tax is reduced or eliminated pursuant to the terms of an applicable double tax treaty. See "*Taxation—Certain Moroccan Tax Considerations*".

In the event that payments in respect of the Notes are subject to withholding of Moroccan tax, the Issuer is obliged to increase payments as may be necessary so that the net payments received by Noteholders will not be less than the amounts they would have received in the absence of such withholding. In addition, the Issuer may be able to redeem the Notes under Condition 7.3 *(Redemption for Taxation Reasons)* as a result of the application or an increase in the prevailing rate of any withholding tax resulting from a change in the application or official interpretation of the laws or regulations of Morocco.

Sales of the Notes may be subject to capital gains tax in Morocco.

Unless specified otherwise in a double taxation treaty signed between Morocco and the country of residence of the Noteholder, for Moroccan tax purposes, a capital gain derived from the disposal of Notes issued by a Moroccan entity is considered sourced in Morocco, and therefore subject to taxation in Morocco. The individual or entity that is not resident in Morocco will be subject to Moroccan capital gains tax only by virtue of realising a capital gain on the Notes issued by the Moroccan entity. In addition, it is the responsibility of the non-resident individual or entity to file a tax return and to pay the applicable tax. See further "*Taxation—Certain Moroccan Tax Considerations*" below for further details on the amounts payable.

If a double taxation treaty is in effect between Morocco and the country of residence of the Noteholder, it may provide for the application of a different taxation aimed at eliminating or reducing double taxation. Each investor should consult its own tax advisers concerning the tax considerations applicable to its particular situation, taking into account the existence or not of a double taxation treaty signed between Morocco and the country of residence of the Noteholder.

Provisions of the Notes permit defined majorities to bind all Noteholders.

Condition 13 (Representation of Noteholders and Modification) contains provisions for calling meetings of Noteholders of each Series to consider matters affecting their interests generally and is governed by Moroccan law. The Noteholders of each Series will be automatically grouped for the defence of their common interests in a Masse (as defined in Condition 13). Noteholders of each Series can adopt measures through a General Assembly of that Series.

As set out in Condition 13, the Conditions permit defined majorities to bind all Noteholders of a Series including Noteholders of that Series who did not attend and vote at the relevant General Assembly or Noteholders of that Series who voted in a manner contrary to the majority. It is possible that a majority of Noteholders of a Series could adopt measures through a General Assembly that would modify the Conditions in a way that could impair or limit the rights of the Noteholders of that Series.

Condition 13 of the Notes provides that, in the event of a modification to the Conditions of a Series that is not approved by the General Assembly of that Series, the Issuer must offer to repay Noteholders of that Series requesting the redemption of their Notes, which, if such offer is accepted by a significant number of Noteholders of a Series, could impact the liquidity of the Notes.

Exercise of Noteholder Rights in Certain Circumstances.

Condition 13 (*Representation of Noteholders and Modification*) of the Notes is governed by Moroccan law. Pursuant to mandatory requirements of Moroccan law, Noteholders of each Series shall have a designated representative appointed (the "**Representative**" as defined in Condition 13) to represent them in certain circumstances. To be so represented, the Noteholders of the relevant Series, acting by way of General Assembly (as defined in Condition 13) of that Series, must formally direct the Representative to act on their behalf by way of a Noteholder meeting of that Series. The circumstances in which the Noteholders of a Series may need to involve the Representative may include the taking of legal action by Noteholders of that Series against the Issuer in respect of the Notes of that Series and the enforcement of judgments in Morocco obtained by the Noteholders of that Series against the Issuer in respect of the Notes of that Series. This may affect the way in which, and the ability of, a Noteholder of a Series to recover principal, interest or other amounts payable upon the occurrence of an Event of Default (as defined in Condition 10) in respect of that Series, as Noteholders may not be able to take direct action against the Issuer and may only be able to take action following a meeting of the General Assembly of that Series to direct the Representative to act on their behalf.

The Agency Agreement (as defined in the Conditions) includes provisions for how Noteholders of a Series may convene a meeting of the General Assembly of that Series to direct the Representative to act on their behalf. Those provisions, which comply with Moroccan law requirements, include certain notice period requirements and requirements as to quorum and voting to formally direct the Representative to act on behalf of Noteholders of the relevant Series. Noteholders are deemed to have notice of those provisions and are required to familiarise themselves with their requirements. Because of the quorum and voting requirements that apply, it may mean that a Noteholder of a Series wishing to take legal action on its own (without other Noteholders of that Series) may not be able to do so until that action is sanctioned by a simple majority of the requisite quorum of Noteholders of that Series (such quorum being (i) 25% of the Notes of the relevant Series then outstanding (as defined in the Agency Agreement) at the first General Assembly or, if that meeting is inquorate (ii) those Notes of such Series outstanding (in whatever amount) as are represented at the second General Assembly). A failure to comply with the applicable provisions of Moroccan law in this regard may mean that any judgment ultimately obtained in respect of the Notes of a Series without the Representative's participation may not be enforceable. This may affect the way in which, and the ability of, a Noteholder of a Series to recover principal, interest or other amounts payable upon the occurrence of an Event of Default in respect of that Series.

Noteholders of a Series need not direct the Representative of that Series to act on their behalf to give notice to the Issuer declaring an Event of Default in respect of that Series. For all Events of Default except for non-payment of principal and interest, a threshold of 5% in aggregate of Notes of the relevant Series then outstanding is required to call an Event of Default (see Condition 10).

The use of the Representative of each Series to act on behalf of Noteholders of that Series in the context of an international securities offering (like the Notes) is untested. Accordingly, there is no practice or precedent in this regard and while the Issuer regards the above as being a fair summary of the position, Noteholders are advised to seek appropriate legal advice before taking any legal or other action in connection with the Notes.

No assurance can be given as to the impact of any possible judicial decision or change to Moroccan law or administrative practice after the date of this Prospectus and any such decision or change could materially adversely impact the value of the Notes.

The Notes will constitute unsecured obligations of the Issuer.

The Issuer's obligations under the Notes will constitute unsecured obligations of the Issuer. The ability of the Issuer to pay such obligations will depend upon, among other factors, its liquidity, overall financial strength and ability to generate cash flows, which could be affected by the circumstances described in these "*Risk Factors*".

The Issuer will have the right to redeem the Notes upon the occurrence of certain changes to taxation laws and regulations.

In the event that the Issuer would be obliged to increase the amounts payable in respect of the Notes of a Series due to any change in or amendment to the laws or regulations of Morocco or any political sub division thereof or of any authority therein or thereof having the power to tax or in the interpretation or administration thereof and the requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may redeem all, but not some only, outstanding Notes of that Series at their principal amount in accordance with the Conditions. Upon such redemption, it may not be possible to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes of the relevant Series and this may only be possible at a significantly lower rate.

There is no public trading market for the Notes and an active trading market may not develop or be sustained in the future.

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. If investments in the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price depending on prevailing interest rates, the market for similar securities, general economic conditions and the Issuer's financial condition. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that either such listing or declaration will be obtained or, if such listing or declaration is obtained, that an active trading market will develop or be sustained. In addition, the liquidity of any market for the Notes will depend on the number of Noteholders, the interest of securities dealers in making a market in the Notes and other factors. Accordingly, there may be no development or liquidity of any market for the Notes. If an active trading market for investments in the Notes is not developed or maintained, the market or trading price and liquidity of investments in the Notes may be adversely affected.

Changes in market interest rates may adversely affect the value of the Notes.

The Notes pay a fixed rate of interest to Noteholders. Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. While the nominal interest rate of a fixed interest rate note is fixed during the life of such a note or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such note changes in the opposite direction. If the market interest rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the market interest rate. If the market interest rate decreases, the price of a fixed rate note typically increases, until the yield of such note is approximately equal to the market interest rate. Noteholders should be aware that movements of the market interest rate can adversely affect the price of the Notes and could cause Noteholders to lose part of the capital invested if they decide to sell Notes during a period in which the market interest rate exceeds the fixed rate of the Notes. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have a significant adverse effect on the price of the Notes and cause Noteholders who sell Notes on the secondary market to lose part of their initial investment.

Credit ratings may not reflect all risks.

The Notes are expected to be rated BB+ by S&P, BB+ by Fitch and Baa3 by Moody's. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency. For example, on 13 May 2020, Fitch downgraded the Issuer's credit rating from BBB- to BB+ as a result of weaker than expected credit metrics and changed its outlook from stable to negative as a result of the Kingdom of Morocco being assigned a negative outlook. Similarly, On 19 April 2024, S&P revised the Issuer’s credit rating from B++ (outlook stable) to B++ (positive) as a result of the revision in the outlook of the Kingdom of Morocco from stable to positive on 29 March 2024. As the Issuer is considered a government-related entity by S&P, its rating mirrors the sovereign's rating.

Similar ratings on different types of notes do not necessarily mean the same thing. The initial ratings by S&P, Fitch and Moody's will not address the likelihood that the principal on the Notes will be prepaid or paid on the scheduled Maturity Date. Such ratings also will not address the marketability of investments in the Notes or any market price. Accordingly, any adverse change in (or withdrawal of) the Issuer's credit ratings may affect the market's perception of the Issuer's creditworthiness and may have an adverse effect on the interest rate and/or tenor at which the Issuer can obtain funding.

Any adverse change in an applicable credit rating could adversely affect the trading price of the Notes. Ratings may not reflect the potential impact of all risks related to structure, market and other additional factors discussed above, and other factors that may affect the value of the Notes. Legal investment considerations may restrict certain investments.

The Issuer may issue further notes, which may dilute the Noteholders' share of the total issuance.

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes of each Series, having terms and conditions that are the same as those of the Notes of that Series, or the same except for the amount of the first payment of interest, which new notes may be consolidated and form a single series with the Notes of that Series then outstanding. To the extent that the Issuer issues such further notes, the existing Noteholders' share of the total issuance (for purposes such as voting) of the relevant Series will be diluted.

Investors whose financial activities are not denominated in U.S. Dollars will be subject to exchange rate risk and the Issuer's ability to make payments on the Notes may be affected by exchange controls.

The Issuer will pay principal and interest on the Notes in U.S. Dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. Dollars. These include the risk that exchange rates may significantly change (including changes due to any devaluation of U.S. Dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. In addition, such risks generally depend on economic and political events over which the Group has no control. An appreciation in the value of the Investor's Currency relative to U.S. Dollars would decrease: (i) the Investor's Currency equivalent yield on the Notes; (ii) the Investor's Currency equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary or financial authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. If such risk were to materialise, the Noteholders whose financial activities are carried out or dependent principally in a currency or currency unit other than U.S. Dollars could be very negatively impacted as they might receive less interest or principal than expected, or at worst, no interest or principal.

Holders of the Notes held through DTC, Euroclear and Clearstream must rely on procedures of those clearing systems in respect of the Notes.

As transfers of interests in the Global Certificates can be effected only through book entries at DTC, Clearstream or Euroclear (as the case may be) for the accounts of their respective participants, the liquidity of any secondary market for investments in the Global Certificates may be reduced to the extent that some investors are unwilling to invest in Notes held in book-entry form in the name of a participant in Clearstream, Euroclear or DTC, as the case may be. The ability to pledge interests in the Notes may be limited due to the lack of a physical certificate. In the event of the insolvency of Clearstream, Euroclear, DTC or any of their respective participants in whose name interests in the Notes are recorded, the ability of beneficial owners to obtain timely or ultimate payment of principal, premium (if any) and interest on the Notes may be impaired.

USE OF PROCEEDS

The net proceeds of the 2034 Notes are estimated to be approximately U.S.$1,229,283,390 and the net proceeds of the 2054 Notes are estimated to be approximately U.S.$728,565,000 (in each case after deduction of fees and expenses relating to the Offering, not including discretionary fees, if any), and will be used to fund the Capital Expenditure Programme and for general corporate purposes.

CAPITALISATION

The table below presents the Group's consolidated cash and cash equivalents and capitalisation as at 31 December 2023. Investors should read this table together with "*Use of Proceeds*", "*Selected Consolidated Financial Data and Other Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Terms and Conditions of the Notes*" and the Group's Financial Statements and the notes to those financial statements, which are included in this Prospectus.

	As at 31 December 2023
	(Dh millions)
Cash and cash equivalents	12,644
Cash financial assets	11
Current financial debt	
Current bank debt	12,000
Bonds issued	7,463
Other current financial debt(1)	242
Total current financial debt	**19,706**
Non-current financial debt	-
Non-current bank debt	34,099
Bonds issued	25,893
Other non-current debt(2)	1,242
Total non-current financial debt	**61,235**
Total financial debt	**80,940**
Share capital	8,288
Paid-in capital	18,698
Consolidated reserves	75,697
Net profit-group share	14,369
Non-controlling interests	2,879
Total equity	119,930
Total capitalisation	**200,869**

(1) Includes finance leases, accrued interest not yet due and other credits.
(2) Includes finance leases and other credits.

As at the date of this Prospectus, there have been no material changes to the Group's capitalisation and indebtedness since 31 December 2023. Please refer to "*Overview of the Group—Recent Developments*" for information on events subsequent to 31 December 2023.

SELECTED CONSOLIDATED FINANCIAL DATA AND OTHER INFORMATION

The tables below set forth the Group's selected consolidated financial data as at and for the years ended 31 December 2023, 2022 and 2021. The selected financial data has been extracted from the Financial Statements included elsewhere in this Prospectus. For further information, see "Presentation of Financial and Certain Other Information".

The Financial Statements were prepared in accordance with IFRS issued by the IASB and as adopted by the European Union and have been audited by EY and Deloitte Audit in accordance with International Standards on Auditing.

The following tables should be read in conjunction with, and are qualified in their entirety by reference to, the Financial Statements and the related notes, included elsewhere in this Prospectus. Prospective investors should read this section together with the information contained in "Use of Proceeds", "Presentation of Financial and Certain Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Consolidated Statement of Profit and Loss and Comprehensive Income

	Full Year		
	2023	**2022**	**2021**
		(Dh millions)	
Revenue	91,277	114,574	84,300
Production held as inventory	(6,993)	10,403	278
Purchases consumed	(33,750)	(54,596)	(29,360)
External expenses	(9,671)	(11,754)	(9,969)
Personnel expenses	(11,518)	(11,615)	(10,550)
Taxes	(313)	(306)	(278)
Profit (loss) from joint ventures	774	1,887	1,185
Exchange gains and losses on operating receivables and payables	(697)	1,010	620
Other operating income and expenses	287	471	44
EBITDA	**29,396**	**50,076**	**36,269**
Amortisation, depreciation and operating provisions	(8,394)	(8,435)	(9,016)
Operating profit before exceptional items	21,002	**41,640**	**27,254**
Other non-recurring operating income and expenses	(2,135)	(1,258)	(1,454)
Operating profit (loss)	**18,866**	**40,382**	**25,799**
Cost of gross financial debt	(3,141)	(2,508)	(2,384)
Financial income from cash investments	526	222	161
Cost of net financial debt	**(2,615)**	**(2,286)**	**(2,223)**
Exchange gains and losses on financial receivables and payables	863	(3,366)	(899)
Other financial income and expenses	(713)	(374)	(2,178)
Financial profit (loss)	**(2,465)**	**(6,026)**	**(5,299)**
Profit (loss) before tax	**16,401**	**34,356**	**20,500**
Corporate income tax	(2,105)	(6,122)	(4,164)
Net profit (loss) for the period	**14,296**	**28,233**	**16,336**
Net profit (loss) Group share	14,369	28,185	16,326
Net profit (loss) Non-controlling interests	(72)	49	10
Actuarial gains or losses	(311)	(47)	(552)
Taxes	97	15	109
Financial assets at fair value by OCI	-	-	-
Items that will not be reclassified to profit or loss	(214)	**(32)**	**(443)**
Translation differences	(361)	405	(25)
Share of gains and losses recognised in equity (CFH variation)	715	(1,504)	(464)

	Full Year		
	2023	2022	2021
		(Dh millions)	
Taxes	(250)	526	103
Share of gains and losses recognised in equity on joint ventures	-	-	-
Items that may be reclassified to profit or loss	**104**	**(572)**	**(387)**
Income and expenses for the period, recognised directly in equity	**(110)**	**(605)**	**(830)**
Consolidated comprehensive income	**14,187**	**27,629**	**15,506**
Including Group share	14,259	27,580	15,496
Including non-controlling interests' share	(72)	49	10

Consolidated Statement of Financial Position

	Full Year		
	2023	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	12,644	18,556	8,001
Cash financial assets	11	509	2,538
Inventories	18,272	25,990	14,804
Trade receivables	18,718	15,481	13,184
Other current assets	31,294	23,116	15,765
Total current assets	**80,940**	**83,652**	**54,293**
Non-current assets			
Non-current financial assets	2,321	1,078	708
Investments in equity accounted companies	7,545	7,076	5,518
Deferred tax assets	52	125	156
Property, plant and equipment	151,884	129,547	116,938
Intangible assets	7,197	4,532	4,385
Total non-current assets	**168,998**	**142,359**	**127,705**
TOTAL ASSETS	**249,937**	**226,012**	**181,998**
LIABILITIES			
Current liabilities			
Current loans and financial debts	19,706	10,136	4,662
Current provisions	919	587	556
Trade payables	28,937	20,306	18,141
Other current liabilities	10,644	16,953	10,104
Total current liabilities	**60,205**	**47,982**	**33,463**
Non-current liabilities			
Non-current loans and financial debts	61,235	59,877	50,954
Non-current provisions for employee benefits	4,544	5,169	5,964
Other non-current provisions	1,904	1,231	1,131
Deferred tax liabilities	2,110	590	1,633
Other non-current liabilities	9	12	-
Total non-current liabilities	**69,801**	**66,880**	**59,681**
EQUITY – GROUP SHARE			
Issued capital	8,288	8,288	8,288
Paid-in capital	18,698	18,698	18,698
Consolidated reserves – Group share	75,697	52,882	42,888
Net profit (loss) – Group share	14,369	28,185	16,326
SHAREHOLDERS' EQUITY	**117,051**	**108,052**	**86,200**
Non-controlling interests	2,879	3,098	2,654
TOTAL EQUITY	**119,930**	**111,150**	**88,854**

	Full Year		
	2023	2022	2021
TOTAL EQUITY AND LIABILITIES	**249,937**	**226,012**	**181,998**

Selected Statement of Cash Flows

	Full Year		
	2023	2022	2021
	(Dh millions)		
Net cash flows from/(used in) operating activities	18,350	27,244	32,167
Net cash flows used in investing activities	(28,424)	(14,849)	(15,658)
Net cash flows from/(used in) financing activities	4,221	(1,968)	(14,941)
Impact of changes in exchange rates on cash and cash equivalents	(60)	126	10
Net increase/(decrease) in cash and cash equivalents	(5,912)	10,554	1,577

Other Financial Data

The tables below include certain non-IFRS financial measures, including EBIT, EBITDA and net financial debt, which are not liquidity or performance measures under IFRS, and which the Group considers to be APMs. These APMs are prepared in addition to the figures that are prepared in accordance with IFRS and are not audited or reviewed. The Group uses APMs to provide additional information to investors and to enhance their understanding of the Group's results. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS. Moreover, these metrics may be defined or calculated differently by other companies, and, as a result, they may not be comparable to similar metrics calculated by the Group's peers. See "*Presentation of Financial and Certain Other Information—Other Financial Information*" for more information, including definitions of these items.

Non-IFRS Measures

	Full Year		
	2023	2022	2021
	(Dh millions, unless otherwise indicated)		
EBIT[(1)]	21,802	42,022	27,668
EBITDA[(1)]	29,396	50,076	36,269
Net financial debt [(2)]	68,283	50,945	45,076

(1) The reconciliation of net profit for the period to EBIT and EBITDA is as follows for the periods indicated.

	Full Year		
	2023	2022	2021
	(Dh millions, unless otherwise indicated)		
Net profit (loss) for the period	14,296	28,233	16,336
Corporate income tax	(2,105)	(6,122)	(4,164)
Financial profit (loss)	(2,465)	(6,026)	(5,299)
Other non-recurring operating income and expenses	(2,135)	(1,258)	(1,454)
Non-current depreciation and amortisation[(a)]	(800)	(382)	(415)
EBIT	**21,802**	**42,022**	**27,668**
Current depreciation and amortisation[(a)]	(7,594)	(8,054)	(8,601)
EBITDA	**29,396**	**50,076**	**36,269**
EBITDA margin	32.2%	43.7%	43.0%

(a) Non-current depreciation and amortisation consists of exceptional depreciation and amortisation of assets. Current depreciation and amortisation consists of depreciation and amortisation of assets in the normal course of business.

(2) The calculation of net financial debt is as follows for the periods indicated.

	Full Year		
	2023	2022	2021
	(Dh millions)		
Total current financial debt	19,706	10,136	4,662
Total non-current financial debt	61,235	59,877	50,954
Total financial debt	80,940	**70,011**	**55,616**
Less:			
Cash and cash equivalents	12,644	18,556	8,001
Cash financial assets	11	509	2,538
Net financial debt	**68,283**	**50,945**	**45,076**

Other Metrics

	Full Year		
	2023	2022	2021
	(Dh millions, unless otherwise indicated)		
EBIT/Interest expense(1) (*x*)	(7)	(17)	(12)
Capitalisation (2)	200,869	181,161	144,469
Net capitalisation(3)	188,214	162,095	133,930
Net financial debt/EBITDA(4) (*x*)	2.3	1.0	1.2
Debt/Equity (5) (*x*)	0.7	0.6	0.6
Current liquidity(6) (*x*)	1.3	1.7	1.6
Capital expenditure	26,825	20,011	13,135
Free cash flow(7)	2,571	30,065	23,134
Cash conversion ratio(8)	8.7%	60.0%	63.8%

(1) Calculated as EBIT divided by the Group's interest expense for the given period.
(2) Capitalisation is total financial debt plus equity.
(3) Net capitalisation is net financial debt plus equity.
(4) Calculated as net financial debt at period end divided by the Group's EBITDA for the given period.
(5) Debt/Equity is total financial debt divided by equity.
(6) Current liquidity is current assets divided by current liabilities.
(7) Calculated as EBITDA minus capital expenditure.
(8) Calculated as free cash flow over EBITDA.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The financial information of the Group set forth below as at and for the years ended 31 December 2023, 2022 and 2021 has been extracted from, should be read in conjunction with, and is qualified in its entirety by, the Financial Statements, including the notes thereto, contained elsewhere in this Prospectus.

The Financial Statements have been prepared in accordance with IFRS. This management's discussion and analysis contains forward-looking statements which, although based on assumptions that management considers reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. For a discussion of risks and uncertainties that the Group faces as a result of various factors, see "Forward-Looking Statements" and "Risk Factors".

Overview

The Group is a leading vertically integrated fertiliser company involved in the extraction, production and commercialisation of: (i) phosphate rock; (ii) phosphoric acid (including purified phosphoric acid); (iii) phosphate-based fertilisers; and (iv) animal nutrition and speciality products. The Group is the largest producer of phosphate rock and phosphoric acid, and the largest producer of phosphate-based fertilisers (DAP, MAP and TSP), globally (by volume), based on management estimates derived from company information and publicly available data of competitors for 2023. The Group's mining activities are based in Morocco and focus on the extraction, treatment, enrichment and delivery of phosphate rock to its processing facilities in Jorf Lasfar and Safi, as well as the export of phosphate rock to its customers in approximately 27 countries. The Group processes approximately more than two thirds of its phosphate rock production into phosphoric acid, a significant part of which is in turn further processed into phosphate-based fertilisers. In addition to phosphoric acid, the Group produces and exports six major types of phosphate-based fertilisers (MAP, DAP, NPK, NPS, ASP and TSP) as well as over 174 diversified products that are primarily focused on providing customised formulas. such as fertilisers enriched with micronutrients and reactive phosphate rock. The Group sells its products to other industrial companies, including integrated and non-integrated players, large and established traders and distributors.

In FY 2023, the Group's total revenue was Dh 91.3 billion (FY 2022: Dh 114.6 billion FY 2021: Dh 84.3 billion), its EBITDA was Dh 29.4 billion (FY 2022: Dh 50.1 billion FY 2021: Dh 36.3 billion) and its net profit/(loss) for the period was Dh 14.3 billion (FY 2022: Dh 28.2 billion FY 2021: Dh 16.3 billion). The Group's total assets were Dh 249.9 billion, Dh 226.0 billion and Dh 182.0 billion as at 31 December 2023, 2022 and 2021, respectively. For financial reporting purposes, the activities of the Group are divided into three operating segments: Northern Axis, Central Axis and Headquarters and Other. See "*—Operating Segments*" below.

Key Factors Affecting Results of Operations and Financial Condition

Set forth below is an overview of the key factors that have affected the Group's results of operations and financial condition during the years ended 31 December 2023, 2022 and 2021 and that are expected to affect the Group's results of operations and financial condition in future periods.

Global Macroeconomic Conditions and Agricultural Commodity Prices

Revenue from the sales of phosphate rock, phosphoric acid and fertilisers accounted for 16.7%, 8.0% and 66.2% of the Group's revenue in FY 2023, 16.1%, 10.7% and 64.5% of the Group's revenue in FY 2022 and 14.5%, 14.5% and 60.8% of the Group's revenue in FY 2021. Accordingly, selling prices for phosphate rock, phosphoric acid and fertilisers significantly affect the Group's revenue and profitability and have fluctuated significantly during the periods under review. Selling prices for the Group's products generally move in line with global market prices for these products, which are directly influenced by global macroeconomic conditions, agricultural commodity prices and the supply/demand balance in the phosphates market. In addition, global market prices for phosphate rock, fertilisers and phosphoric acid are strongly correlated with the international DAP index.

The table below sets out the Group's average price per tonne of phosphate rock, phosphoric acid and phosphate-based fertilisers for the periods indicated.

	Full Year		
	2023	**2022**	**2021**
		(U.S.$/tonne)	
Phosphate rock	141	229	104
Phosphoric acid	967	1,550	1,029
Phosphate-based fertilisers	504	797	521

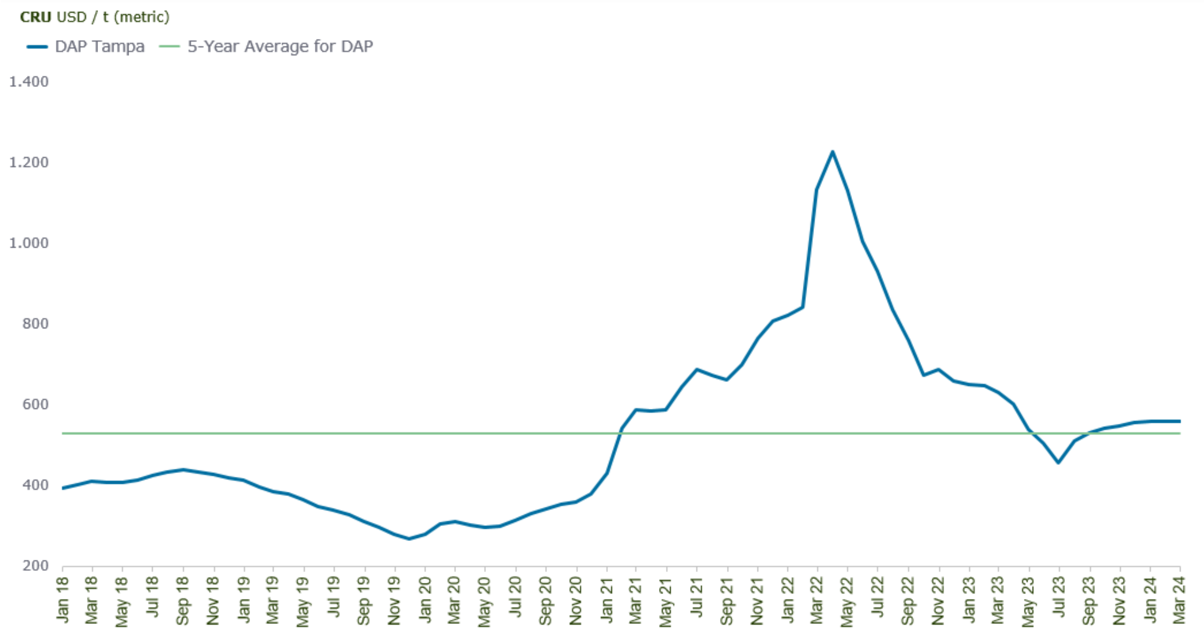
In 2018, the closure of certain facilities in the United States and as well as the steady growth of demand in India and Latin America supported growth of phosphate fertilisers prices. In 2019, phosphate fertiliser prices decreased by 15% due to the combined effect of increased supply, lower raw material prices (particularly sulphur), unfavourable weather conditions and the impact of Renminbi devaluation (both of which reduced demand).

The average price of fertilisers in 2020 decreased compared to the average price in 2019 due to the fall in prices of sulphur and ammonia linked to oversupply in the market. The fall in prices began at the end of 2019 and reached an average historic low of U.S.$260 per tonne in December 2019, after which the market experienced a recovery in prices from the first half of 2020. Prices have largely increased in 2021, with export prices increasing from U.S.$297 per tonne in 2020 to U.S.$533 per tonne in 2021 due to higher input prices.

In 2022, the export price of fertilisers continued to increase to U.S.$824 per tonne, driven by higher input prices, in particular increased prices for ammonia, sulphuric acid and sulphur.

In 2023, the export price of fertiliser decreased to U.S.$520 per tonne from U.S.$824 per tonne. This decrease was primarily due to lower input prices.

The following chart sets forth the evolution of DAP prices for the periods indicated.



Source: *CRU.*

Long-Term Global Demand and Supply Factors

In the longer term, the Group's management believes that a number of factors will drive demand for fertiliser products. These factors include:

- rising populations and limited arable land, leading to a decline in available arable land per capita, which results in the need for more intensive application of fertiliser products in order to achieve adequate crop yields;
- income growth in emerging economies resulting in changes in diet (such as increased consumption of meat, which results in increased demand for grain and other animal feed, and increased consumption of fruit and vegetables, which are higher-priced crops requiring higher fertiliser application rates to ensure crop yield and quality); and
- government policies and regulations in Morocco and the Group's export markets, as well as in other markets that are significant consumers of products sold by the Group, or markets where key raw materials suppliers of the Group operate, in particular regarding:
  - taxes on fertiliser imports and exports and phosphate import or export quotas;
  - allocation of subsidies to farmers;
  - environmental policies, especially those related to heavy metals;
  - climate change and greenhouse gas reduction targets; and
  - trade barriers such as anti-dumping duties and quotas.

Supply-related factors influencing fertiliser prices in the future most notably include changes in worldwide fertiliser production capacity and increased availability of fertiliser product exports from major producing regions such as the post-Soviet states, the United States, the Middle East, India and China. In particular, between 2015 and 2020, a number of fertiliser producers increased production capacity, resulting in downward pressure on global fertiliser prices with the DAP FOB Tampa index reaching a low of U.S.$260 per tonne on average in December 2019. As producers with relatively high production costs are particularly impacted by low price levels, certain producers have recently curtailed production while other producers are expected to postpone planned increases in production capacity, which could ease the downward pressure on prices. During the first two months of 2022, prices were relatively stable with the DAP FOB Tampa index showing U.S.$ per tonne on average. In April 2022 the price of fertiliser spiked after the Russia-Ukraine conflict, to U.S.$ per tonne. Prices started a gradual decline following the peak, impacted by downward pressure on demand due to high prices, notably in Europe, the U.S. and Brazil as well as the adverse weather conditions in the U.S. and Europe. The drop in Chinese exports due to the export restrictions imposed by the Chinese government partially offset this drop in demand.

The year ended 31 December 2023 was punctuated by a gradual recovery in demand against a backdrop of price normalisation and by a limited return of Chinese supply in a relatively concentrated manner in the second quarter. This return was accompanied by quotas and administrative procedures, which helped limit the increase in their exports, particularly in the second half of the year.

From July onwards, low fertiliser stocks in several markets, the concomitant advent of the high season in Brazil and India, the resumption of demand in the United States and Europe in particular and the low availability in China led to a recovery in prices, and consequently to renewed interest from importers.

Sales Volumes and Product Mix

Changes in the Group's sales volumes and product mix also significantly affect the Group's revenue and profitability.

The table below sets forth the Group's export sales volumes of phosphate rock, phosphoric acid and phosphate-based fertilisers for the periods indicated.

	Full Year		
	2023	**2022**	**2021**
	(million tonnes)		
Phosphate rock	5.7	5.2	9.9
Phosphoric acid	1.3	1.5	2.1
Phosphate-based fertilisers	11.3	8.7	10.5

The decrease in export sales of phosphate rock by volume in 2022 compared to 2021 was primarily due to the impact of the Russia-Ukraine conflict. Sales were down in Europe, India, Asia and Latin America due to higher prices.

During the same period, export sales volumes of phosphoric acid remained stable compared to 2021 due to the offsetting effect of lower volumes sold and higher prices. The increase in price was mainly due to the ban on exports to China and the impact of the Russia-Ukraine conflict, which resulted in increased input prices. Furthermore, a decline in volume was observed in India due to the significant impact of price increases, and in Europe, which experienced an overall decline in demand supported by the same factors.

Export sales volumes of fertilisers decreased in 2022 compared to 2021. The decrease in sales volumes was first observed in Latin America, mainly in Brazil, and then in Europe, following the sharp drop in demand caused by high prices as a result of the Russia-Ukraine conflict which increased ammonia, sulphur and sulphuric acid prices. In North America, particularly in Canada, the decline in demand was mainly due to drought. This decrease was partially offset by an increase in sales volumes in Africa, in part due to the Africa Relief Programme launched by the Group. The programme in part consists of fertiliser subsidies to meet the needs and support the demand, which were negatively impacted by the price increase. Asia, particularly in India, also experienced an increase in sales volumes, primarily due to the replenishment of depleted stocks in preparation for the next agricultural season.

There were limited changes in the Group's product mix in the year ended 31 December 2023 compared to the year ended 31 December 2022. In the year ended 31 December 2023, revenue from fertilisers, phosphoric acid, phosphate rock and other products was 66.2%, 8.0%, 16.7% and 9.1%, respectively, as compared to 64.5%, 10.7%, 16.1% and 8.7%, respectively, in the year ended 31 December 2022. The Group's strategy is to generally increase the proportion of end-products in its product mix (i.e., fertiliser as compared to phosphate rock) in order to benefit from stronger expected margins, although variations on a period to period basis will still occur due to supply and demand conditions. Fluctuations in the Group's fertiliser export mix are mainly related to market conditions and changes in regional demand.

Export sales volumes of fertilisers increased between 2022 and 2023, notably in Latin America, especially Brazil, thanks to the targeting of new markets, and in Europe, following the rise in demand resulting from favourable weather conditions. An increase in export volumes of phosphoric acid was also observed, especially to India, where OCP recorded a rise in commercial demand for acid. However, this increase was offset by lower volumes sold in Europe, as a result of reduced demand in this region. Export sales volumes of phosphate rock increased between 2022 and 2023, notably in India. 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.

A decrease in export volumes of phosphoric acid was observed mainly in Europe resulting from reduced demand in that region. However, an increase in volumes was observed in exports, particularly to India, where OCP saw an increase in commercial demand for acid.

Export sales volumes of fertilisers increased between 2022 and 2023, notably in South America, in particular in Brazil, due to targeting new markets, and in Europe, following increased demand resulting from favourable weather conditions.

Seasonality

The Group is subject to certain seasonal fluctuations in fertiliser demand due to the timing of fertiliser application and, as a result, fertiliser purchases by farmers. Fertiliser application periods differ from region to region which may lead to significant fertiliser demand variations through the year. In addition, purchasing timing by farmers and distributors could lead to increased seasonality and volatility in demand. The effect of seasonality on the Group's revenue is partially offset by the fact that the Group sells its fertilisers globally and that fertiliser application and purchases vary by region.

Exchange Rates

The Dirham/U.S. Dollar exchange rate and inflation trends in Morocco affect the Group's results of operations principally because: (i) a majority of the Group's consolidated revenue from sales of its products is denominated in U.S. Dollars, while a substantial portion of the Group's expenses are denominated in Dirhams; and (ii) a part of its borrowings and accounts payable is denominated in U.S. Dollars. Accordingly, fluctuations in the Dirham/U.S. Dollar exchange rate may significantly affect the Group's consolidated results of operations.

The following table sets forth the period average and period-end Dirham/U.S. Dollar exchange rates, as published by the Central Bank of Morocco, for the periods indicated:

	Average	Period End
	(Dh per U.S.$1.00)	
FY 2023	10.1316	9.8929
FY 2022	10.1606	10.4477
FY 2021	8.9886	9.2804

The EUR/U.S. Dollar exchange rate continued to be volatile in 2023, in reaction to uncertainties over central bank decisions to cool down inflation, impacting as a result the U.S. Dollar/MAD exchange rate. In March 2024, the Ministry of Economy and Finance and the Central Bank of Morocco announced an expansion of the band in which the Dirham fluctuates from 2.5% to 5% around an unchanged basket of currencies comprising the Euro (60%) and the U.S. Dollar (40%).

A depreciation of the Dirham would positively affect the Group's consolidated sales revenue in light of the breakdown of its transactional currency exposures. An improvement of the U.S. Dollar against the local currencies in the Group's export markets may, however, negatively affect the Group's consolidated sales revenue as its customers will demand lower prices for the Group's products in order to compensate for the depreciation of their currencies. Continued depreciation or similar depreciation experienced in other markets in which the Group operates could have a similar effect on demand for the Group's products. Any resulting lowering of the Group's prices will, in turn, adversely affect the Group's revenue. On the other hand, the Group has significant U.S. Dollar-denominated liabilities and any depreciation of the Dirham relative to the U.S. Dollar would result in foreign currency translation losses that are recognised in the Group's consolidated statement of comprehensive income.

The Group hedges its exposure to the U.S. Dollar/Dirham exchange rate, utilising a cash flow hedge between its highly probable future sales in U.S. Dollars (hedged item) and its U.S. Dollar-denominated bonds issued in 2014 and 2015 amounting to U.S.$1.25 billion (due April 2024) and U.S.$1 billion (due October 2025), respectively (hedging instrument). For further information, see Note 4 to the Group's Financial Statements. The Group's management regularly monitors the Group's currency risk and monitors changes in foreign currency exchange rates and its effect on the operations of the Group.

Costs of Raw Materials and Energy

Costs of raw materials (including energy costs) are the largest component of the Group's costs of purchases consumed, accounting for 73.3%, 86.3%, and 81.8% of the Group's purchases consumed in FY 2023, FY 2022 and FY 2021, respectively. The Group's costs of raw materials primarily relate to the Group's purchases of sulphur and sulphuric acid, ammonia and energy.

Costs of Sulphur and Sulphuric Acid

The Group's expenditures on sulphur and sulphuric acid accounted for 26.2%, 40.9%, and 44.4% of the Group's purchases consumed in FY 2023, FY 2022 and FY 2021, respectively.

Sulphur is the principal raw material used in the production of sulphuric acid, which is required for the production of the Group's phosphoric acid. The Group estimates that its consumption of sulphur amounted to 6.3 million tonnes in FY 2023, which represented approximately 20% of the worldwide sulphur market according to CRU.

The Group's average sulphur consumption cost per tonne was U.S.$170, U.S.$301 and U.S.$127 in FY 2023, FY 2022 and FY 2021, respectively. As sulphur is a by-product of the oil and gas industry, the production of sulphur has historically been driven by trends unrelated to the fertiliser market. In recent years, sulphur prices were volatile as a result of the COVID-19 pandemic, which led to reduction of oil refining rates and therefore lower sulphur output. At the same time, in terms of demand conditions, there has been healthy demand in most downstream industries (such as phosphate fertilisers, with demand due to a recovery in crop prices, and in industrial applications with increased demand due to government stimulus packages) which has supported the high sulphur demand. This was reflected by the decline of sulphur stocks in many countries, including China and other Central Asian countries. In the first half of 2022, with the start of the Russia-Ukraine conflict and rapid increase of commodity prices, sulphur prices have increased further. In this high price environment, the Group was able to nonetheless secure its sulphur requirements mainly from long-term contracts with large producers to ensure stable supply at competitive prices. From mid-2022, sulphur prices entered into a declining price environment as supply improved globally, with recovery of oil refineries output and new capacities that were previously delayed gradually starting to ramp up. In terms of demand conditions, demand from downstream industries has slowed. This resulted in sulphur prices returning to historical levels. In this context, the Group believes that it occupied a favourable position in negotiations and that the prices it is able to negotiate are among the most competitive in the market due to the Group's diversification policy and buying power. Additionally, the Group is optimising sulphur deliveries through appropriate planning, including optimising logistics costs by increasing cargo sizes of deliveries when possible.

The sulfur market experienced a downward price trend in the first half of 2023, due to limited demand from fertiliser producers and offset the return to normal supply conditions (relative to the tighter conditions 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 of 2023, increased demand from fertiliser producers drove higher sulfur prices, which reached \$113/t FOB Middle East in mid-September. However, in the fourth quarter of 2023, the sulfur market weakened, due to limited demand from China in the context of the end-of-the-autumn fertiliser season and restrictions on DAP/MAP exports. In addition, weak nickel prices led to a reduction in Indonesian demand. Moreover, supply was healthy throughout the fourth quarter supported by crush lump exports from Saudi Arabia and Kazakhstan. As a result of the weak demand and strong levels of supply, 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 low periods of the cycle, OCP benefited from favorable market conditions to build up a strategic stock.

Costs of Ammonia

The Group's expenditures on ammonia accounted for 30.1%, 36.5%, and 23.5% of the Group's purchases consumed in FY 2023, FY 2022 and FY 2021, respectively.

Ammonia is used in the production of MAP, DAP and NPK, as well as specialised fertiliser products, such as sulphur and fertilisers enriched with micronutrients. Ammonia prices were on an upward trend during the course of 2021 due to favourable demand dynamics from downstream industries supported by government stimulus packages and reduction of supply due to technical outages. In 2022, ammonia prices continued to increase as a result of the Russian invasion of Ukraine in early 2022, which led to a reduction of supply. Additionally, high gas prices in Europe contributed to price volatility. After reaching the peak in the second quarter of 2022, ammonia prices started to decrease due to supply growth in the Middle East coupled with softening demand.

The Group purchased ammonia from various sources, including Ukraine. After ammonia exports were interrupted in March 2022 due to the Russia Ukraine conflict, the Group was able to quickly source ammonia from other suppliers in the Middle East. Although the Group was able to source ammonia from alternative suppliers, initially the Group had to procure ammonia at spot prices before being able to enter into short-term contracts with such alternative suppliers.

During the first half of 2023, ammonia prices continued on a downward trend due to limited demand, coupled with relatively low natural gas prices. The Group further diversified its ammonia suppliers and was able to capitalise on the declining ammonia prices by entering into contracts with suppliers in Asia and the Middle East. In 2023, the Group purchased approximately 1.7 million tonnes of ammonia. The Group expects its annual imports of ammonia to increase to approximately 2 million tonnes after the start-up of three new granulation lines with a capacity of one million tonnes each, which the Group expects to be commissioned before the end of 2024. These lines will benefit from phosphoric acid coming from Line F and additional capacity generated through the Group's efficiency programmes. The second phase of the Capital Expenditure Plan is expected to increase the Group's capacity to 18 million tonnes of granulation, resulting in further increases in annual imports of ammonia. See "*Business—Strategies—Increase Commercial Agility and Industrial Flexibility*". In 2019, the Group entered into a long-term agreement for the purchase of ammonia with Gulf Coast Ammonia ("**GCA**") as from the start-up of GCA's new production unit (expected in the third quarter of 2024).

The Group's average ammonia consumption cost per tonne was U.S.$614, U.S.$1,096, and U.S.$444 in FY 2023, FY 2022 and FY 2021, respectively.

During the first half of 2023, the ammonia market experienced a downward trend, due to reduced demand from the fertiliser 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 resulted in moderate price recovery up to approximately $577 FOB Caribbean. The subsequent 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 diversified long-term contracts and managed to ensure smooth production continuity despite a significant increase in export disruptions from Ma'aden and Southeast Asia.

Energy Costs

The Group's purchases of energy from third parties accounted for 8.4%, 5.4%, and 9.2% of the Group's purchases consumed in FY 2023, FY 2022 and FY 2021, respectively. The decrease in percentage of purchases of energy from third parties was due to the proportional increase of other costs, including the increased purchasers of sulphur, ammonia and sulphuric acid.

As the Group's fertiliser production operations are, to a certain extent, energy self-sufficient, the Group's third-party purchases of energy mainly consist of electricity for use at the Group's mining and phosphate rock production facilities as well as fuel and diesel. In FY 2022, electricity, fuel and diesel comprised 40.7%, 32.8% and 22.3% of the Group's purchases of energy from third parties, respectively. In FY 2023, electricity, fuel and diesel comprised 46.0%, 31.5% and 18.8% of the Group's purchases of energy from third parties, respectively.

Morocco is a net importer of energy. Accordingly, the Moroccan economy and, in turn, the Group's energy prices, are subject to fluctuations from changes in international energy prices, in particular oil prices. Energy prices have been volatile in recent periods, with an increasing trend between 2017 and 2018, reductions in 2019 and a sharp reduction in 2020 following global oil price trends. This was followed by increases during 2021; energy prices have continued to increase and are expected to continue to remain elevated or rise further through, at least, part of 2023 due to, among other things, the widening gap between supply and demand and the Russia-Ukraine conflict (which is likely to continue to cause additional price and supply shocks).

The Group's average electricity consumption cost per kWh was U.S.$0.09, U.S.$0.08 and U.S.$0.09, in FY 2023, FY 2022 and FY 2021, respectively.

The Group's average fuel consumption cost per tonne was U.S.$554, U.S.$581 and U.S.$479 in FY 2023, FY 2022 and FY 2021, respectively.

The Group's average diesel consumption cost per litre was U.S.$1.1, U.S.$1.2 and U.S.$0.8 in FY 2023, FY 2022 and FY 2021, respectively.

Capital Expenditure

In 2008, the Group launched its Capital Expenditure Programme which the Group believes will improve its operating performance and help the Group strengthen its positions across the phosphate value chain. The Group has completed the first phase which included a number of industrial projects, including:

- a slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar (with a length of 234 km, including secondary pipes and an annual capacity of up to 38 million tonnes), launched in April 2014 to reduce dependency on train transportation and reduce the Group's transportation costs;
- the expansion of two mines in Khouribga (Sidi Chennane & Merah) and the opening of one new mine (Beni Amir), as well the construction of two new washing plants;
- the start of operations of four new integrated fertiliser units in Jorf Lasfar, of one million tonnes capacity each;
- the start of operations of a new phosphoric acid unit (Line E) in Jorf Lasfar, which has a 450kt phosphoric acid capacity;
- the revamping of its existing lines in Maroc Phosphore 3&4, in Jorf Lasfar, to achieve both an adaptation to the slurry pulp and to free up additional phosphoric acid capacity;
- the expansion of the Jorf Lasfar port capacity by approximately 20 million tonnes; and
- the start of operations of a 25 million cubic metre new desalination plant in Jorf Lasfar.

As part of the second phase of the Capital Expenditure Programme, the Group launched a new strategic programme devoted to raising fertiliser production, investing in new green fertilisers and renewable energy. The Green Investment Programme aims to increase production capacity from the current 15 million tonnes of fertiliser to 20 million tonnes by 2027. The Group has commenced the second phase which included a number of industrial projects, including:

- Meskala: development of new mining capacities in Meskala in the Essaouira, with studies and prospections under way;
- M'zinda: development of a new chemical and mining complex in M'zinda, which will process rock from the mines at Ben Guerir and Youssoufia as well as from the new mine in Meskala;
- Khouribga: development of one new mine with its washing plant, and the expansion of both the Beni Amir mine and its washing plant;

- Gantour: the expansion of the Ben Guerir mine and the construction of a new washing plant (construction has nearly completed) and the development of a new mine in Louta with a new washing plant;

- Boucraâ: the expansion of its existing mine with a new washing plant, new storage and handling capacities, and a new drying port infrastructure dedicated to exporting (the majority of these projects have started); and

- Tarfaya: installation of a green ammonia production complex, which is planned in the south of Tarfaya and which is expected to have a capacity of 1 million tonnes per year, powered by a solar and wind farm, with a total capacity of 3.8GW.

In addition, as part of the Green Investment Programme, the Group has also secured a €100 million loan from the International Finance Corporation to fund the Group's solar projects and construct four solar photovoltaic power plants to supply the Group's facilities in Morocco. The facilities, which will have a combined capacity of 202 megawatts, will be built near the mining towns of Ben Guerir in the Rehamna region and Khouribga, 120 km southeast of Casablanca. In October 2023, the Group also signed a second €100 million loan with International Finance Corporation to fund the additional 400 MW (with a first phase of 100 MW). The Group is building these solar photovoltaic plants as part of its approach to cover all of its electricity needs through wind, solar and cogeneration (recovery of thermal energy released during the production of sulphuric acid) by 2027. The Group's recently established affiliate, OCP Green Energy, is expected to oversee the implementation of the first phase of this project. The Group has also signed three loan agreements with AfDB for green investment totalling $188 million as part of the financing for OCP Group's Green Investment Program.

The first loan, amounting to $150 million from the AfDB, and the second loan, amounting to $18 million from the Canada Climate Fund – African Development Bank, will be used to finance the construction of three modular seawater desalination plants for the Group. These plants are expected to have a total annual capacity of 110 million cubic meters, with the aim to provide OCP Group's industrial and mining sites with 100% if its water needs from non-conventional sources. The project will supply up to 75 million cubic meters of drinking water to the cities of Safi, El Jadida, and the areas neighbouring OCP Group's Safi and Jorf plants.

The Group is also considering a number of additional projects at its chemical sites, as part of the second phase of the Capital Expenditure Programme. The below major second phase projects have been started.

In Jorf Lasfar:

- The construction of a new phosphoric acid line (Line F) with a capacity of 450 thousand tonnes phosphoric acid. Production started in March 2023;

- the construction of three granulation lines with a capacity of one million tonnes each, which the Group expects to be commissioned before the end of 2024. These lines will benefit from phosphoric acid coming from Line F and from the freed-up capacity from efficiency programmes;

- additional phosphoric acid capacity gains through increased efficiency which will amount to a total of 350 kilo tonnes of phosphoric acid capacity (the project has started);

- the construction of sulphuric acid plants with a total capacity of 3.3 million tonnes (construction has started);

- the construction of additional capacity for customised fertilisers (400 kilo tonnes of water-soluble MAP) by 2026;

- the construction of production units for TSP fertilisers, with a capacity of approximately 1000 kilo tonnes by the second half of 2025;

- the construction of production units for purified phosphoric acid, with a first capacity productions of approximately 280 kTP2O5 by end of 2026 – early 2027;

- the construction of production units for the recovery and valorisation of fluorine with a capacity of approximately 20 kilo tonnes of anhydrous hydrogen fluoride ("**AHF**") by 2026;

- the construction of production units for the transformation of AHF into AlF3 with a capacity of approximately 28 kilo tonnes of aluminium fluoride ("**AlF3**") by 2026;

- the construction of production units for the recovery and valorisation of non-enriched uranium with a capacity of approximately 0.4 million lbs of U3O8 by 2026 and 1.7 million lbs by 2029;

- the construction of production units for components for lithium iron phosphate ("**LFP**") batteries with a capacity of approximately 30 kilo tonnes of the material compound LiFePO4 by 2026;

- the construction of phosphate animal feed production units with a total capacity of 150 kilo tonnes by 2026 and 150 kilo tonnes by 2027; and

- the construction of a green ammonia production facility (capacity of 100KT p.a.) by 2026 being integrated in the existing industrial platform, with the objective of ammonia production and technology assessment.

In Gantour-Safi:

- The construction of fertiliser production units with a total capacity of 4.5 million tonnes of customised phosphate fertilisers between 2025 and 2027; and

- the expansion, among other things, of port and storage facilities to accommodate the increase in phosphate rock and fertiliser exports.

In Boucraâ:

- The construction of a fully integrated fertiliser production unit that is expected to start operations by 2026 with a capacity of one million tonnes; and

- a new port adapted to processing operations (construction has started).

For additional information, see "*Business—Strategies—Improve Efficiency and Increase Industrial Capacity*" below.

Based on current plans, the total estimated costs of the Capital Expenditure Programme since its launch in 2008 to 2027 are expected to be approximately U.S.$21 billion[4] (Dh 210 billion), with approximately U.S.$8 billion (Dh 86 billion) already incurred between 2008 and 2022 in its first phase, and the

[4] For convenience, figures expressed in U.S.$ in this paragraph have been translated into U.S.$ at the average Dh/U.S.$ exchange rate for the year ended 30 December 2023 as published by the Central Bank of Morocco, which was Dh 9.8929 per U.S.$1.00. Such translation is not reflective of a translation in accordance with IFRS and it should not be construed as a representation that the Dh amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

remainder expected to be incurred between 2023 and 2027 as part of the Green Investment Programme. In the year ended 31 December 2023, the Group incurred U.S.$2.65 billion (Dh 26.8 billion) in costs related to the Capital Expenditure Programme. These costs are expected to be funded from internally generated cash flows, existing and future external financings and the proceeds of the Notes. Accordingly, the Group expects its interest costs to increase in the future. When and if completed, the projects that are the subject of the Capital Expenditure Programme are expected to improve the Group's operating performance and help the Group strengthen its position across the phosphate value chain.

Costs of Transportation

The Group offers to sell products to its customers on the basis of certain industry-standard delivery terms reflecting different levels of the Group's responsibilities in terms of the cost and execution of delivery of its products.

When the Group arranges and pays for transport, the Group's selling prices are higher and include expected freight and rail costs to the point of delivery, resulting in higher revenue and external expenses.

The Group's external expenses corresponded to 10.6%, 10.3% and 11.8% of the Group's total revenue in FY 2023, FY 2022 and FY 2021, respectively. Transport costs (including rail costs) is the largest component of the Group's external expenses, amounting to 49.2%, 53.8% and 66.7% of total external expenses in FY 2023, FY 2022 and FY 2021, respectively.

As the Group's selling prices must remain competitive with prices charged by other suppliers, the Group's profit margins may be adversely affected to the extent the Group is required to compete with suppliers who have lower delivery costs to the customer.

Historically, the Group relied on railway transportation as the principal means of transporting phosphate rock from its mines to the Group's processing facilities and to the ports of Casablanca and Safi for export.

The Group continues to rely on railway transportation as the principal means of transporting certain raw materials that the Group imports from ports to the Group's production facilities and as the primary means of transporting phosphate rock from Gantour to Safi. As a result, the Group's operations depend, to a degree, on ONCF. The Group has historically negotiated tariffs with ONCF through long-term agreements using a pricing formula, and the current agreement currently being negotiated with the ONCF. The Group is not always able to pass on to its customers increases in railway transportation costs associated with the delivery of raw materials to or between Group companies and the delivery of the Group's products to ports for onward transportation overseas to the Group's export customers. Accordingly, the Group may not be able to increase its prices to fully recoup any future railway tariff increases, which could have a material adverse effect on the Group's profit margins.

Descriptions of Principal Income Statement Items

Descriptions of certain principal income statement items are set forth below.

Revenue

The Group principally derives revenue from the sale of goods and services in the ordinary course of business through three business divisions: Northern Axis, Central Axis and Headquarters and Other. The Group is undergoing an internal reorganisation into Strategic Business Units, as described in *Business—Internal Reorganisation and Strategic Business Units*, which will result in changes to the Group’s business divisions for the Group's future financial reporting. The Group's products principally include phosphate rock, phosphoric acid and phosphate-based fertilisers.

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

Production Held as Inventory

Production held as inventory represents the difference between the opening and closing inventories for goods and services stored. Production held as inventory is valued at the production cost of the finished products and services held as inventory.

Purchases Consumed

Purchases consumed includes the costs of raw materials and supplies, adjusted for opening and closing inventories, as well as the costs of goods, services and studies that cannot be held as inventory. Purchases of raw materials and other consumables typically represent the largest portion of such expenses, with ammonia, sulphur and energy representing the most significant components.

External Expenses

External expenses include transportation expenses incurred bringing the Group's goods in a saleable condition and to a location agreed with the customers and other parties (freight out), as well as other expenses relating to the Group's operating transport costs, external personnel, contributions and donations, maintenance and repairs, insurance and rental charges.

Personnel Expenses

Personnel expenses include the salaries of the Group's employees and the related social security expenses, as well as certain retirement and other employee benefits.

Amortisation, Depreciation and Operating Provisions

See Notes 8 and 9 to the Financial Statements for a description of the Group's amortisation, depreciation and operating provisions policies.

Other Operating Income and Expenses

Other operating revenue and expense includes exchange gains or losses on accounts receivable and payable, as well as other income and expenses generated by the Group's operational activities.

Other Non-Recurring Operating Income and Expenses

Other non-recurring income and expenses include: (i) profit or loss from disposals of intangible assets and property, plant and equipment; (ii) restructuring costs and costs relating to workforce adjustment measures; and (iii) unusual items corresponding to income and expenses that are unusual in terms of their frequency, nature or amount.

Financial Profit (loss)

Financial profit represents financial income from cash investments and other financial income less cost of gross financial debt and other financial expense. Financial income from cash investments includes income from investments of cash and cash equivalents, as well as financial cash assets. Cost of gross financial debt includes interest charges calculated using the effective interest rate method, the costs relating to early repayment of loans or the cancellation of credit lines.

Corporate Income Tax

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

Deferred tax is determined according to the balance sheet approach. The Group applied the liability method. The Group recognises 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.

The Moroccan Finance Law 2023 enacted changes to the applicable CIT rates, particularly the rates applicable as from 2023 to mining and exporting companies such as OCP. This law replaced the prior reduced rate of 20% for mining and exporting activities with CIT rates increasing gradually to 35% in 2026 for taxable profits exceeding 100 million MAD and 20% for taxable profits equal to or lower than 100 million MAD.

Results of Operations

The following table sets forth the Group's consolidated results of operations for each of the periods indicated.

	Full Year		
	2023	2022	2021
		(Dh millions)	
Revenue	91,277	114,574	84,300
Production held as inventory	(6,993)	10,403	278
Purchases consumed	(33,750)	(54,596)	(29,360)
External expenses	(9,671)	(11,754)	(9,969)
Personnel expenses	(11,518)	(11,615)	(10,550)
Taxes	(313)	(306)	(278)
Profit (loss) from joint ventures	774	1,887	1,185
Exchange gains and losses on operating receivables and payables	(697)	1,010	620
Other operating income and expenses	287	471	44
EBITDA	**29,396**	**50,076**	**36,269**
Amortisation, depreciation and operating provisions	(8,394)	(8,435)	(9,016)
Operating profit before exceptional items	**21,002**	**41,640**	**27,254**
Other non-recurring operating income and expenses	(2,135)	(1,258)	(1,454)
Operating profit (loss)	**18,866**	**40,382**	**25,799**
Cost of gross financial debt	(3,141)	(2,508)	(2,384)
Financial income from cash investments	526	222	161
Cost of net financial debt	**(2,615)**	**(2,286)**	**(2,223)**
Exchange gains and losses on financial receivables and payables	863	(3,366)	(899)
Other financial income and expenses	(713)	(374)	(2,178)
Financial profit (loss)	**(2,465)**	**(6,026)**	**(5,299)**
Profit (loss) before tax	**16,401**	**34,356**	**20,500**
Corporate income tax	(2,105)	(6,122)	(4,164)
Net profit (loss) for the period	**14,296**	**28,233**	**16,336**

Comparison of Results of Operations for FY 2023 and FY 2022

Revenue

Revenue decreased by Dh 23.3 billion, or 20.2%, to Dh 91.3 billion in FY 2023 from Dh 114.6 billion in FY 2022, mainly due to a reduction in selling prices.

The following table sets forth the components of the Group's revenue for the periods indicated:

	Full Year		
	2023	2022	Change
	(Dh millions)		(%)
Phosphate rock	15,241	18,492	-17.6
Fertiliser	60,441	73,851	-18.2
Phosphoric acid	7,312	12,272	-40.4
Other income[(1)]	8,284	9,959	-16.8
Total Revenue	**91,277**	**114,574**	**-20.3**

(1) Other income comprises freight, resale of sulphur products and other ancillary products.

Net Sales of Phosphate Rock

Phosphate sales decreased by Dh 3.3 billion, or 17.6%, to Dh 15.2 billion in FY 2023 from Dh 18.5 billion in FY 2022, mainly as a result of a decline in sales prices dropping from $233/T FOB in 2022 to $157/T FOB on the export market in 2023, correlating with the significant fall in fertiliser prices.

A decline in volumes sold was noted in Europe, attributable to reduced activity in this region. However, this drop was offset by an increase in volumes to India as well as to PMP and IMACID joint ventures.

Average prices increased from $157/T FOB to $233/T FOB on the international market between 2023 and 2022, respectively.

The following table sets forth certain information regarding the Group's phosphate rock sales revenue and volumes for the periods indicated:

	Full Year		
	2023	**2022**	**Change**
			(%)
Phosphate rock (*Dh millions*)[(1)]	15,241	18,492	-17.6
Phosphate rock, volumes (*thousands of tonnes*)	10,697	7,921	35.0
Average price per tonne (U.S.$)[(2)]	141	229	-38.6

(1) After elimination of intra-group sales (FOB prices).
(2) Average price per tonne is calculated by dividing net sales revenue by sales volumes.

Net Sales of Fertilisers

Fertiliser sales recorded a decrease of Dh 13.4 billion, or 18.2%, to Dh 60.4 billion in FY 2023 from Dh 73.9 billion in FY 2022, primarily due to the decline in fertiliser prices in the international market following the decline in raw material purchasing prices. Fertiliser prices in the international market dropped from $824/MT in 2022 to $520/MT in 2023. However, fertiliser volumes saw an increase between the two periods, particularly towards Latin America, notably Brazil, due to new markets targeting, and towards Europe, following the rise in demand resulting from favourable weather conditions.

The following table sets forth certain information regarding the Group's fertiliser sales revenue and volumes for the periods indicated:

	Full Year		
	2023	**2022**	**Change**
			(%)
Fertilisers (*Dh millions*)[(1)]	60,441	73,851	-18.2
Fertilisers, volumes (*thousands of tonnes*)	11,791	9,129	29.2
Average price per tonne (U.S.$)[(2)]	507	797	-36.4

(1) After elimination of intra-group sales.
(2) Average price per tonne is calculated by dividing net sales revenue by sales volumes.

Net Sales of Phosphoric Acid

Phosphoric acid sales decreased by Dh 5.0 billion, or 40.4%, to Dh 7.3 billion in FY 2023 from Dh 12.3 billion in FY 2022.

This trend is due to a drop in the prices of phosphoric acid of 39.2%, dropping from $1,550/ton in 2022 to $967/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.

The following table sets forth certain information regarding the Group's phosphoric acid sales revenue and volumes for the periods indicated:

	Full Year		
	2023	**2022**	**Change**
			(%)
Phosphoric acid (*Dh millions*)[(1)]	7,312	12,272	-40%
Phosphoric acid, volumes (*thousands of tonnes*)	745	784	-5%
Average price per tonne (U.S.$)[(2)]	967	1,550	-38%

(1) After elimination of intra-group sales.
(2) Average price per tonne is calculated by dividing net sales revenue by sales volumes.

Revenue from Other Income

The Group's other income mainly consists of the freight activity and sales of other auxiliary products such as Liquid Sulphur, Urea, Ammonium sulphate and nitrate, carbonate nitrates, potassium chloride and potassium sulphate. Revenue from other income decreased by Dh 1.7 billion, or 16.8%, to Dh 8.3 billion in FY 2023 from Dh 10.0 billion in FY 2022, primarily due to the drop of freight and other products prices.

Purchases Consumed

Purchases consumed decreased by Dh 20.8 billion, or 38.2%, to Dh 33.8 billion in FY 2023 from Dh 54.6 billion in FY 2022, primarily due to a decrease in the prices of raw materials purchased, in particular sulphur, ammonia and sulphuric acid.

Energy consumption remained at relatively constant Dh 2.8 billion during 2023, as compared to 2022. This was driven in particular by positive price and volume effects on diesel and fuel oil, offset by an increase in electricity expenses mainly due to a negative price effect and a higher volume linked to the activity.

Purchases of works, studies and services increased by Dh 0.5 billion to Dh 2.7 billion in 2023, compared to Dh 2.1 billion in 2022, mainly explained by the increase in product preparation and shipping services, as well as by the development of the UM6P ecosystem.

The following table sets forth the components of the Group's purchases consumed for the periods indicated:

	Full Year		
	2023	**2022**	**Change**
	(Dh millions)		**(%)**
Purchases of materials and supplies	3,636	2,815	29.2
Purchases of raw materials	21,918	44,191	-50.4
Energy consumption	2,831	2,947	-3.9
Spare parts	811	795	2.0
Purchases of works, studies and services	2,654	2,141	24.0
Water supply	83	145	-42.7
Auxiliary materials and other purchases	1,816	1,561	16.3
Total purchases consumed	**33,750**	**54,596**	**-38.2**

External Expenses

External expenses decreased by Dh 2.1 billion, or 17.7%, to Dh 9.7 billion in FY 2023 from Dh 11.8 billion in FY 2022, This decrease is mainly observed in sales-related shipping, in correlation with the decrease in freight prices. In addition, this decrease is mainly due to the base effect with respect to reduction in 2023 contributions and donations of Dh 1.2 billion as compared to the recording of a high number of fertiliser donations intended for African countries during the 2022 spike in global fertiliser prices.

The following table sets forth the components of the Group's external expenses for the periods indicated:

	Full Year		
	2023	**2022**	**Change**
	(Dh millions)		**(%)**
Transport	4,755	6,320	-24.8
ONCF transport on sales	882	651	35.4
Shipping on sales-Freight	3,490	4,772	-26.9
Truck phosphates transport	209	320	-34.8
Personal transport	108	98	10.0
Other operating transport	66	478	-86.3
Consulting and fees	645	598	8.0
Contributions and donations	336	1,513	-77.8
Maintenance and repairs	1,545	1,573	-1.7
Leases and lease expenses	263	159	65.5
Insurance premiums	343	343	0.0
Advertising, publications and public relations	330	234	41.4
Postal and telecommunications expenses	165	186	-11.1
Study, analysis, research and documentation	39	115	-65.7
Remuneration of personal outside the company	365	233	56.6
Other external expenses	884	481	83.9
Total external expenses	**9,671**	**11,754**	**-17.7**

Personnel Expenses

Personnel expenses remained relatively stable and decreased by Dh 97 million, or 0.8%, to Dh 11.5 billion in FY 2023 from Dh 11.6 billion in FY 2022.

The following table sets forth the components of the Group's personnel expenses for the periods indicated:

	Full Year		
	2023	**2022**	**Change**
	(Dh millions)		**(%)**
Employee remuneration and related social charges	9,389	9,539	-1.6
Retirement benefits and medical cover	1,322	1,380	-4.2
Other employee benefits	806	696	15.9
Total personnel expenses	**11,518**	**11,615**	**-0.8**

Other non-recurring operating expenses

Other non-recurring operating expenses increased by Dh 0.9 billion, to Dh 2.1 billion in FY 2023 from Dh 1.3 billion in FY 2022, primarily due to on the one hand, the granting of a donation of Dh 1 billion for the benefit of the Alhaouz Special Earthquake Fund. On the other hand, the increase was due to the increase in the cost of social solidarity tax of Dh 496 million. This increase was partially offset by the recognition of a consolidation capital gain of Dh 1,390 million dirhams following the takeover of Société d'Aménagement et de Développement de Mazagan Ltd ("**SAEDM**").

Amortisation, Depreciation and Operating Provisions

Amortisation, depreciation and operating provisions decreased by Dh 41 million, to Dh 8.4 billion in FY 2023, primarily due to the decline of amortisation charges for tangible assets for Dh 337 million following the extension of useful lives at JFCs, and also for intangible assets for Dh 186 million. This decrease was almost wholly offset by the recognition in 2023 of a provision for litigation relating to the completion of industrial projects for an amount of Dh 565 million.

Operating Profit (Loss)

As a result of the foregoing, operating profit decreased by Dh 21.5 billion, or 53.3%, to Dh 18.9 billion in FY 2023 from Dh 40.4 billion in FY 2022.

Financial Profit (loss)

Financial loss decreased from a loss of Dh 6.0 billion in FY 2022 to a loss of Dh 2.5 billion in FY 2023, mainly due to a decrease in exchange income from financing operations from a loss of Dh 3.4 billion in FY 2022 to a gain of Dh 0.9 billion in FY 2023.

The cost of gross financial debt increased by DH 633 million mainly due to an increase in interest expenses resulting from certain loans taken out in 2023 at a higher interest rate.

Exchange rate result from financing operations increased by Dh 4.2 billion compared to 2022, due to the impact of the change in exchange rates on borrowings and financial debts denominated in foreign currencies. The Dh/U.S.$ exchange rate fell from 10.45 on 31 December 2022, to 9.89 on 31 December 2023.

Additionally, other financial income and expenses includes a net financial expense of Dh 592 million related to the discounting of the remaining VAT credit.

The following table sets forth the components of the Group's financial profit (loss) for the periods indicated:

	Full Year		
	2023	**2022**	**Change**
	(Dh millions)		**(%)**
Cost of gross financial debt	(3,141)	(2,508)	25%
Financial income from cash investments	526	222	137%
Cost of net financial debt[1]	(2,615)	(2,286)	14%
Exchange gains and losses on financial receivables and payables	863	(3,366)	+126%
Other financial income and expenses, net	(713)	(374)	91%
Total financial profit (loss)	**(2,465)**	**(6,026)**	**-59%**

(1) Cost of net financial debt includes (i) cost of gross debt, including interest charges calculated using the effective interest rate method, the costs of early repayment of loans or cancellation of lines of credit and (ii) financial income from cash investments, comprising income from investments of cash and cash equivalents as well as financial cash assets.

Corporate Income Tax

Total tax expense decreased from Dh 6.1 billion in FY 2022 to Dh 2.1 billion in FY 2023, a decrease of Dh 4.0 billion. Following the decrease in tax expenses recorded at OCP SA and certain of its subsidiaries, the line "current tax expense/income" mainly concerns the minimum contribution on turnover.

In addition, the Group records deferred tax expenses due to the impact of the extension of the useful lives of its equipment and technical installations, as well as 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.

The following table sets forth the details of the Group's corporate income tax expenses for the periods indicated:

	First Half *(unaudited)*		
	2023	**2022**	**Change**
	(Dh millions)		**(%)**
Current tax expense	578	5,937	-90%
Deferred tax expense	1,527	185	>100%
Total corporate income tax	**2,105**	**6,122**	**-66%**

Net profit (loss) for the period

As a result of the foregoing, the Group's net profit for the period decreased from a profit of Dh 28.2 billion in FY 2022 to a profit of Dh 14.3 billion in FY 2023, a decrease of Dh 13.9 billion.

Comparison of Results of Operations for FY 2022 and FY 2021

Revenue

Revenue increased by Dh 30.3 billion, or 35.9%, to Dh 114.6 billion in FY 2022 from Dh 84.3 billion in FY 2021, primarily due to the increases in prices as a result of the impacts of the Russia-Ukraine conflict.

The following table sets forth the components of the Group's revenue for the periods indicated:

	Full Year		
	2022	**2021**	**Change**
	(Dh millions)		**(%)**
Phosphate rock	18,492	12,216	51.4
Fertiliser	73,851	51,284	44.0
Phosphoric acid	12,272	12,209	0.5
Other income[(1)]	9,959	8,590	15.9
Total Revenue	**114,574**	**84,300**	**35.9**

(1) Other income comprises freight, resale of sulphur products and other ancillary products.

Net Sales of Phosphate Rock

Phosphate sales increased by Dh 6.3 billion, or 51.4%, to Dh 18.5 billion in FY 2022 from Dh 12.2 billion in FY 2021, due to higher prices. This trend was supported by the positive fertiliser and raw material price environment during the period.

The significant increase in prices was offset by the decline in export volumes. The decline in volumes to Europe, India, Asia and Latin America were primarily due to reduced demand due to higher fertiliser prices as a result of the consequences of the Ukrainian conflict.

In the domestic market, the decline in volumes was related to the reduction in phosphoric acid production at Pakistan Marco Phosphore-PMP and Indo Maroc Phosphore-IMACID.

The following table sets forth certain information regarding the Group's phosphate rock sales revenue and volumes for the periods indicated:

	Full Year		
	2022	**2021**	**Change**
			(%)
Phosphate rock (*Dh millions*)[(1)]	18,492	12,216	51.4
Phosphate rock, volumes (*thousands of tonnes*)	7,921	13,082	(39.5)
Average price per tonne (U.S.$)[(2)]	229	104	>100%

(1) After elimination of intra-group sales (FOB prices).
(2) Average price per tonne is calculated by dividing net sales revenue by sales volumes.

Net Sales of Fertilisers

Fertiliser sales increased by Dh 22.6 billion, or 44.0%, to Dh 73.9 billion in FY 2022 from Dh 51.3 billion in FY 2021, primarily due to the significant rise in fertiliser prices on the international marked, driven by the increase in input prices, especially for ammonia, sulphuric acid and sulphur. International market price per tonne increased from U.S.$533 per tonne in 2021 to U.S.$824 per tonne in 2022. This increase was partially offset by lower volumes exported. The decrease in sales volumes was first observed in Latin America, mainly in Brazil, and then in Europe, following the sharp drop in demand caused by high prices as a result of the Russia-Ukraine conflict. In North America, particularly in Canada, the decline in demand was mainly due to drought. This decrease was partially offset by an increase in sales volumes in Africa, in part due to the Africa Relief Programme launched by the Group. The programme in part consists of fertiliser subsidies to meet the needs and support the demand, which were strongly impacted by the price increase. Asia, particularly in India, also experienced an increase in sales volumes, primarily due to the replenishment of depleted stocks in preparation for the next agricultural season.

The following table sets forth certain information regarding the Group's fertiliser sales revenue and volumes for the periods indicated:

	Full Year		
	2022	**2021**	**Change**
			(%)
Fertilisers (*Dh millions*)[(1)]	73,851	51,283	44.0
Fertilisers, volumes (*thousands of tonnes*)	9,129	10,916	(16.4)
Average price per tonne (U.S.$)[(2)]	797	521	52.9

(1) After elimination of intra-group sales.
(2) Average price per tonne is calculated by dividing net sales revenue by sales volumes.

Net Sales of Phosphoric Acid

Sales of phosphoric acid remained relatively stable and increased slightly by 0.5% between 2021 and 2022, or Dh 63 million. This slight increase was mainly explained by the offsetting effects of lower volumes sold and higher prices. The increase in prices was mainly due to the ban on exports to China and the Ukrainian war, which resulted in an increase in input prices. This was partially offset by a decline in volume exported to India and Europe due to a decline in demand.

The following table sets forth certain information regarding the Group's phosphoric acid sales revenue and volumes for the periods indicated:

	Full Year		
	2022	2021	Change
			(%)
Phosphoric acid (*Dh millions*)[1]	12,272	12,209	0.5
Phosphoric acid, volumes (*thousands of tonnes*)	784	1,318	(40.5)
Average price per tonne (U.S.$)[2]	1,550	1,029	50.5

(1) After elimination of intra-group sales.
(2) Average price per tonne is calculated by dividing net sales revenue by sales volumes.

Revenue from Other Income

Other revenues are mainly comprised of the Freight business and the sale of other ancillary products, particularly liquid sulphur, urea and potassium chloride. Revenue from Other Income amounted to Dh 10.0 billion, or an increase of 15.9% in FY 2022 compared to Dh 8.6 billion recorded in FY 2021, primarily due to an increase in sales volumes.

Purchases Consumed

Purchases consumed increased from Dh 29.4 billion in FY 2021 to Dh 54.6 billion in FY 2022, an increase of Dh 25.2 billion, or 85.9%. This increase was primarily due to an increase in the prices of raw materials purchased, in particular sulphur, ammonia and sulphuric acid, as a result of the increased demand and compounded by the ongoing Ukrainian war.

Energy consumption amounted to Dh 2.9 billion during 2022, an increase compared to 2021. This increase was mainly due to the rise in fuel and diesel prices and was offset in part by reduced volume effects resulting from improved production efficiency.

Purchases of works, studies and services increased compared to 2021 due to the expansion in scope of consolidation, in particular with the UM6P ecosystem and the return of staff to pre-COVID-19 pandemic levels.

The following table sets forth the components of the Group's purchases consumed for the periods indicated:

	Full Year		
	2022	2021	Change
	(Dh millions)		(%)
Purchases of materials and supplies	2,815	1,666	68.9
Purchases of raw materials	44,191	21,346	107.0
Energy consumption	2,947	2,687	9.6
Spare parts	795	706	12.6
Purchases of works, studies and services	2,141	1,568	36.5
Water supply	145	181	19.8
Auxiliary materials and other purchases	1,561	1,206	29.4
Total purchases consumed	**54,596**	**29,359**	**85.9**

External Expenses

External charges during 2022 reached Dh 11.8 billion, an increase of 17.9% compared to 2021. This increase was mainly due to increased levels of fertiliser donations to sub-Saharan African countries (for a total of Dh 924 million) in order to support their demand in the context of food insecurity and an increase in donations to the OCP Foundation, mainly for the national portfolio related to education research and development and social innovation This increase is also linked to the increase in maintenance and repair expenses as a result of resumption of normal maintenance activity in 2022 as well as maintenance on new lines and industrial units, which involved an increase in the price of spare parts.

The following table sets forth the components of the Group's external expenses for the periods indicated:

	Full Year		
	2022	**2021**	**Change**
	(Dh millions)		**(%)**
Transport	6,320	6,652	4.9
ONCF transport on sales	651	955	31.8
Shipping on sales-Freight	4,772	4,838	1.4
Truck phosphates transport	320	309	3.5
Personal transport	98	95	3.2
Other operating transport	478	456	4.8
Consulting and fees	598	433	38.1
Contributions and donations	1,513	413	>100
Maintenance and repairs	1,573	1,027	53.2
Leases and lease expenses	159	132	20.5
Insurance premiums	343	294	16.6
Advertising, publications and public relations	234	153	52.9
Postal and telecommunications expenses	186	191	2.6
Study, analysis, research and documentation	115	90	27.7
Remuneration of personal outside the company	233	186	25.3
Other external expenses	481	397	21.2
Total external expenses	**11,754**	**9,969**	**17.9**

Personnel Expenses

Personnel costs in 2022 amounted to Dh 11.6 billion, an increase of 10.1% compared to 2021. This increase is mainly due to the increase in payroll in UM6P and its subsidiaries and the subsidiaries of the new hotel business as well as by the increase in elements of the payroll correlated to the Group's performance, which was partially offset by the impact of retirements during the year.

The following table sets forth the components of the Group's personnel expenses for the periods indicated:

	Full Year		
	2022	**2021**	**Change**
	(Dh millions)		**(%)**
Employee remuneration and related social charges	9,539	8,474	12.6
Retirement benefits and medical cover	1,380	1,356	1.7
Other employee benefits	696	720	(3.3)
Total personnel expenses	**11,615**	**10,550**	**10.1**

Other non-recurring operating income and expenses

Other non-recurring operating income and expenses decreased by Dh 196 million, to Dh 1.3 billion in FY 2022 from Dh 1.5 billion in FY 2021, primarily due to a decrease in contributions and donations as well as cleaning up certain provisions, which was partially offset by an increase in social cohesion expenses related to a solidarity tax introduced by the Moroccan government in 2021.

Amortisation, Depreciation and Operating Provisions

Amortisation, depreciation and operating provisions decreased by Dh 581 million, or 6.4%, to Dh 8.4 billion in FY 2022 from Dh 9.0 billion in FY 2021. This decrease is primarily due to a slight increase in net depreciation and amortisation expenses which is mainly due to the impairment of goodwill for

Société Foncière de la Lagune for a total of Dh 296 million, resulting from the acquisition of an additional 31.8% stake. The acquisition generated goodwill of Dh 296 million and was depreciated at 100% as a precautionary measure. This increase was completely absorbed by the decrease in net provisions in FY2022. In addition, in FY 2022, the provision for the Heringer receivable at OCP Fertilizantes was reversed for an amount of Dh 153 million following the settlement of the receivable. Also, an additional impairment of trade receivables for a total of Dh 262 million in 2022 was recognised for Ethiopian Agricultural Business Corporation (EABC), bringing the total impairment of receivables over the year to 100%.

Operating Profit (Loss)

As a result of the foregoing, operating profit increased by Dh 14.6 billion, or 57.5%, to Dh 40.4 billion in FY 2022 from Dh 25.8 billion in FY 2021.

Financial Profit (loss)

Financial profit (loss) amounted to a loss of Dh 6.0 billion in FY 2022 compared to a loss of Dh 5.3 billion in FY 2021, primarily due to an increase in gross financial debt of DH 123 million in FY 2022 compared to FY 2021. This is mainly linked to an increase in interest expenses resulting from certain loans taken out in 2022.

Exchange result from financing operations decreased by Dh 2.5 billion compared to 2021, due to the impact of the change in exchange rates on borrowings and financial debts denominated in foreign currencies. The Dh/U.S.$ exchange rate fell from 9.28 on 31 December 2021, to 10.45 on 31 December 2022.

Additionally, other financial income and expenses includes a net financial expense of Dh 421 million during FY2022 of which a net additional charge of Dh 87 million following the agreement to finance VAT credit by nonrecourse factoring.

The following table sets forth the components of the Group's financial profit (loss) for the periods indicated:

	Full Year		
	2022	**2021**	**Change**
	(Dh millions)		**(%)**
Cost of gross financial debt	(2,508)	(2,384)	5.2
Financial income from cash investments	222	161	37.8
Cost of net financial debt(1)	**(2,286)**	**(2,223)**	**2.8**
Exchange gains and losses on financial receivables and payables	(3,366)	(899)	>100
Other financial income and expenses, net	(374)	(2,178)	(82.8)
Total financial profit (loss)	**(6,026)**	**(5,299)**	**13.7**

(1) Cost of net financial debt includes (i) cost of gross debt, including interest charges calculated using the effective interest rate method, the costs of early repayment of loans or cancellation of lines of credit and (ii) financial income from cash investments, comprising income from investments of cash and cash equivalents as well as financial cash assets.

Corporate Income Tax

Total tax expense increased by Dh 2.0 billion, or 47.0%, to Dh 6.1 billion in FY 2022 from Dh 4.2 billion in FY 2021. The Group's theoretical tax rate in FY 2022 was 35.0% compared to 22.1% in FY 2021. The Group's current tax expense increased by Dh 2,861 million. However, the Group's deferred tax decreased by Dh 903 million, due to the profitable results achieved by JFCs, which allowed for the reversal of a portion of the active deferred tax asset.

The following table sets forth the details of the Group's corporate income tax expenses for the periods indicated:

	Full Year		
	2022	2021	Change
	(Dh millions)		(%)
Current tax expense	(5,937)	(3,076)	93.0
Deferred tax expense	(185)	(1,088)	(82.9)
Total corporate income tax	**(6,122)**	**(4,164)**	**47.0**

Net profit (loss) for the period

As a result of the foregoing, the Group's net profit for the period increased from Dh 16.3 billion in FY 2021 to Dh 28.2 billion in FY 2022, an increase of Dh 11.9 billion, or 72.8%.

Operating Segments

Overview

For financial reporting purposes, the activities of the Group are divided into three operating segments: Northern Axis, Central Axis and Headquarters and Other. The operating segments of the Group comprise the following activities:

- *Northern Axis (Khouribga—Jorf Lasfar)*: this axis hosts the integrated phosphate processing hub. Phosphate extracted at Khouribga is transported by slurry pipeline to Jorf Lasfar, where it is processed into phosphoric acid and fertiliser. The finished products are exported from the OCP port at Jorf Lasfar.
- *Central Axis (Youssoufia and Ben Guerir – Safi and Boucraâ)*: this axis hosts:
  - the integrated phosphate processing hub. The phosphate rock extracted at Youssoufia and Ben Guerir is transported by rail to Safi, where it is processed into phosphoric acid and fertiliser. The finished products are exported from the OCP port at Safi.
  - The Boucraâ extraction site. The extracted phosphate is transported by conveyor to the processing centre at Laâyoune, and then exported by sea from Laâyoune.
- *Headquarters and Other*: The Group's activities in support of its core chemicals and mining activities are recorded as part of the Headquarters and Other segment.

The Group's segments are strategic business units located in two different areas of Morocco. Management monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Transfer prices between operating segments are agreed on an arm's-length basis, similarly to transactions with third parties.

The Group's management evaluates the performance of each segment based on the results of that segment.

Segment Information for FY 2023, FY 2022 and FY 2021

The following tables set forth certain financial information for each of the Group's segments for FY 2023, FY 2022 and FY 2021:

	Full Year 2023				
	Northern Axis	Central Axis	Headquarters and other	Intersegment eliminations(1)	Total
			(Dh millions)		
Revenue	68,112	15,854	23,920	(16,609)	91,277
Current operating profit (loss)	23,933	5,150	(8,082)	-	21,002
Other non-current income and expenses	(406)	(170)	(1,559)	-	(2,136)
Operating profit (loss)	23,527	4,980	(9,641)	-	18,866

	Full Year 2022				
	Northern Axis	Central Axis	Headquarters and other	Intersegment eliminations(1)	Total
			(Dh millions)		
Revenue	94,462	21,098	13,576	(14,562)	114,574
Current operating profit (loss)	37,789	9,090	(5,238)	-	41,641
Other non-current income and expenses	(299)	(365)	(594)	-	(1,258)
Operating profit (loss)	37,490	8,725	(5,833)	-	40,382

	Full Year 2021				
	Northern Axis	Central Axis	Headquarters and other	Intersegment eliminations(1)	Total
			(Dh millions)		
Revenue	65,827	17,207	9,383	(8,117)	84,300
Current operating profit (loss)	26,382	6,551	(5,674)	-	27,254
Other non-current income and expenses	(328)	(353)	(775)	-	(1,454)
Operating profit (loss)	26,053	6,199	(6,450)	-	25,799

(1) Intersegment eliminations relate to the elimination of transactions between consolidated joint ventures and subsidiaries.

Liquidity and Capital Resources

During the periods under review, the Group satisfied its liquidity needs with net cash generated from operations, bond offerings and through short-and long-term bank borrowings**.** The Group expects that these funding sources will continue to be important sources of cash in the future.

The Group's liquidity needs in the future will arise principally from (i) the need to finance its working capital, (ii) repayment of maturing debt and (iii) the need to finance additional elements of its Capital Expenditure Programme.

As of 31 December 2023, the Group had cash and cash equivalents of Dh 12.6 billion, cash financial assets of Dh 11 million, and total financial debt of Dh 80.9 billion. As at 31 December 2023, the Group had positive working capital, principally due to a high amount of cash and cash equivalents and a high amount of trade and other receivables. The Group's management monitors liquidity requirements on a regular basis and believes that the Group has sufficient funds available to meet its commitments as they arise.

Cash Flows

The following table sets forth the principal items of the statement of cash flows for the periods indicated:

Full Year

	2023	2022	2021
		(Dh millions)	
Net cash flows from/(used in) operating activities	18,350	27,244	32,167
Net cash flows used in investing activities	(28,424)	(14,849)	(15,658)
Net cash flows from/(used in) financing activities	4,221	(1,968)	(14,941)

Net Cash Flows from/(used in) Operating Activities

In FY 2023, net cash flows from/(used in) operating activities were Dh 18.4 billion, as compared to Dh 27.2 billion in FY 2022. This increase was primarily attributable to a decrease in EBITDA, partially offset by a decrease in inventories.

In FY 2022, net cash flows from/(used in) operating activities were Dh 27.2 billion, as compared to Dh 32.2 billion in FY 2021. This decrease was primarily attributable to a decrease in inventories of Dh 11.0 billion as well as a decrease in Other current assets and liabilities of Dh 5.4, which was partially offset by the increase in revenue.

Net Cash Flows used in Investing Activities

Net cash flows used in investing activities principally reflects purchases and sales of property, plant and equipment and intangible property (principally related to the Capital Expenditure Programme), distributions received from joint ventures and placements of term deposits.

In FY 2023, net cash flows used in investing activities were Dh 28.4 billion, as compared to Dh 14.8 billion in FY 2022, of which Dh 5.1 billion relates to capital expenditure in relation to OCP's Water Program; (ii) Dh 2.6 billion relates to capital expenditure on the Phosboucraâ Development Program; (iii) Dh 1.8 billion relates to capital expenditure in respect of the construction of three new fertiliser production lines at Jorf Lasfar; (iv) Dh 1.3 billion relates to capital expenditure on the M'Zinda Phosphate Hub Program; (v) Dh 11.0 billion relates to capital expenditure in respect of non-core activities and (vi) other projects as part of the Capital Expenditure Programme, including storage infrastructure, and the expansion of the Group's mining capacity

In FY 2022, net cash flows used in investing activities were Dh (14.8) billion, as compared to Dh (15.7) billion in FY 2021, of which Dh 20.0 billion relates to capital expenditure disbursements and Dh 2.0 billion relates to net financial investment. The main components of the Group's net cash flows used in capital expenditure disbursements in FY 2022 included: (i) Dh 1.1 billion expenditure in relation to OCP's Water Program; (ii) Dh 0.1 billion expenditure on the Phosboucraâ Fertilizer Complex; (iii) Dh 1.7 billion expenditure in respect of the construction of three new fertiliser production lines at Jorf Lasfar; (iv) Dh 0.4 billion expenditure on three phosphoric units in M'Zinda; (v) Dh 0.2 billion expenditure in relation to units in Safi; (vi) Dh 0.4 billion expenditure on its Green Ammonia pilot programme and Green H2A platform; (vii) Dh 0.1 billion expenditure on its Phase 3 desalination programme in Jorf Lasfar; (viii) Dh 9.4 billion expenditure in respect of non-core activities; and (ix) other projects as part of the Capital Expenditure Programme, including water-related, storage infrastructure, and the expansion of the Group's mining capacity.

In FY 2021, net cash flows used in investing activities were Dh (15.7) billion, of which Dh 13.1 billion corresponds to capital expenditure disbursements offset by Dh 2.7 billion of financial investment. The main components of the Group's net cash flows used in capital expenditure disbursements in FY 2021 included: (i) Dh 1.1 billion expenditure with respect to three new fertiliser production lines at Jorf Lasfar; (ii) Dh 0.40 billion expenditure on the construction of the Ben Guerir washing plant; (iii) Dh 0.1 billion in relation to the PS4 sulphuric lines in Safi; (iv) Dh 0.3 billion expenditure on the construction of the Laâyoune washing plant; (v) Dh 18.1 million expenditure on the phase II desalination plant in Jorf Lasfar; (vi) Dh 58.3 million expenditure with respect to the phosphoric Line F in Jorf Lasfar (vii) Dh 5.9 billion expenditure on non-core activities; and (viii) other projects as part of the Capital Expenditure Programme, including water-related, storage infrastructure, and the expansion of the Group's mining capacity.

Net Cash Flows from/(used in) Financing Activities

In FY 2023, net cash flows from/(used in) financing activities were Dh 4.2 billion as compared to net use of Dh 1.9 billion in FY 2022, principally reflecting cash flows from the incurrence of debt in the amount of Dh 23.7 billion which was partially offset by cash flows from debt repayments in the amount of Dh 6.6 billion, dividend payments in the amount of Dh 9.3 billion and net financial interest payments in the amount of Dh 3.6 billion.

In FY 2022, net cash flows from/(used in) financing activities were Dh (2.0) billion as compared to Dh (14.9) billion in FY 2021, principally reflecting cash flows from the incurrence of debt in the amount of Dh 12.8 billion which was partially offset by cash flows from debt repayments in the amount of Dh 3.6 billion, dividend payments in the amount of Dh 8.1 billion and net financial interest payments in the amount of Dh 2.9 billion.

In FY 2021, net cash flows used in financing activities were Dh (14.9) billion, principally reflecting cash flows from a loan borrowing in the amount of Dh 17.5 billion, which were offset by cash flows from a loan repayment in the amount of Dh 23.0 billion, dividend payments in the amount of Dh 5.1 billion and net financial interest payments in the amount of Dh 4.2 billion.

VAT Credit Financing Agreement

In 2018 the Group signed an agreement between the State, the Group and Moroccan banks. The agreement is a non-recourse factoring contract, which transfers all the risks and benefits to banks, which enabled the Group to monetise the VAT credit for its current and non-current portion of Dh 20.5 billion in 2018 in return for the recognition of a financial debt of Dh 4.2 billion corresponding to the overall cost of the factoring. The debt is being repaid on a 9-year schedule at 3.5%.

In 2021 the Group signed an agreement between the State, the Group and Moroccan banks. The agreement is a non-recourse factoring contract, which transfers all the risks and benefits to banks, which enabled the Group to monetise the VAT credit for its current and non-current portion of Dh 6.5 billion in 2021 in return for the recognition of a financial debt of Dh 1.1 billion corresponding to the overall cost of the factoring. The debt is being repaid on a 4-year and 10-year schedule at 3%.

Capital Expenditures

The Group classifies its capital expenditures into three major categories:

- **Mining** capital expenditure relates to industrial projects at the Khouribga, Gantour and Boucraâ mining sites;
- **Chemicals** capital expenditure relates to chemicals industrial projects at Jorf Lasfar and Safi; and
- **Support** capital expenditure relates to non-industrial and non-core activities such as social projects, digital projects, and projects at the Group's headquarters.

The following table sets forth the Group's total capital expenditures for the periods indicated:

	Full Year		
	2023	**2022**	**2021**

Mining	7,142	3,893	2,507
Chemicals	9,049	6,660	3,863
Support	11,179	9,497	5,579
Total capital expenditures	**27,369**	**20,050**	**11,949**

In 2008, the Group launched its Capital Expenditure Programme which the Group believes will improve its operating performance and help the Group strengthen its positions across the phosphate value chain. The Group has completed the first phase which included a number of industrial projects, including:

- A slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar (with a length of 234 km, including secondary pipes and an annual capacity of up to 38 million tonnes), launched in April 2014 to reduce dependency on train transportation and reduce the Group's transportation costs;
- The expansion of two mines in Khouribga (Sidi Chennane & Merah) and opening of one new mine (Beni Amir), as well the construction of two new washing plants;
- The start of operations of four new integrated fertiliser units, in Jorf Lasfar, of one million tonnes capacity each;
- The start of operations of a new phosphoric acid unit (Line E), in Jorf Lasfar, which has a 450kt phosphoric acid capacity;
- The revamping of its existing lines in Maroc Phosphore 3&4, in Jorf Lasfar, to achieve both an adaptation to the slurry pulp and to free up additional phosphoric acid capacity;
- The expansion of the Jorf Lasfar port capacity by approximately 20 million tonnes; and
- The start of operations of a 25 million cubic metre new desalination plant in Jorf Lasfar.

As the second phase of the Capital Expenditure Programme, the Group launched the Green Investment Programme, a new strategic programme devoted to raising fertiliser production, investing in new green fertilisers and renewable energy. The Green Investment Programme aims to increase production capacity from the current 15 million tonnes of fertiliser to 20 million tonnes by 2027. The Group has commenced the second phase which included a number of industrial projects, including:

- Meskala: Development of new mining capacities in Meskala in the Essaouira, with studies and prospections under way;
- M'zinda: Development of a new chemical and mining complex in Mzinda which will process rock from the mines at Ben Guerir and Youssoufia as well as from the new mine in Meskala;
- Khouribga: Development of one new mine with its washing plant, and the expansion of both the Beni Amir mine and its washing plant;
- Gantour: The expansion of the Ben Guerir mine and the construction of a new washing plant (construction has nearly completed) and the development of a new mine in Louta with a new washing plant; and
- Boucraâ: The expansion of its existing mine with a new washing plant, a new storage and handling capacities, as well as a new drying port infrastructure to export (the majority of these projects have started).

In addition, as part of the Green Investment Programme, the Group has also secured a €100 million loan from the International Finance Corporation to fund the Group's solar projects and construct four solar photovoltaic power plants to supply the Group's facilities in Morocco. The facilities, which will have a combined capacity of 202 megawatts, will be built near the mining towns of Ben Guerir in the Rehamna region and Khouribga, 120 km southeast of the economic capital Casablanca. The Group is building these solar photovoltaic plants as part of its approach to cover all of its electricity needs through wind, solar and cogeneration (recovery of thermal energy released during the production of sulphuric acid) by 2027. The Group's recently established affiliate, OCP Green Energy, is expected to oversee the implementation of the first phase of this project. The Group has also signed three loan agreements with AfDB for green investment totalling $188 million as part of the financing for OCP Group's Green Investment Program.

The first loan, amounting to $150 million from AfDB, and the second loan, amounting to $18 million from the Canada Climate Fund – African Development Bank, will be used to finance the construction of three modular seawater desalination plants for the Group. These plants are expected to have a total annual capacity of 110 million cubic meters, providing OCP Group's industrial and mining sites with non-conventional water autonomy. The project will supply up to 75 million cubic meters of drinking water to the cities of Safi, El Jadida, and the areas neighbouring OCP Group's Safi and Jorf plants.

The Group is also considering a number of additional projects at its chemical sites, as part of the second phase of the Capital Expenditure Programme. The below major second phase projects have been started.

In Jorf Lasfar:

- The construction of a new phosphoric acid line (Line F) with a capacity of 450 thousand tonnes phosphoric acid. Production on the line started in March 2023;
- the construction of three granulation lines with a capacity of one million tonnes each, which the Group expects to be commissioned before the end of 2024. These lines will benefit from phosphoric acid coming from Line F and from the freed-up capacity from efficiency programmes;
- additional phosphoric acid capacity gains through increased efficiency which will amount to a total of 350 kilo tonnes of phosphoric acid capacity (the project has started);
- the construction of sulphuric acid plants with a total capacity of 3.3 million tonnes (construction has started);
- the construction of additional capacity for customised fertilisers (400 kilo tonnes of water-soluble MAP) by 2026;
- the construction of production units for TSP fertilisers, with a capacity of approximately 1000 kilo tonnes by the second half of 2025;
- the construction of production units for purified phosphoric acid, with a first capacity productions of approximately 280 kTP2O5 by end of 2026 – early 2027;
- the construction of production units for the recovery and valorisation of fluorine with a capacity of approximately 20 kilo tonnes of AHF by 2026;
- the construction of production units for the transformation of AHF into AlF3 with a capacity of approximately 28 kilo tonnes of AlF3 by 2026;

- the construction of production units for the recovery and valorisation of non-enriched uranium with a capacity of approximately 0,4 million lbs of U_3O_8 by 2026 and 1,7 million lbs by 2029;

- the construction of production units for components for LFP batteries with a capacity of approximately 30 kilo tonnes of the material compound $LiFePO_4$ by 2026;

- the construction of phosphate animal feed production units with a total capacity of 150 kilo tonnes by 2026 and 150 kilo tonnes by 2027; and

- the construction of a green ammonia production facility (capacity of 100KT p.a.) by 2026 being integrated in the existing industrial platform, with the objective of ammonia production and technology assessment.

In Gantour-Safi:

- The construction of fertiliser production units with a total capacity of 4.5 million tonnes of customised phosphate fertilisers between 2025 and 2027; and

- the expansion, among other things, of port and storage facilities to accommodate the increase in phosphate rock and fertiliser exports.

In Boucraâ:

- The construction of a fully integrated fertiliser production unit that is expected to start operations by 2026 with a capacity of one million tonnes; and

- a new port adapted to processing operations (construction has started).

For additional information, see "*Business—Strategies—Improve Efficiency and Increase Industrial Capacity"* below.

Based on current plans, the total estimated costs of the Capital Expenditure Programme since its launch in 2008 to 2027 are expected to be approximately U.S.$21 billion[5] (Dh 210 billion), with approximately U.S.$8 billion (Dh 86 billion) already incurred between 2008 and 2022 in its first phase, and the remainder expected to be incurred between 2023 and 2027 as part of the Green Investment Programme. In the year ended 31 December 2023, the Group incurred U.S.$2.65 billion (Dh 26.8 billion) in costs related to the Capital Expenditure Programme. These costs are expected to be funded from internally generated cash flows, existing and future external financings and the proceeds of the Notes. Accordingly, the Group expects its interest costs to increase in the future. When and if completed, the projects that are the subject of the Capital Expenditure Programme are expected to improve the Group's operating performance and help the Group strengthen its position across the phosphate value chain.

Contractual Obligations

The following table sets forth the Group's contractual obligations as at 31 December 2023 and the payments due, by period, under such obligations:

[5] For convenience, figures expressed in U.S.$ in this paragraph have been translated into U.S.$ at the average Dh/U.S.$ exchange rate for the year ended 30 December 2023 as published by the Central Bank of Morocco, which was Dh 9.8929 per U.S.$1.00. Such translation is not reflective of a translation in accordance with IFRS and it should not be construed as a representation that the Dh amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

	As at 31 December 2023			
	Less than one year	1 - 5 years	More than 5 years	Total
	(Dh millions)			
Long-term and short-term loans[(1)]	12,000	29,097	5,002	46,100
Bond issue	7,463	5,487	20,406	33,356
Total...	**19,463**	**34,584**	**25,408**	**79,456**

(1) This amount excludes future interest payments associated with the loans.

Debt Obligations

Over the past few years, the Group has raised significant amounts, principally through long-term borrowings, to supplement the net cash generated by its operating activities in order to fund its Capital Expenditure Programme.

The following table sets forth the total interest-bearing loans, borrowings and leases of the Group as at the dates indicated.

	Full Year		
	2023	2022	2021
	(Dh millions)		
Current interest-bearing loans, borrowings and leases			
Current portion of long-term bank loans	11,588	9,364	3,991
Finance lease liabilities	242	240	237
Accrued interest not yet due	623	533	434
Bond issue	7,252		
Total current financial debts	**19,706**	**10,136**	**4,662**
Non-current interest-bearings loans, borrowings and leases			
Non-current portion of long-term bank loans	34,099	23,558	18,449
Bond issue	25,893	34,928	30,997
Finance lease liabilities..	1,242	1,389	1,507
Total non-current financial debts	**61,235**	**59,877**	**50,954**
Total financial debts..	**80,940**	**70,011**	**55,616**

The following table sets forth certain rate and currency denomination information related to certain of the interest-bearing loans, borrowings and leases of the Group at the dates indicated.

	Interest Rate(s) 2023	Weighted Average Interest Rate 2023	2023	2022	2021
	(%)	(%)			
Current financial debts					
Bank loans (*U.S.$-denominated*)...........................	2.94%-3.91%	3.55%	535	743	983
Bank loans (*Dh-denominated*)................................	3.00%-5.62%	3.57%	4,677	6,681	1,217
Bank loans (*€-denominated*)..................................	0.63%-4.78%	1.66%	828	583	216
Bank loans (Other currencies)			4		
Accrued Interest payable			623	533	434
Other credits			5,544	1,357	1,575
Finance lease liabilities (*Dh-denominated*)	3,80%	3.80%	242	240	237
International bond issue (*U.S.$-denominated*)........	3.75%-6.88%	5.63%	7,252		
Total current financial debts			**19,706**	**10,136**	**4,662**
Non-current financial debts					
Bank loans (*U.S.$-denominated*)...........................	2.94%-3.91%	3.49%	735	1,341	2,503
Bank loans (*€-denominated*)..................................	0.63%-4.78%	2.92%	10,208	10,618	10,617
Bank loans (*Dh-denominated*)................................	3.00%-5.62%	3.93%	21,884	7,698	1,851
Bank loans (*denominated in other currencies*).......			37	85	-

Finance lease liabilities (*Dh-denominated*)	3.80%	3.80%	1,242	1,389	1,507
International bond issue (*U.S.$-denominated*)........	3.75%-6.88%	5.14%	25,893	34,928	30,997
Other credits			1,236	3,815	3,478
Total non-current financial debts........................			**61,235**	**59,877**	**50,954**
Total financial debts..			**80,940**	**70,011**	**55,616**

The following table sets forth the estimated scheduled payments of principal in respect of the Group's loans, borrowings and leases outstanding as at 31 December 2023:

	Year Due							
	2024	**2025**	**2026**	**2027**	**2028**	**2029**	**After 2029**	**Total**
Amount due (*Dh millions*)....................	19,705	16,814	7,191	4,457	3,244	3,241	26,287	80,940

As at 31 December 2023, the Issuer's debt portfolio is primarily comprised of fixed rate borrowings.

Main Debt Obligations of the Group

The following describes the main debt obligations of the Group as at 31 December 2023 in millions of relevant currency, unless otherwise indicated:

Borrower	**Year of Financing**	**Maturity**	**Currency**	**Original Principal Amount**	**Outstanding Amount at 31/12/2023**	**Description**
Issuer	2023	2035	EUR	100	100	Fixed interest rate
Issuer	2023	2024	Dh	350	350	Fixed interest rate
Issuer	2023	2024	Dh	830	830	Fixed interest rate
Issuer	2023	2026	EUR	100	100	Fixed interest rate
Issuer	2023	2027	Dh	2.5*	2*	Floating interest rate loan
Issuer	2023	2025	Dh	1.5*	1.5*	Fixed interest rate
Issuer	2023	2026	Dh	800	800	Fixed interest rate
Issuer	2023	2028	Dh	1.7*	1.7*	Fixed interest rate
Issuer	2023	-	Dh	5*	5*	Perpetual subordinated bond with early repayment and deferred payment options. This financing is recognised as equity under IFRS 9
Issuer	2022	2025	Dh	1*	1*	Fixed interest rate
Issuer	2022	2029	Dh	1.5*	1.29*	Fixed interest rate loans
Issuer	2022	2029	Dh	500	428.57	Fixed interest rate loans
Issuer	2022	2029	Dh	2*	2*	Fixed interest rate loans
Issuer	2022	2032	EUR	503.6	503.6	Fixed interest rate loans
Issuer	2021	2031	USD	100		Loan agreement with International Finance Corporation for capital expenditures in West Africa
KOFERT	2023	2033	Dh	4.4*	4.18*	Fixed interest rate
Phosboucraâ	2021	2024	Dh	1*	1*	Fixed interest rate loan
Phosboucraâ	2021	2025	Dh	3.9*	3.9*	Fixed interest rate loan
Issuer	2021	2031	USD	750	750	Senior unsecured bonds
Issuer	2021	2051	USD	750	750	Senior unsecured bonds
Issuer	2020	2027	Dh	2*	1.4*	Fixed interest rate loans
Issuer	2020	2027	Dh	2*	1.16*	Fixed interest rate loans
Phosboucraâ	2019	2026	Dh	1*	1*	Fixed interest rate financing for Boucraâ mine
Issuer	2019	2029	EUR	180	164.75	Floating interest rate loan
Issuer	2019	2024	Dh	1.25*	250	Fixed interest rate loan
Issuer	2019	2030	EUR	111.82	67.79	Loan agreement with BNPP
Issuer	2019	2030	EUR	102.07	49.25	Loan agreement with BNPP
Issuer	2018	-	Dh	5*	5*	Perpetual subordinated bond with early repayment and deferred payment options. This financing is recognised as equity under IFRS 9
Issuer	2018	2024	Dh	2*	333.33	Fixed interest rate loan
Issuer	2018	2025	Dh	500	150	Fixed interest rate loan, amount reduced to Dh 500

Borrower	Year of Financing	Maturity	Currency	Original Principal Amount	Outstanding Amount at 31/12/2023	Description
						million from Dh 1.5 billion in 2018
Issuer	2016	-	Dh	5*	5*	Perpetual subordinated bond with early repayment and deferred payment options. This financing is recognised as equity under IFRS 9
Issuer	2015	2025	USD	1*	554.61	Senior unsecured bonds
Issuer	2014	2024 /2044	USD	1.85*	1.33*	Two tranches of senior unsecured bonds
Issuer	2013	2024	USD	271	16.97	Loan facility with KFW in connection with water-related infrastructure and equipment
Issuer	2013	2026	USD	150	45	Loan facility with Islamic Development Bank in connection with the rehabilitation and the extension of OCP docks at the port of Jorf Lasfar
Issuer	2012	2026	EUR	130	58.68	Loan agreement with BEI
Issuer	2011	2026	USD	243.55	66.42	Loan facility (equivalent to EUR200 million) with the European Investment Bank in connection with the modernisation and expansion of the Group's facilities

- Indicates billions of relevant currency.

Certain Provisions and Terms of Debt Obligations

The debt arrangements of the Group contain certain financial covenants applicable if the Group does not have at least one investment grade rating from any of the three major rating agencies (Fitch, Moody's and S&P). If the Group does not have at least one investment grade rating, the Group's agreements with international financial institutions would be required to maintain: (a) a ratio of net debt to EBITDA of not more than 4:1 on December 31, 2021 and 2022, and (ii) not more than 3:1 on 31 December 2023 and beyond; and (b) and a debt service coverage ratio of (i) not less than 1.25:1 on 31 December 2021 and 2022, and (ii) not less than 1.5:1 on 31 December 2023 and beyond. The Group's debt arrangements generally also include cross-default provisions. As at 31 December 2023, the Group is not, and has not been, in breach of any of the financial and other restrictive covenants applicable in its debt arrangements.

The Group's low production cost has enabled it to preserve margins and maintain positive cash flow generation, even in periods of sustained low phosphate rock and fertiliser prices. The Group's net financial debt has been managed as the Group continued to execute its Capital Expenditure Programme in recent years, from Dh 45.1 billion as at 31 December 2021 to Dh 50.9 billion as at 31 December 2022 and Dh 68.3 billion as at 31 December 2023.

By the end of 2022, OCP's financial leverage was 0.99x, well below the 2.5x internal target, reflecting higher fertiliser prices in 2022 due to supply chain disruptions resulting from the Russia-Ukraine conflict as well as export restrictions and higher input costs. On 19 April 2024, S&P revised the Issuer's credit rating from B++ (outlook stable) to B++ (positive) as a result of the revision in the outlook of the Kingdom of Morocco from stable to positive on 29 March 2024, OCP being considered by S&P as a government related entity and therefore capped by the sovereign's rating. S&P maintained OCP's stand-alone credit profile unchanged at BBB- On 16 January 2023, Moody's assigned a first-time Baa3 rating to the Issuer (outlook stable). The rating was maintained in the latest annual review of June 2023. On 23 October 2023, Fitch affirmed the Issuer's long-term Issuer Default Rating to BB+ (outlook stable) and revised the standalone Credit profile to bbb- from bb+.

The Group expects to maintain its leverage ratios to a level consistent with a standalone investment grade credit rating, with a maximum target net financial debt to EBITDA ratio of 2.5x. As of 31 December 2023, the Group's financial leverage was 2.3x, below the 2.5x internal target.

Off-Balance Sheet Arrangements

The Group enters into certain financial instruments with off-balance sheet risk. These instruments, which include letters of credit, guarantees and other commitments, expose the Group to credit risk. The Group's contingent liabilities arise in the normal course of business.

The table below sets forth the total commitments given and received by the Group as at the dates indicated:

	Full Year		
	2023	**2022**	**2021**
Outstanding, open letters of credit[1]	551	1,232	1,176
Others	624	614	836
Total commitments given	**1,175**	**1,846**	**2,012**
Unused borrowings[3]	6,778	10,739	10,631
Other commitments received for contracts[2]	14,168	9,846	7,999
Loans guaranteed by the State	-	-	-
Total commitments received	**20,947**	**20,585**	**18,630**

(1) Letters of credit are used to guarantee payments made by OCP to suppliers.
(2) Other commitments received for contracts comprise guarantees given by suppliers in exchange of down-payments made by OCP.
(3) As at 31 December 2023, the Group has medium and long-term financing agreements that have not been fully disbursed, including (i) Loan agreement with International Finance Corporation (EUR 100 million) for the construction of two solar power plants to supply clean energy to its operations in the mining towns of Ben-Guerir and Khouribga

Quantitative and Qualitative Disclosures About Market Risk

The Group operates in a highly competitive industry, and faces intense competition for new contracts, qualified staff and markets for its phosphate rock, phosphoric acid and phosphate-based fertilisers.

The Group is subject to risks relating to foreign currency reserves and production, market prices, liquidity, credit, interest rates and other risks. The Group does not use financial instruments, such as foreign exchange forward contracts, foreign currency options, interest rate swaps and commodity agreements, to manage these risks, although it may consider using such instruments on a limited basis in the future.

Foreign exchange risk on financing flows

The Group's principal exchange rate risk involves changes in the value of the U.S. Dollar relative to the Dirham and, to a lesser extent, relative to other currencies. Most of the Group's cash inflows, as well as its accounts receivable balances, are denominated in U.S. Dollars, while a significant amount of the Group's purchases consumed are denominated in Dirhams.

On the revenue side, all of the Group's export revenue, including the exports of its products, are denominated in U.S. Dollars or are correlated with U.S. Dollar-denominated prices for phosphate products.

As at 31 December 2023, Dh 34.6 billion of the Group's indebtedness was denominated in U.S. Dollars (representing 42.8% of the Group's total indebtedness). Depreciation of the U.S. Dollar relative to the Dirham will reduce the value of the Group's U.S. Dollar-denominated liabilities when measured in Dirham, whereas appreciation of the U.S. Dollar relative to the Dirham will increase the value of the Group's U.S. Dollar-denominated liabilities when measured in Dirhams. Because the functional currency of the Group's operations is Dirham, the Group suffers foreign currency translation losses when the U.S. Dollar appreciates against the Dirham.

The Group hedges its exposure to the U.S. Dollar/Dirham exchange rate, utilising a cash flow hedge between its highly probable future sales in U.S. Dollars (hedged item) and its U.S. Dollar-denominated bonds issued in 2014 and 2015 amounting to U.S.$1.25 billion (due April 2024) and U.S.$1 billion (due October 2025), respectively (hedging instrument). For further information, see Note 4 to the Group's Financial Statements.

Reserves and Production

The Group believes that it has the financial capacity to acquire and implement appropriate technology in developing its reserves, but must compete internationally for properly qualified and well-trained staff to utilise the technology. The Group believes that it offers competitive compensation packages to its employees and recruits on an international basis to meet this requirement.

Market Risk

The Group's operating results and financial condition depend substantially upon prevailing prices of phosphates and its refined products. Historically, prices for the Group's products have fluctuated widely for many reasons, including:

- global and regional supply and demand, and expectations regarding future supply and demand, for phosphates and phosphates products;
- changes in geopolitics and geopolitical uncertainty, particularly in Morocco and the surrounding region;
- weather conditions and natural disasters;
- access to transportation;
- energy prices, including the levels of Government subsidies;
- Moroccan and foreign governmental regulations and actions, including export restrictions and taxes;
- market uncertainty and speculative activities; and
- global and regional economic conditions.

A substantial amount of the Group's products are sold on the spot market or under short-term contracts at market sensitive prices. Market prices for export sales of phosphate rock, phosphoric acid and phosphate-based fertilisers are subject to volatile trading patterns in the commodity futures market. Average selling prices can differ from quoted market prices due to the effects of uneven volume distributions during the period, quality differentials, different delivery terms compared to quoted benchmarks, different conditions in local markets and other factors. The Group does not use any derivative instruments to hedge its production in order to decrease its price risk exposure.

Liquidity Risk

The Group's investment portfolio must remain sufficiently liquid to respond to the financing needs generated by the Group's operations and investment. The breakdown of assets invested between the portfolios is based on cash flow forecasts. The assets include:

- very short-term, liquid instruments, providing for daily operating needs; and
- short-term instruments, in conformity with counterparty risk management, generating a yield, which reflect the Group's investment policy.

Credit Risk

The Group's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of accounts receivable. While the Group may be subject to losses up to the contract value of the instruments in the event of non-performance by its counterparts, it does not expect any material losses to occur. No collateral is required by the Group to support financial instruments subject to credit risk. Although collection of these receivables could be influenced by economic factors affecting these entities, the Group believes there is no significant risk of loss to it beyond allowances already recorded.

Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers included in the Group's customer base and the uses of letters of credit for a significant portion of sales. Furthermore, from time to time the Group enters into credit insurance contracts for a portion of its customer portfolio based on internal policy criteria. Financial institutions operating in Morocco do not offer insurance for deposits of legal entities. The Group's management periodically reviews the creditworthiness of the financial institutions with which it deposits cash.

In addition, the Group is also exposed to credit and liquidity risk from its investing activities, principally as regards its placing of deposits with Morocco banks.

Interest Rate Risk

The Group incurs debt for general corporate purposes including financing capital expenditures, financing acquisitions and working capital needs. As at 31 December 2023, the Group's total outstanding loans and financial debts (current and non-current) were almost all composed of fixed rate instruments. Upward fluctuations in interest rates increase the cost of new debt. Increases in interest rates can also lead to significant fluctuations in the fair value of the Group's debt obligations. However, the Group's sensitivity to decreases in interest rates and corresponding increases in the fair value of the Group's debt portfolio would negatively affect results and cash flows only to the extent that the Group elected to repurchase or otherwise retire all or a portion of the Group's fixed rate debt portfolio at prices above carrying value.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in accordance with IFRS requires the Issuer's management to select appropriate accounting policies and to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. Management's selection of appropriate accounting policies and the making of such estimates and assumptions involve judgments and uncertainties to such an extent that there is a reasonable likelihood that materially different amounts would have been reported under different conditions, or if different assumptions had been used, and actual amounts may differ from these estimates. For a full description of the Group's significant accounting policies, see Note 1 to the 2023

Financial Statements. Set forth below are summaries of certain of the most critical accounting estimates and judgments required of the Issuer's management.

Measurement and useful lives of operating assets

Those responsible for equipment control and maintenance as part of the Group's mining and chemicals activities identify the useful lives of the various categories of assets (main assets and components). These lives correspond to the potential duration of the technical utilisation of the assets management uses in its judgment when assessing the useful lives and setting the appropriate depreciation methods used. These determinations are reviewed at the end of each fiscal period, and are reassessed prospectively, if needed.

Valuations used for impairment tests

The assumptions and estimates that are made to determine the recoverable value of goodwill, intangible assets and property, plant and equipment by the Group 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 of the relevant plant, property or equipment and could lead to a modification of the impairment to be recognised.

Measurement of provisions for site rehabilitation

The rehabilitation of mining soils is an integral part of the Group's sustainable development policy. The Group considers the rehabilitation of the land from the beginning of the extraction. The Group's approach to rehabilitation involves recovering the topsoil and storing it during the operation of the mine. Subsequently, at the end of the operation, the excavated materials are used to restore the ground and prepare the soil for agricultural use. The Group also initiates agricultural and forestry activities that benefit the communities. This approach involves local populations as well as the authorities and associations and agencies that have an interest in site rehabilitation.

Measurement of employee benefits

The Group recognises a provision in respect of defined-benefit plans, which is determined based on an actuarial analysis of the obligation under such plans according to the projected unit credit method, taking into account demographic and financial assumptions (such as the discount rate, the rate of medical inflation, future salary increases, the rate of staff turnover and mortality rates) and deducting the value of potential assets to cover such obligations. The actuarial assumptions are reviewed annually. Differences linked to changes in actuarial assumptions and adjustments related to experience (i.e., the effect of differences noted between the previous actuarial assumptions and what has actually occurred) constitute actuarial gains and losses. The Group immediately accounts for all actuarial gains and losses in other comprehensive income. See Note 5 to the 2023 Financial Statements for details of the main assumptions used by the Group.

Overview of Fertilisers

Fertilisers are most commonly used to improve soil fertility by enhancing nutrient content in the soil and, accordingly, to increase crop production and yields. Fertilisers can be categorised into macronutrients – which are needed in large quantities – and micronutrients. The primary macronutrients include nitrogen, phosphorus and potassium, which are essential elements required for plant growth.

Each of the three key nutrients serves a different vital function in plant formation and development, and a proper balance of the three nutrients is necessary to maximise the fertiliser's effectiveness. Phosphorus is essential to plant root development and is required for photosynthesis and seed germination. Nitrogen is an important determinant of plant growth and crop yield because it is a building block of protein and chlorophyll. Potassium improves a plant's water regime and its ability to withstand the stress of drought, disease, cold weather, weeds and insects. Although these nutrients are naturally found in soil, they are depleted over time by farming, which leads to declines in crop yields and land productivity. To replenish these nutrients, farmers must apply fertilisers.

In Fertiliser Year 2023, the global production of primary nutrients was estimated to amount to 187 million tonnes of nutrients, of which nitrogen was 57%, phosphorus was 24% and potash was 19%, according to IFA.

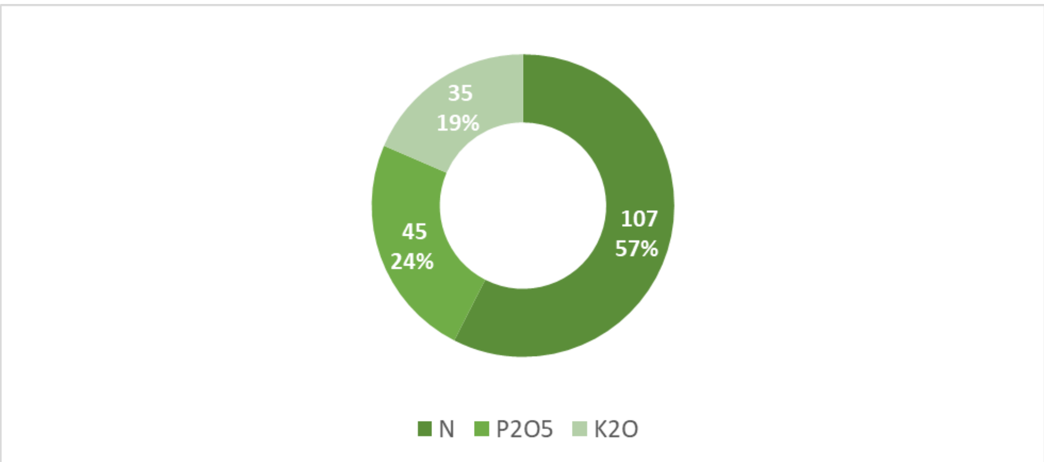
Nitrogen

Nitrogen ("**N**") increases yield by promoting protein formation. The primary input for producing nitrogen fertilisers is natural gas. The two most common nitrogen fertiliser products are urea and ammonium nitrates. Nitrogen fertiliser products have historically been subject to price volatility and natural gas input pricing and availability, contributing to significant swings in profitability.

Phosphorus

Phosphorus ("**P**") is vital for root development and plays a key role in the photosynthesis process (i.e., the production, transportation and accumulation of sugars in the plant). Phosphorus is also involved in seed germination.

Global nutrients consumption (2023)
187 million tonnes



Source: IFA – Short-Term Fertiliser Outlook 2023 – 2024 (December 2023)

The principal mineral used in the production of phosphorus-based fertilisers (phosphates) is phosphate rock, which is mined and then processed using sulphuric acid and ammonia. The primary phosphate fertiliser products are DAP, which has a phosphate content of approximately 46% and a nitrogen content of approximately 18%, and MAP, which has a phosphate content of approximately 52% and a nitrogen content of approximately 11%. The leading producing regions of phosphate fertilisers are Morocco, the United States, China and Russia, which contain the vast majority of global phosphate rock reserves.

Potassium

Potassium ("**K**") helps regulate plants' physiological functions: it helps plants use water efficiently and improves plant durability, providing crops with protection from drought, disease, parasites and cold weather. Potassium is found in nature in the form of potash ore ("**KCL**", or potassium chloride). Potash is mined either from underground mines or, less frequently, from naturally occurring surface or sub-surface brines. Potash does not require additional chemical conversion to be used as a plant nutrient. Naturally occurring, economically recoverable deposits of potash are scarce, deep in the earth and geographically concentrated.

Fertiliser Demand Drivers

Global Fertiliser Consumption

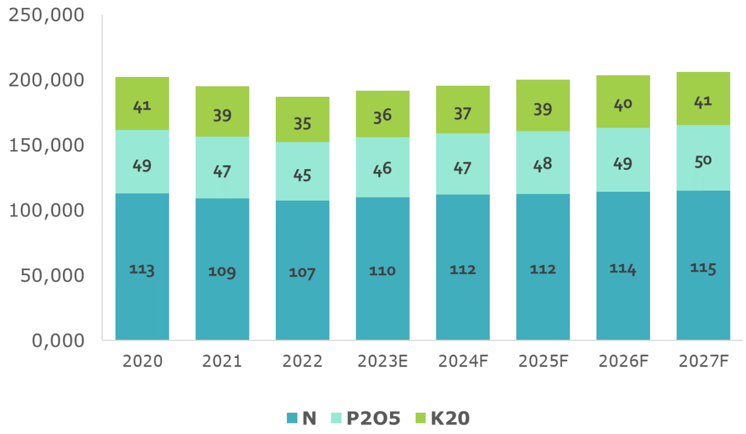
Global fertiliser demand is driven primarily by food, feed and fuel demand (which in turn are driven by, among other factors, population growth, a reduction in arable land per capita, dietary changes in the developing world and bio-fuel consumption). Given the constraints on increasing the quantity of arable land available for cultivation, fertilisers are an important means to improving agricultural yields and addressing the growing imbalance between food demand and supply. The demand for fertilisers is also affected by government policies in some countries, such as China. These countries implement regulations that attempt to rationalise the use of fertilisers with the ultimate objective of limiting the impact on the environment.

Between 2010 and 2020, nitrogen, phosphorus and potash consumption grew at a CAGR of 1.2%, 1.6%, and 3.7%, respectively, all supported by their essential functions to plant formation, according to IFA.

Global fertiliser consumption is forecasted to have dropped by 15.4 million tonnes (approximately -8%) in the last two years from a record high 202 million tonnes in 2020. This drop reflects the impact of surging fertiliser prices in 2021 and 2022. It also reflects the effects of market disruptions in early 2022 caused by the Russia-Ukraine conflict. Nonetheless, fertiliser consumption is expected to recover by 3% in FY2023 (+5 million tonnes) and an additional 2% in FY2024 (+4 million tonnes) to return to FY2021 levels.

Global fertiliser consumption variation

(Million tonne nutrient)

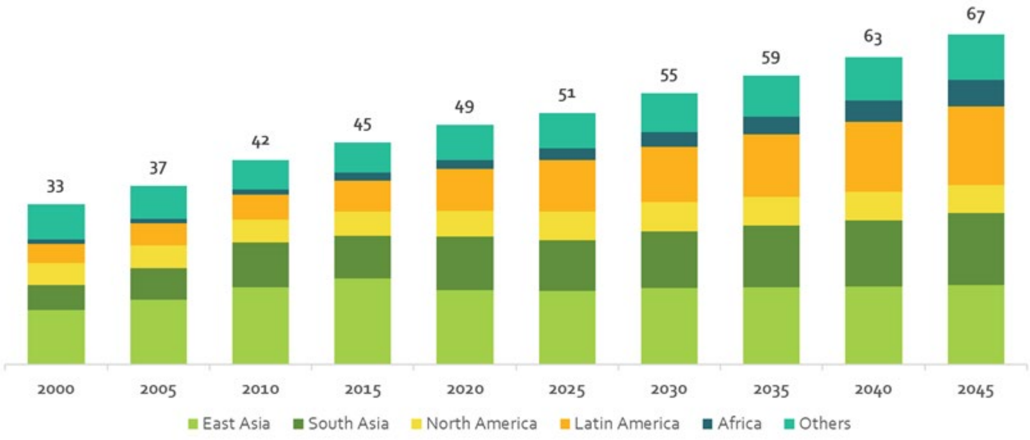


Source: IFA – Medium-Term Fertiliser Outlook 2023 – 2027, June 2023. Short-Term Fertilizer Outlook 2023-2024, December 2023

In the longer term, global phosphate fertiliser demand is forecasted to grow by approximately 4 million tonnes from 2023 through to approximately 50 million tonnes P_2O_5 in 2027 and exceed 2020 record levels according to IFA. According to CRU, the Group's addressable market for P_2O_5 is expected to be approximately 16.5 MT in 2024.

The graph below illustrates expected growth in global P_2O_5 fertiliser consumption.

Worldwide phosphate-based fertiliser demand (in million tonnes P_2O_5)

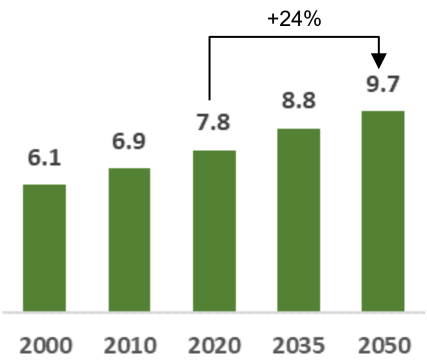


Source: *IFA, CRU. 2010-2020 Realized. 2021-2045 CRU's Long Run Forecast Database (March 2024)*

Population Growth and Arable Land per Capita

Population growth is the primary driver of fertiliser demand. As the world's population grows, urbanises and industrialises, farmland per capita decreases and increased food production is required from each acre of farmland, which in turn requires more plant nutrients. The chart below reflects the forecasted increase in world population and decline in global arable land per capita through 2050, both of which are long-term drivers for global fertiliser demand.

Growing world population



Source: *United nations – World Population Prospects 2022*

Arable land per capita (ha/capita)

Source: *FAO, 2018, The future of food and agriculture – Alternative pathways to 2050*

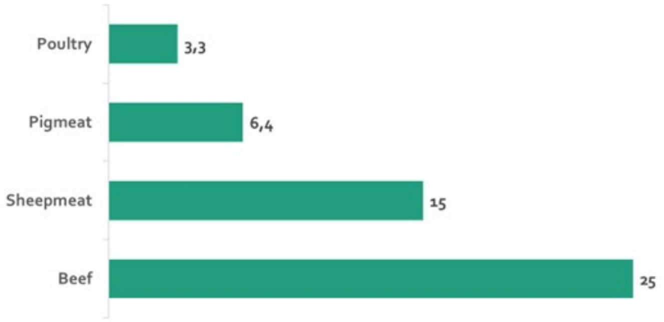
According to the United Nations' report, "World Population prospects", the world's population is projected to grow by 13% from 7.8 billion in 2020 to 8.8 billion in 2035, and further to 9.7 billion in 2050 (a 24% total increase). In addition, the population of sub-Saharan Africa is projected to almost double by 2050. Other regions are expected to also see varying rates of increase between 2020 and 2050, such as Oceania excluding Australia/New Zealand, which is expected to increase by 50%, Northern Africa and Western Asia, which are expected to increase by 44%, Central and Southern Asia, which are expected to increase by 27%, Australia/New Zealand, which are expected to increase by 24%, Latin America and the Caribbean, which are expected to increase by 15%, Europe and Northern

America, which are expected to remain flat, and Eastern and South-Eastern Asia, which are expected to decrease by 1%.

Dietary Changes in the Developing World

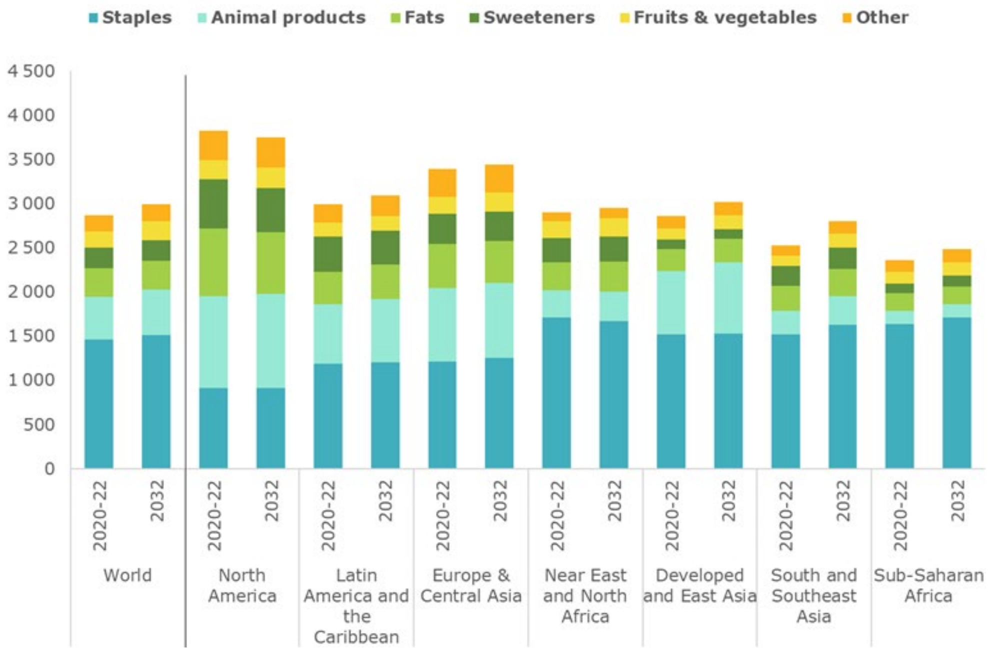
Developed nations generally use phosphate as a fertiliser more intensively than developing nations, but sustained economic growth in emerging markets is increasing food and feed demand and phosphate fertiliser use. Due to the growth in GDP, populations in emerging markets are shifting to more protein-rich diets as incomes increase, leading to increasing grain consumption for animal feed. The production of meat requires a significant amount of grain to feed farmed animals. For instance, it takes up to seven kilograms of grain to produce one kilogram of beef and four kilograms of grain for one kilogram of pork.

Kilograms of dry matter feed required per kilogram of edible weight (2013)



Source: OECD/FAO (2023), "OECD-FAO Agricultural Outlook". Livestock conversion efficiencies are given as reported in Alexander et al. (2016), "Human appropriation of land for food: the role of diet", Global Environmental Change, Vol. 41, 88-98.

Contribution of food groups to total daily per capita calorie food consumption by region

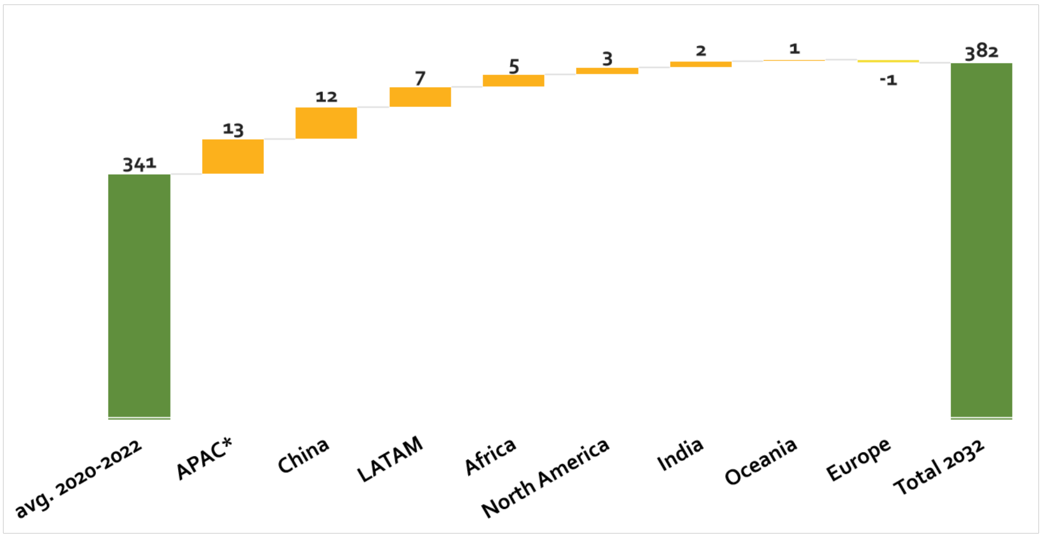


Note: Staples include cereals, roots and tubers and pulses. Animal products include meat, dairy products (excluding butter), eggs and fish. Fats include butter and vegetable oil. Sweeteners include sugar and HFCS.
Source: FAO (2023). FAOSTAT Food Balances Database; OECD/FAO (2023), "OECD-FAO Agricultural Outlook", OECD Agriculture statistics (database)

In developing countries, the weight of animal protein in overall protein consumption remains low compared to high-income countries. Although the gap is not expected to significantly close in the upcoming decade, faster GDP growth in developing countries is pushing consumption patterns towards higher protein uptakes and an increasing role for animal sources of protein.

On the supply side, Brazil, China, the European Union, and the United States are currently producing nearly 60% of global meat output. Their share in global livestock and fish is expected to remain unchanged over the next decade. Meat production in these regions is expected to benefit from certain tailwinds. Production growth in Brazil will continue to benefit from an abundant supply of natural resources, feed, grassland availability, productivity gains and, to some extent, the devaluation of the Real. Increasing economies of scale in China, with large commercial enterprises emerging in place of smaller ones, will also benefit production there. Production in the USA is expected to remain stable or increase driven by strong domestic demand. Production in the European Union is expected to remain stable, with upside potential if the proposed African continental free trade agreement enters into force, reducing barriers to exports to a key market.

Growth of global meat production in Mt cwe (carcass-weight equivalent)



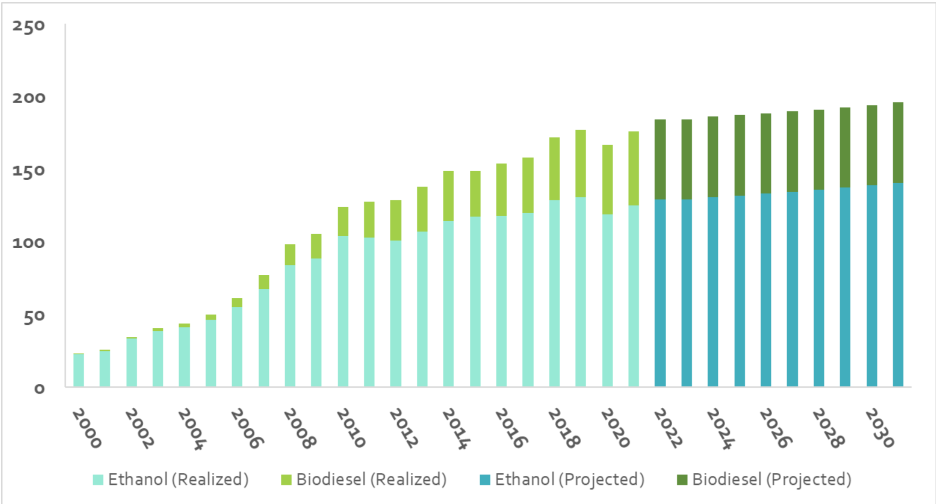
*APAC: Asia Pacific (excl. China and India)
Source: *OECD/FAO (2023), "OECD-FAO Agricultural Outlook 2023-2032", OECD Agriculture statistics (database)*

Biofuel Production

Given increasing legislation on using alternatives to fossil fuels, biofuel production has increased substantially. This trend has affected the agricultural industry significantly through its increasing demand for grain crops (such as corn in the United States, sugarcane in Brazil or sugar beet in the EU), which as a result has increased fertiliser demand. The United States is one of the major producers of biofuels according to the U.S. Environmental Protection Agency ("**EPA**").

Biofuel demand bounced back to 2019 levels in 2021 and 2022 after the decline caused by the COVID-19 pandemic. Global demand reached 4,3 exajoule in 2022 according to the International Energy Agency ("**IEA**"). According to the OECD and FAO, biofuel consumption growth is expected to slow in the next decade compared to previous decades primarily as result of reduced support policies in developed countries. Demand for biofuels is expected to increase due to developments in transportation fleets, domestic policies, and greater demand from consumers. Production is expected to mainly expand due to Asian countries favouring domestic production through financial and fiscal incentives. In the longer term, the IEA foresees a significant increase in biofuel production to comply with the Net Zero Emissions by 2050 Scenario and deliver the associated emission reductions. By 2030, under the IEA Net Zero Scenario, biofuel production reaches 10 exajoule at a 11% per annum growth rate. Under this scenario, biofuels produced from waste and residue resources should become the alternative source of biofuel and source as much as 40% of total biofuel demand.

Development of the world biodiesel and ethanol production since 2000 (in billion litres)



Source: *OECD/FAO (2022), "OECD-FAO Agricultural Outlook", OECD Agriculture statistics (database)*

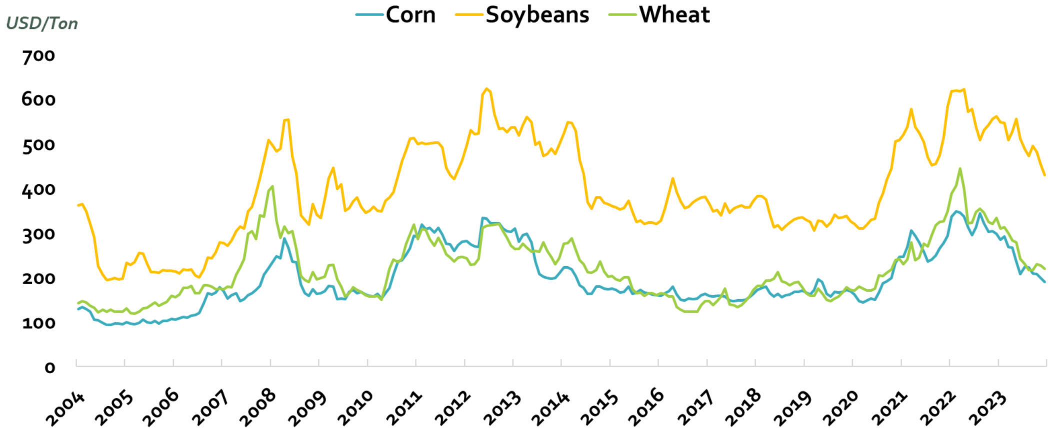
Agricultural Crop Prices and Inventory

Agricultural crop prices and inventory have an impact on the ability of farmers to purchase fertilisers.

Since 2020, the world has witnessed a dynamic and often volatile agricultural landscape characterized by fluctuating crop prices and inventory levels. Initially, agricultural prices, both in nominal and real terms, embarked on an upward trajectory, buoyed by various factors such as increased demand, tight supplies, and rising production costs. This trend persisted through much of 2020, 2021, and 2022, fueled in part by adverse climatic conditions, geopolitical tensions, and disruptions to supply chains.

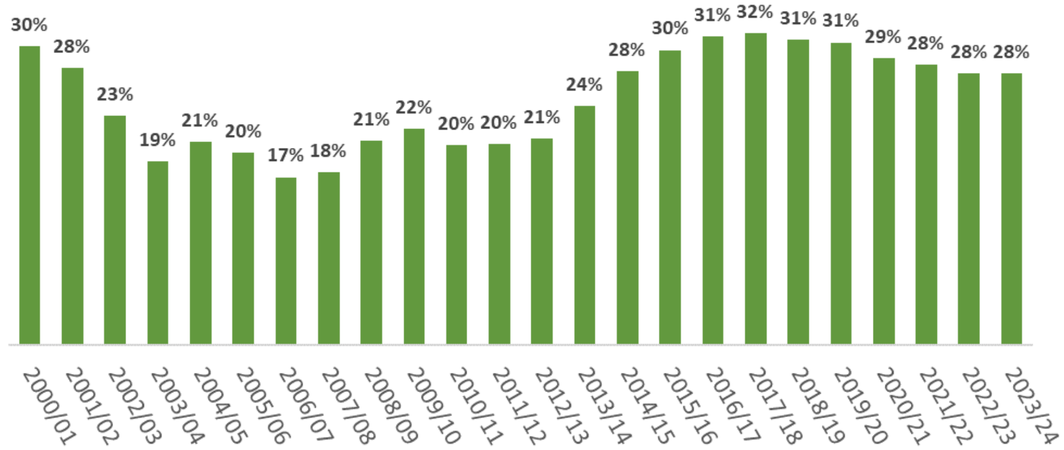
However, the situation shifted in 2023 as crop prices began to retreat, influenced by factors like the resumption of Ukrainian exports to the market (facilitated the Black Sea Grain Initiative), improvements in supply chain logistics, and shifts in global demand patterns. Despite this correction, lingering effects from previous disruptions, coupled with ongoing challenges such as climate change and geopolitical uncertainties, continue to impact agricultural markets. As a result, while prices have moderated to some extent, the world remains vigilant, navigating a landscape where agricultural crop prices and inventory levels remain subject to a complex interplay of factors shaping the global food system.

Corn, soybeans and wheat price evolution in USD/Ton (2004-2024)



Source: *IMF, Primary Commodity Price System (PCPS)*

World grains stock-to-use ratio



Note: 2022/23 estimates and 2023/2024 forecasts. Source: *USDA, World Agricultural Supply and Demand Estimates (WASDE), May 2024*.

Supply Fundamentals of Phosphates

Commercial phosphate fertilisers used in agriculture are typically made using three key inputs: phosphate rock, sulphur and ammonia. Phosphate rock is currently widely viewed as the only commercially viable source of phosphorus available globally. Typically found in areas of oceanic upwelling with a low energy environment, phosphate rock formations primarily occur as sedimentary marine phosphorites. The largest deposits of phosphate rock are found in Morocco, China, the Middle East, and the United States. Large igneous deposits have also been delineated in Brazil, Canada, Finland, Russia and South Africa. According to the USGS Report of January 2024, global reserves of phosphate rock stand at approximately 74 billion tonnes, with Morocco (including the Southern Provinces herein) contributing 50 billion tonnes, as shown in the world map below.

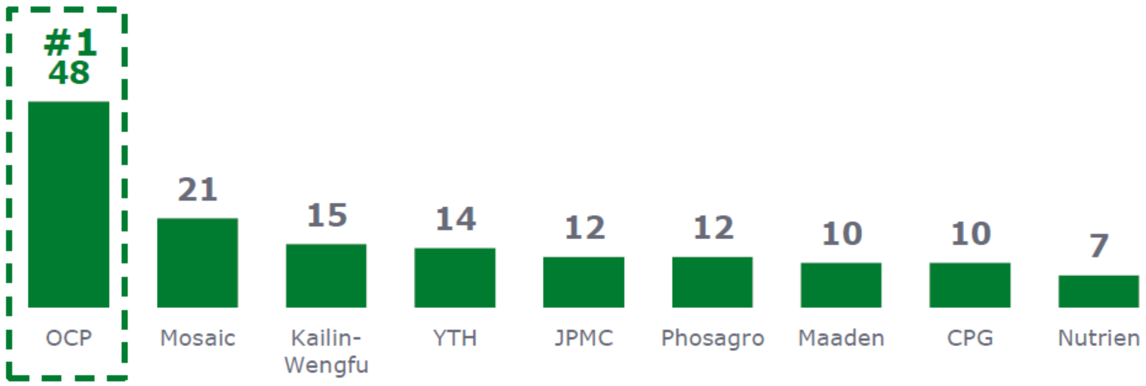
Worldwide phosphate reserves (in billion tonnes)

Source: *USGS 2024.*
(1) Including Western Sahara, referred to as the Southern Provinces herein.

Phosphate rock is the key raw material used in the production of phosphate fertilisers, which are produced mainly by using sulphuric acid and ammonia.

Other than the Group, the key players in the fertiliser market globally include CF Industries, Belaruskali, EuroChem, Israel Chemicals (ICL), Jordan Phosphate Mines Company (JPMC), K+S, Ma'aden, Mosaic, Nutrien, PhosAgro, Uralkali and Yara. Among these, JPMC, Ma'aden, Mosaic, PhosAgro and some Chinese players such as Yuntianhua Group and Guizhou Phosphate Chemical Group (Ex Wengfu and Kailin) are the key players in the phosphate-based fertiliser market.

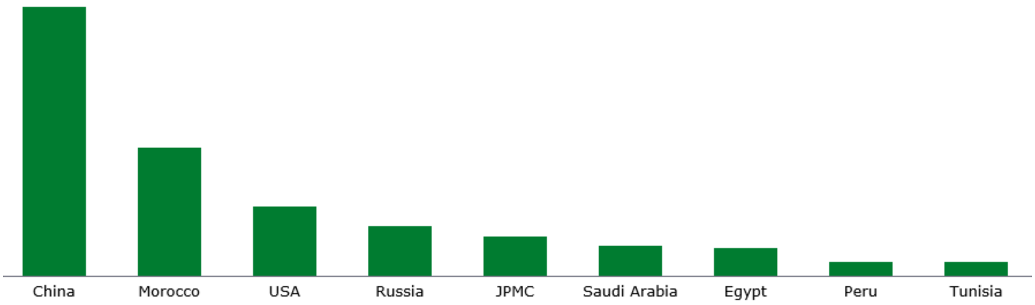
Largest global phosphate rock capacities by player (by volume in MT, 2023)



Source: *Company reports, CRU, Market research*

The chart below sets out global phosphate rock production by country for the period indicated.

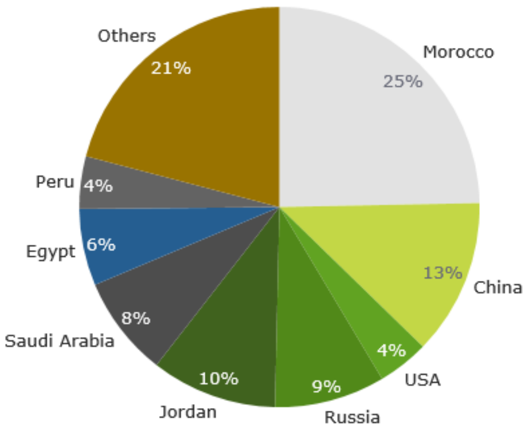
Largest global phosphate rock country producer (by production volume in KT, 2023)



Source: *Company reports, CRU, OCP analysis*.

The size of the global trade market for phosphate rock, phosphoric acid and phosphate-based fertilisers was approximately 28.5 million tonnes P_2O_5 in 2023, compared to 27 million tonnes P_2O_5 in 2022, an annual increase of about 6%. Seven countries accounted for 75% of world trade in rock, phosphoric acid and phosphate fertilisers in 2023: Morocco, China, Russia, Jordan, Saudi Arabia, Egypt and the United States as shown in the graph below:

Market share (trade) of major phosphate exporters (2023)

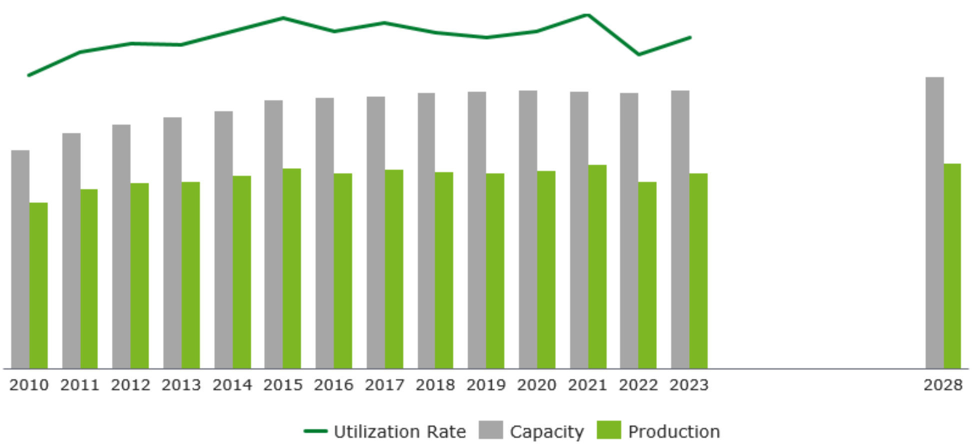


Source: *Company reports, CRU (2024), OCP analysis*.

The largest three phosphate rock country producers-China, Morocco and the United States-account for approximately 42% of the global trade market for phosphate rock, phosphoric acid and phosphate-based fertilisers in 2022, according to CRU.

According to CRU, the production of phosphate rock has increased significantly since 2000, increasing from approximately 132.6 million tonnes in 2000 to approximately 199.9 million tonnes in 2022; over this period, production increased at a CAGR of 1.8%.

Rock production, capacity (MT Rock) and operating rate (%)

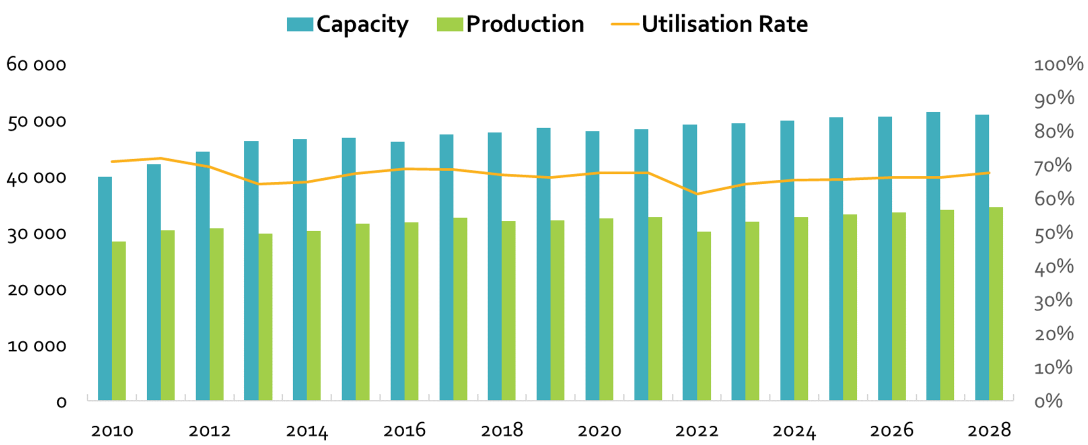


Source: OCP analysis, *CRU*

The production of DAP/MAP/TSP has increased from approximately 19.8 million tonnes P_2O_5 in 2000 to approximately 31.9 million tonnes P_2O_5 by 2023; over this period, production increased at a CAGR of 2.1%.

Operating rates have also displayed resilience, being between 60% and 70% over the last decade. Over the 2010-2023 period, consumption of these fertilisers increased at a CAGR of 0.90% while capacities increased at a CAGR of 1.66%.

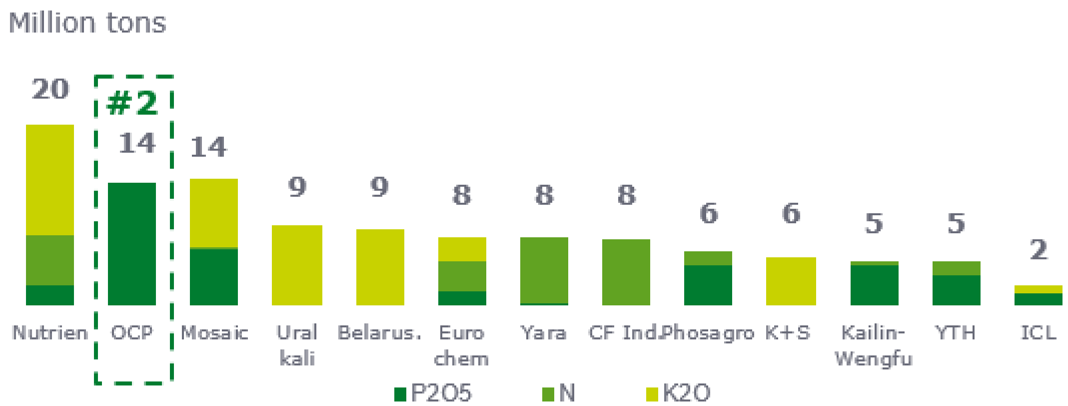
Global phosphate (DAP/MAP/TSP) production, capacity (KT P_2O_5) and operating rate (%)



Source: *CRU Phosphate Fertilizer Market Outlook Flat Database, Feb 2024*

The chart below sets out global fertiliser capacity by producer for the period indicated.

Largest global fertiliser capacity by player (by volume in MT nutrient, 2023)



Source: *Company reports, CRU, his*.

A number of brownfield and greenfield projects have been contemplated with the majority of the capacity increases expected in Morocco (OCP) and Saudi Arabia (Ma'aden). Barriers to entry to the phosphate industry include know-how, access to cost-competitive reserves and sufficient financial resources (which make brownfield projects attractive for capacity expansion).

Main Exporters and Importers of Phosphate

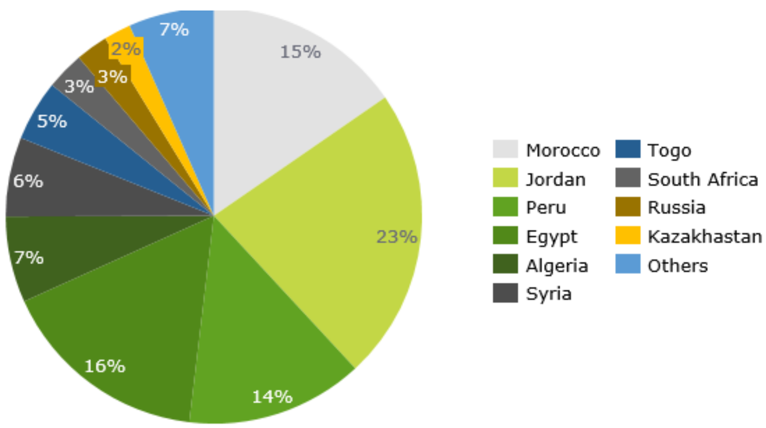
Phosphate Rock

According to CRU, world exports of phosphate rock decreased by approximately 5% in 2023, to approximately 29.3 million tonnes from approximately 27.9 million tonnes in 2022.

Phosphate rock is typically produced and processed in the same country. Out of approximately 207 million tonnes of phosphate rock produced in 2023, only approximately 29.3 million tonnes were traded internationally.

The chart below shows the main phosphate rock exporters in 2023. The Group is among the largest exporters of phosphate rock with a market share of 20% of global exports by volume in 2023 while representing 15% of the global production of phosphate rock in the same year, according to CRU.

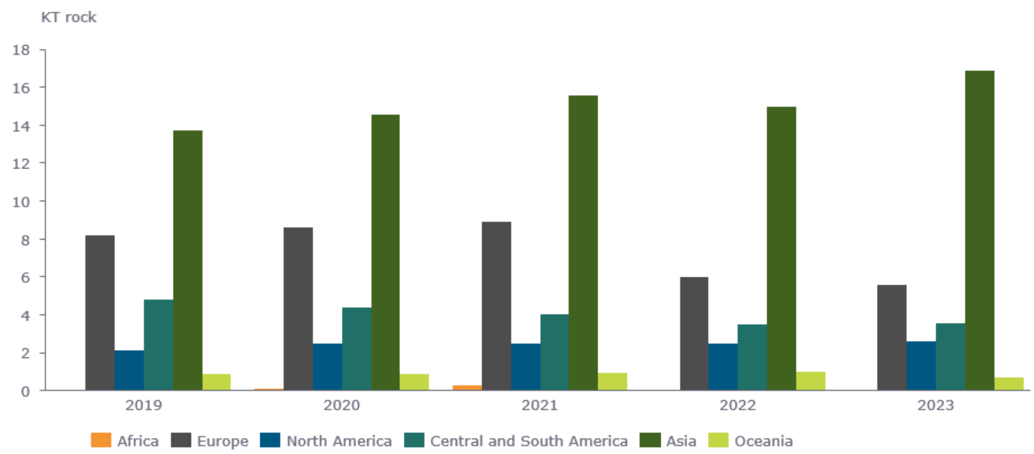
Market share of the main phosphate rock exporters by volume (2023)



Source: *OCP Analysis, CRU*

The chart below shows the main phosphate rock importers for the 2019-2023 period.

World phosphate rock imports (million tonnes)



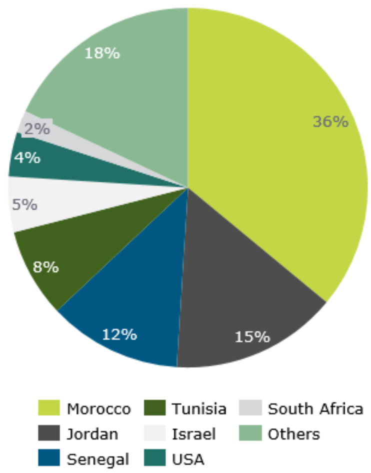
Source: OCP analysis, CRU

Phosphoric Acid

World phosphoric acid exports decreased by approximately 6.1% in 2023, to approximately 3.88 million tonnes P_2O_5, from approximately 4.13 million tonnes P_2O_5 in 2022.

The chart below shows the main phosphoric acid exporters by volume in 2023.

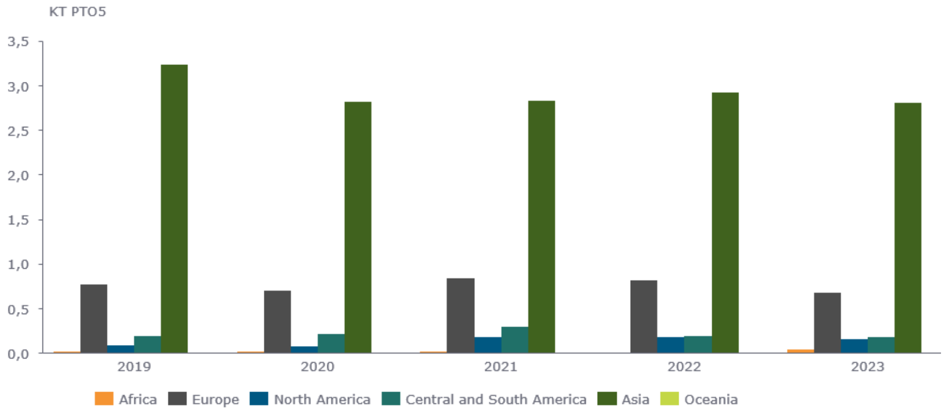
Market share of the main phosphoric acid exporters by volume (2023)



Source: *CRU*

The chart below shows the main phosphoric acid importers for the 2019-2023. The Group is the largest exporter of phosphoric acid with a market share of 36% of global exports by volume in 2023 while representing 14.9% of the global production of phosphoric acid in the same year.

World phosphoric acid imports (thousand tonnes P_2O_5)



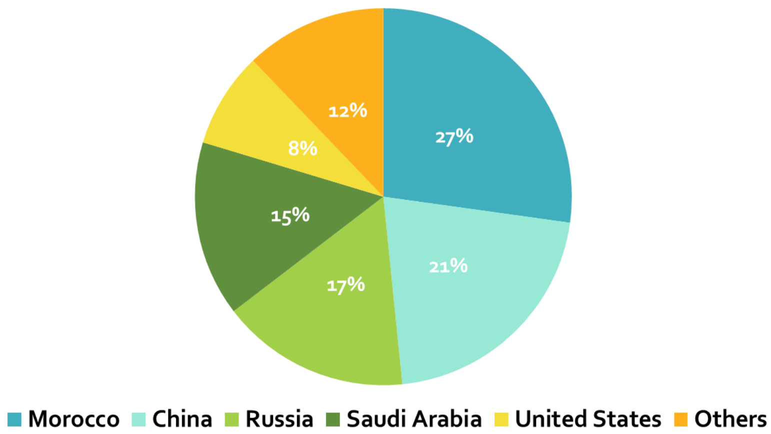
Source: *OCP analysis, CRU, Market research*

Phosphate-Based Fertilisers

World phosphate-based fertilisers (DAP MAP TSP) imports decreased by approximately 11% in 2023, to approximately 15.6 million tonnes P_2O_5 from approximately 14 million tonnes P_2O_5 in 2022.

The chart below shows the main phosphate-based fertiliser exporters in 2023. The Group is the largest exporter of phosphate-based fertilisers with a market share of 27.5% of global exports by volume in 2023 while representing 14% of the global production of phosphate-based fertilisers in the same year, according to CRU.

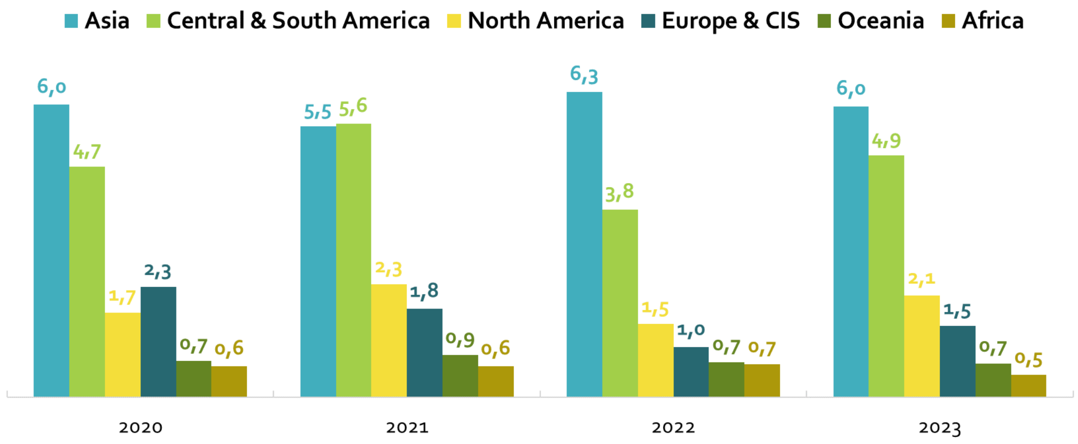
Market share of the main phosphate-based fertiliser exporters by volume (in nutrient Tonnes DAP/MAP/TSP, 2022)



Source: *IFA. Processed Phosphates Statistics, detailed Report 2022. Nov 2023 revision*

The chart below shows the main phosphate-based fertiliser importers for the 2020-2023 period.

World phosphate-based fertiliser importers DAP MAP TSP (million tonnes P_2O_5)

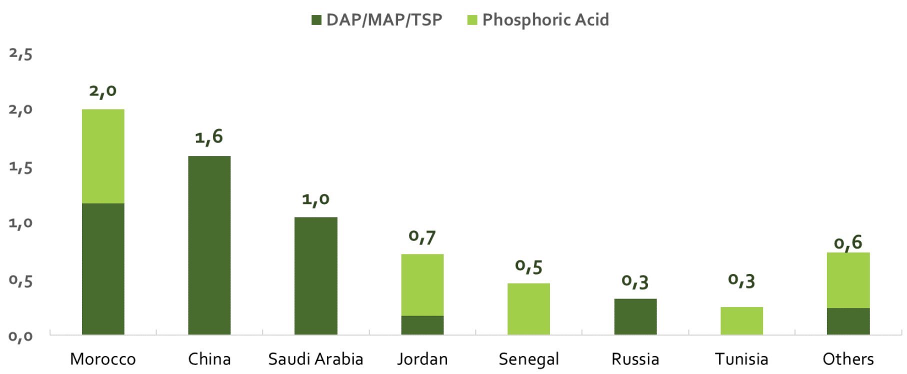


Source: *CRU Phosphate Fertilizer Market Outlook Flat Database, Feb 2024*

Importantly the Group is one of the largest exporters to Asia which remains the largest importer region for phosphoric acid.

The chart below sets the South Asia P_2O_5 imports during 2023 (mainly India, Bangladesh and Pakistan).

South Asia DAP/MAP/TSP and Phosphoric Acid imports in 2023 (Mt P_2O_5)



Source: *CRU Phosphate Fertilizer Market Outlook Flat Database, Feb 2024*

Additionally, growth for fertiliser demand is expected to be driven predominantly by South America and Africa:

Projected global P_2O_5 fertiliser demand by region - Source CRU (Feb 2024)

(MT P_2O_5)	2022	2027F	2022-2027F CAGR
Europe & CIS	4.7	5.2	2.3%
North America	4.7	5.9	4.7%
Central & South America	9.1	11.2	4.3%
Sub Saharan Africa	1.5	2.1	7.6%
Asia	24.3	27.3	2.4%

Oceania	1.2	1.2	0.7%

Source: *CRU Phosphate Fertilizer Market Outlook Flat Database, Feb 2024*

The expected growth in major consuming countries such as India, China and Brazil is expected to support a strong demand for phosphate-based fertilisers.

In addition, the Group is active in developing customised and specialty fertiliser applications which have experienced double digit growth historically. For the key markets where the Group is active, historical growth during the last ten years was around 10% for NPS exports, 10% for soluble fertilisers and more than 15% for Bio stimulants.

It is expected that strong market growth will continue in the near term as presented in the table below:

Customised and specialty fertilisers forecasted growth - Market size projection through 2020-2025

(U.S.$billion)

	2020	**2025F**	**2020-2025F CAGR**
NP/NPS Market(1)	6.8	7.6	+2%
Soluble Map	0.5	1.1	+13%
Organic Fertiliser Market	7	12	+11.5%
Bio Stimulants Market	2.6	4.4	+11%
Micronutrients Market	3.6	5.5	+8.8%

Note: (1) Adjusted volume

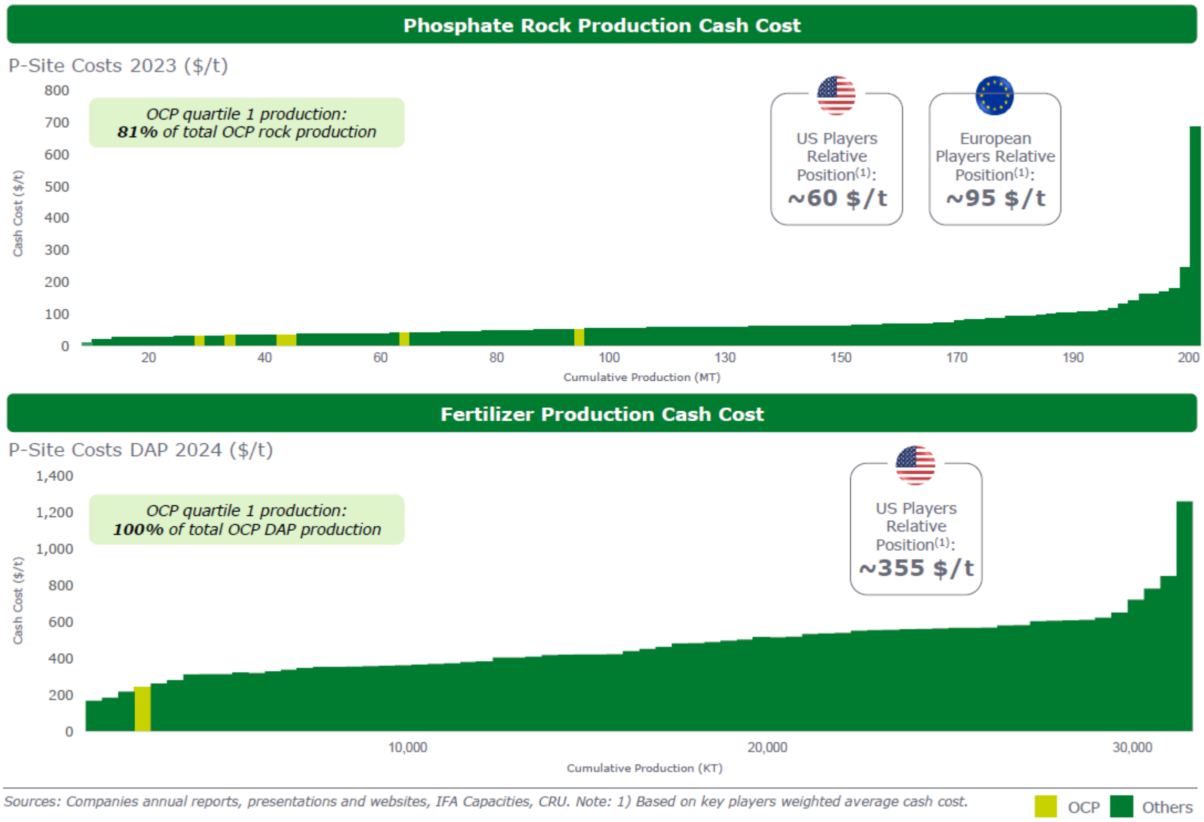
Source: *OCP, CRU, Argus, Market research*

Cost Structure

Production of phosphate typically requires grinding or pulverising the rock, followed by its conversion to phosphoric acid commonly through application of sulphuric acid in a high-heat process. Phosphoric acid is then neutralised to produce the most widely used commercial fertilisers: DAP and MAP. Phosphate fertiliser production accounts for approximately 70% of the global sulphur market, with approximately one tonne of sulphur needed to produce two tonnes of DAP.

The Group has a quality rock supply and has one of the lowest phosphate rock cash costs in the industry, giving the Group a significant competitive advantage over producers that must purchase rock. Of the global phosphate producers, approximately 30% of them are non-integrated and rely on imports or domestic purchases for their rock supply.

The following charts show the Group's rock export and fertiliser production cash costs as compared to its competitors.



Source: *OCP analysis, CRU, Marker research*

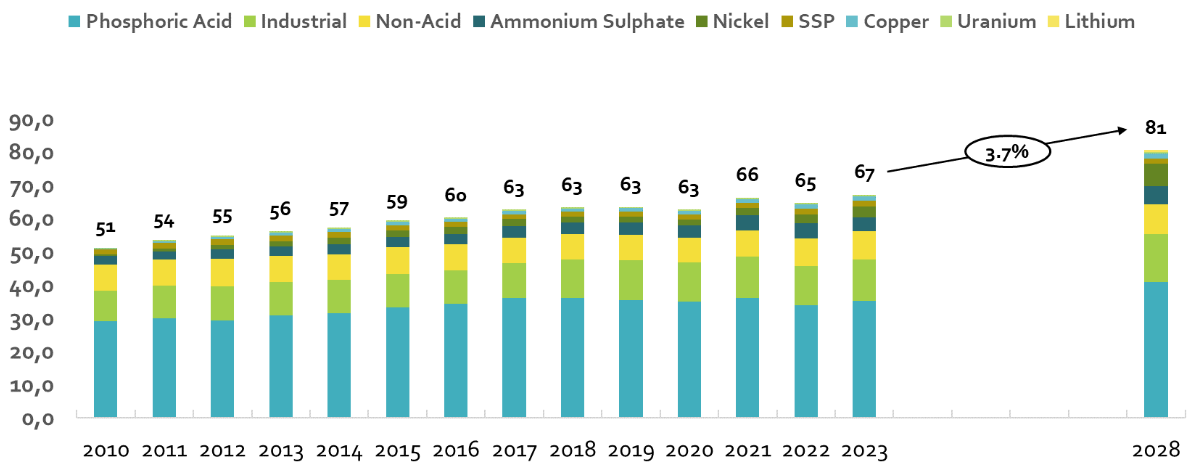
Key Raw Material Overview

Sulphur: Supply and Demand Fundamentals

Sulphur is used in fertiliser production primarily as sulphuric acid that reacts with phosphate rock to produce phosphoric acid and SSP or with ammonia to produce ammonium sulphate. According to CRU, fertilisers are the largest sulphur consumer, with a steady share through 2021-2023 at around 60% of total demand. Sulphur is also used in various industrial activities and in metals leaching of Copper, Nickel and Uranium.

Sulphur demand has grown at a rate of 2.3% p.a. through 2000-2023 from 40 million tonnes in 2000 to 67 million tonnes in 2023, driven mainly by metal production growth (10.3%) followed by industrial and non-acid use (2.4%) with a slower growth for use in fertiliser production (1.8%). Between 2023 and 2028, CRU expects sulphur demand to expand at an average growth rate of 3.7% p.a. to reach 81 million tonnes by 2028, with faster growth for metals-based demand (12.5% p.a.), followed by fertiliser-based demand at 3.2% while industrial and non-acid demand is expected to grow at a slower rate of 2.3%.

Sulphur demand evolution by end-use (volumes in MT)

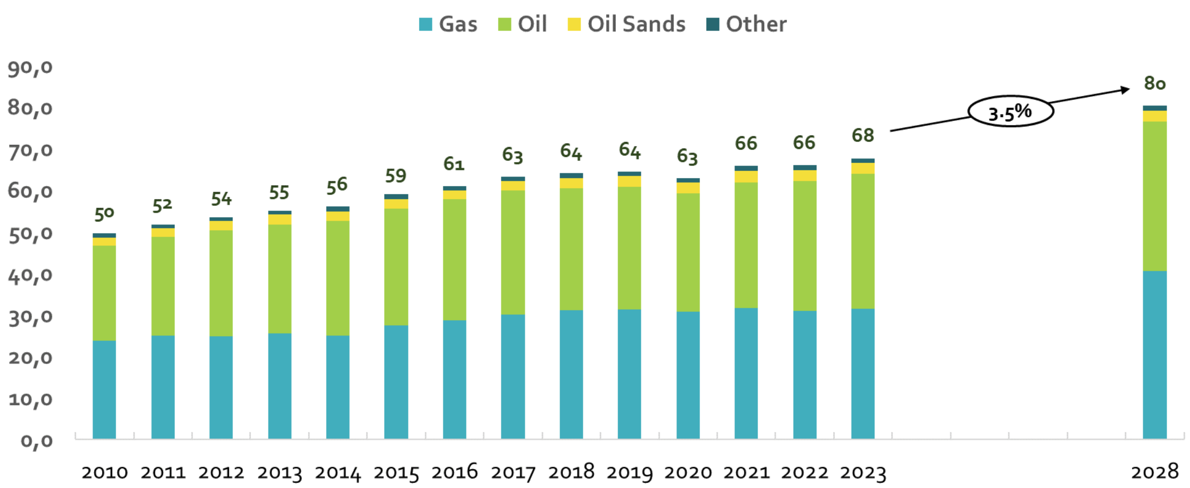


Source: *CRU: Sulphur Market Outlook. Dec 2023*

Sulphur trade accounts for approximately 52% of total Sulphur demand in 2023, according to CRU estimates. Since 2000, the Group's imports have been growing from 2.8 million tonnes in 2000 to approximately 6.9 million tonnes in 2020.

According to CRU, Sulphur production increased from 42 million tonnes in 2000 to 68 million tonnes in 2022. Oil-based sulphur share of production has been increasing since 2000 to reach 48% in 2023, up from 38% in 2000. CRU expects Sulphur supply to reach 80 million tonnes by 2028, as new supply enters the market from sources such as the UAE and Saudi Arabia.

Sulphur Supply evolution by origin (volumes in MT)

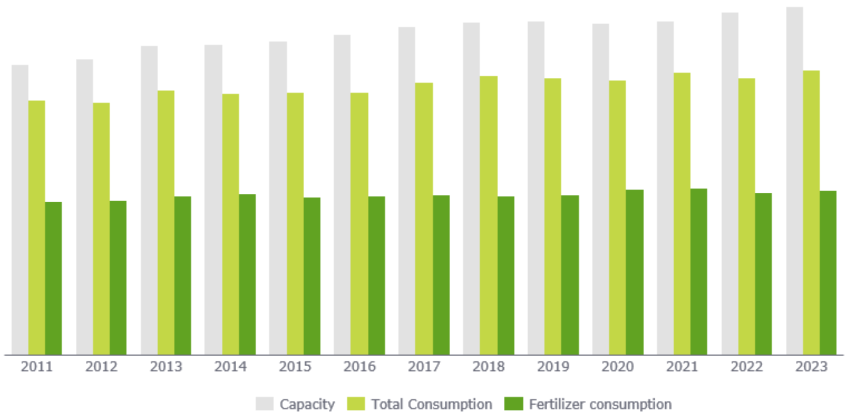


Source: Source: *CRU: Sulphur Market Outlook. Dec 2023*

Ammonia: Supply and Demand Fundamentals

As for sulphur, ammonia is used in fertiliser production. It reacts with phosphoric acid to produce ammonium phosphates DAP and MAP. Fertilisers are the largest ammonia consumer with a steady share through 2011-2023 at around 61% of total consumption. The worldwide use rate is estimated at approximately 82% over the period 2011-2023.

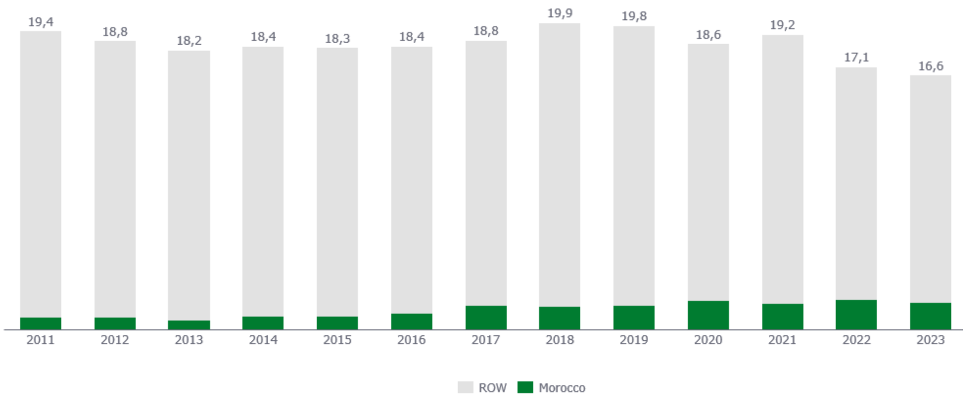
Capacity, total consumption and fertiliser consumption of Ammonia (volumes in MT)



Source: *OCP analysis, CRU, Market research*

During the period of 2011-2023, ammonia markets saw similar traded output over the years with volumes relatively averaging 18.5Mt per year, and this trend is set to continue over the next few years. At the same time, Russia's invasion of Ukraine in February 2022 and the resulting conflict has substantially disrupted the ammonia market, leading to increased prices, changes in sourcing patterns and logistical complications. The Group is one of the main importers of ammonia in the world with a market share around 11% of total world imports. The imports of the Group have increased steadily with a CAGR of 11% between 2013 and 2023.

Ammonia Imports (volumes in MT)



Source: *OCP Analysis, CRU, Market research*

BUSINESS

Overview

The Group is a leading vertically integrated fertiliser company involved in the extraction, production and commercialisation of: (i) phosphate rock; (ii) phosphoric acid (including purified phosphoric acid); (iii) phosphate-based fertilisers; and (iv) animal nutrition and speciality products. The Group is the largest producer of phosphate rock and phosphoric acid, and the largest producer of phosphate-based fertilisers (DAP, MAP and TSP), globally (by volume), based on management estimates derived from company information and publicly available data of competitors for 2023. The Group's mining activities are based in Morocco and focus on the extraction, treatment, enrichment and delivery of phosphate rock to its processing facilities in Jorf Lasfar and Safi, as well as the export of phosphate rock to its customers in approximately 27 countries. The Group processes more than two thirds of its phosphate rock production into phosphoric acid, a significant part of which is in turn further processed into phosphate-based fertilisers. In addition to phosphoric acid, the Group produces and exports six major types of phosphate-based fertilisers (MAP, DAP, NPK, NPS, ASP and TSP) as well as over 174 diversified products that are primarily focused on providing customised formulas., such as fertilisers enriched with micronutrients and reactive phosphate rock. The Group sells its products to other industrial companies, including integrated and non-integrated players, large and established traders and distributors.

In FY 2023, the Group's total revenue was Dh 91.3 billion (FY 2022: Dh 114.6 billion FY 2021: Dh 84.3 billion), its EBITDA was Dh 29.4 billion (FY 2022: Dh 50.1 billion FY 2021: Dh 36.3 billion) and its net profit/(loss) for the period was Dh 14.3 billion (FY 2022: Dh 28.2 billion FY 2021: Dh 16.3 billion). The Group's total assets were Dh 249.9 billion, Dh 226.0 billion and Dh 182.0 billion as at 31 December 2023, 2022 and 2021, respectively.

According to the USGS Report of January 2024, approximately 67.6% of the world's largest reserves of phosphate rock are located in Morocco (including Western Sahara, referred to as the Southern Provinces herein) and, under Moroccan law, the Group has exclusive access to Morocco's phosphate reserves. All of the Group's mining activities are conducted at open-pit mines. The Group operates ten phosphate rock mines at three locations in central Morocco (six at Khouribga, three at Gantour (Ben Guerir and Youssoufia) and one in the Southern Provinces (Boucraâ)), with a combined annual production capacity of 47.5 million tonnes for FY 2023. The average P_2O_5 content of the phosphate rock currently mined by the Group is approximately 30.7%, based on IFA estimates (World Phosphate Rock Production, 2022).

The Group operates processing plants in two locations on the Atlantic coast in central Morocco: Jorf Lasfar, which receives phosphate rock principally from the mines at Khouribga; and Safi, which receives phosphate rock principally from the mines at Gantour.

- At the Jorf Lasfar site, the Group operates a number of facilities that have a total nominal production capacity of 14.2 million tonnes of fertilisers (DAP equivalent) and 6.6 million tonnes of phosphoric acid per year, including the nominal production capacity of its joint ventures IMACID, PMP, KOFERT which have a combined production capacity of 1.5 million tonnes of phosphoric acid per year, and EMAPHOS, which has a production capacity of 0.28 million tonnes P_2O_5 of purified phosphoric acid per year.

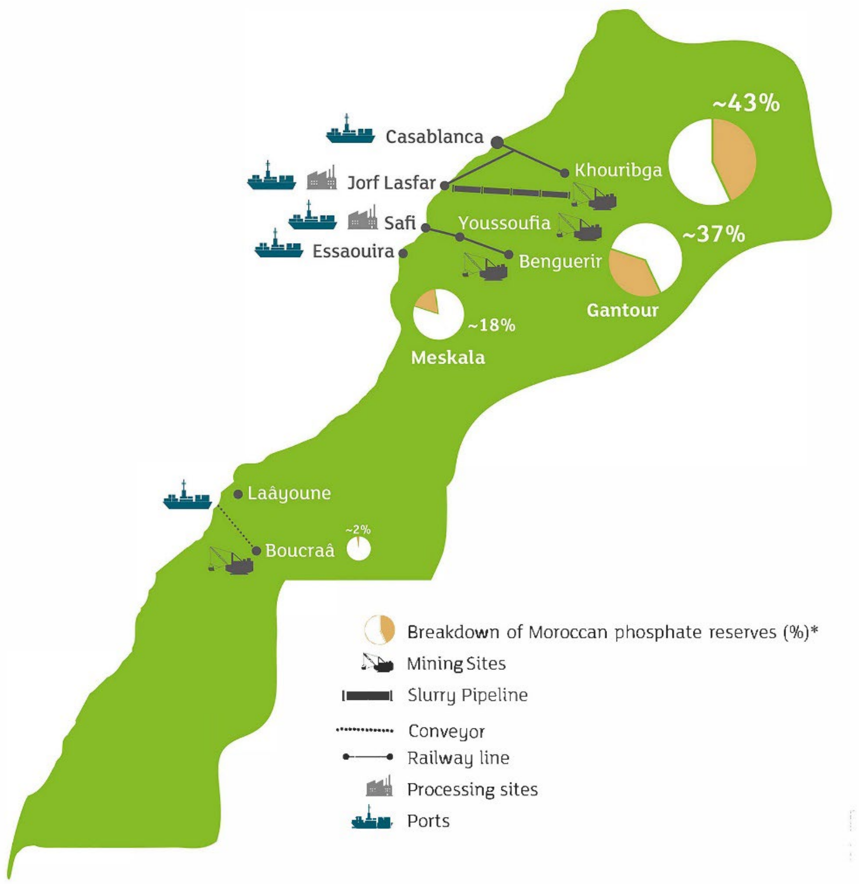
- At the Safi site, the Group's facilities have a nominal production capacity of 1.2 million tonnes of phosphoric acid, 0.9 million tonnes of TSP and 0.2 million tonnes of feed phosphate products per year.

Beyond its Moroccan production capacities, the Group has also entered into production joint ventures and has direct or indirect interests in processing plants in Belgium, Brazil, France, India, Spain and the United States.

In addition to Morocco, OCP heavily invests in production and logistics across numerous African countries, including fertiliser blending and storage facilities. These projects enable the Group to optimise cost efficiencies for farmers while enhancing OCP's agility and responsiveness to local requirements. These projects are located in Nigeria, Ghana, Cote d'Ivoire, Senegal, Cameroon, Rwanda and Ethiopia and have an annual capacity of more than 1.2 million tonnes of fertilisers. Some units are already in production while the rest are in an advanced project phase.

The Group is currently able to export phosphate rock from the ports of Casablanca, Jorf Lasfar and Safi, as well as the wharf at Laâyoune, phosphoric acid and phosphate-based fertilisers from the ports of Jorf Lasfar and Safi, and feed phosphate products from the port of Safi.

The following summarises the Group's principal operations and reserves in Morocco as at 31 December 2023.



(*) Total Moroccan phosphate reserves according to the USGS Mineral Commodities Summaries (January 2024).

Strengths

The Group believes that its principal strengths and competitive advantages include the following:

A Global Leader across the Phosphate Value Chain

The Group is the largest producer of phosphate rock and phosphoric acid, and one of the largest producers of phosphate-based fertilisers (DAP, MAP and TSP), globally (by volume), based on management estimates derived from company information and publicly available data of competitors as of 31 December 2023. The Group has leading positions in production and trade volumes across the phosphate value chain. As at 31 December 2023, the Group had an annual production capacity of phosphate rock, phosphoric acid and fertilisers of 47.5 million tonnes, 7.7 million tonnes of P_2O_5 and 15.4 million tonnes, respectively. In 2023, the Group accounted for approximately 20%, 36% and 27.5% of the global phosphate rock, phosphoric acid and phosphate-based fertiliser trade, respectively, according to CRU. The Group believes its vertically integrated business model across the phosphate value chain provides flexibility in optimising its product mix between phosphate rock, phosphoric acid and fertilisers, which allows it to maximise margins and optimise capacity utilisation according to demand. In addition, the Group benefits from the substantial industry expertise and experience gained during its past 100 years of phosphate production.

Large and Quality Reserve Base which Constitutes a Natural Barrier to Entry

According to the USGS Mineral Commodities Summaries published in January 2024, Morocco (including the Western Sahara, or the Southern Provinces as referred herein) has the largest phosphate rock reserves in the world with 50 billion tonnes (approximately 67.6% of estimated world total reserves of 74 billion tonnes). The average P_2O_5 content of the phosphate rock currently mined by the Group is approximately 30.7%, based on IFA estimates (World Phosphate Rock Production, 2022). With exclusive access to Morocco's phosphate reserves, the Group estimates its economically exploitable reserves are sufficient to cover several hundreds of years of global phosphates consumption (at current consumption levels).

The Group believes it is one of the lowest cost producers of phosphate rock in the industry, which it is able to maintain due to its exclusive access to large phosphate rock reserves, high grade P_2O_5 quality and low extraction costs. Fertiliser producers that do not have access to their own phosphate rock reserves tend to have higher production costs. Those producers experience significant difficulties when the phosphate rock market price increases faster than the prices of their output products. Tight or negative margins in this case may push those producers to reduce or stop production. Lack of access to phosphate rock reserves, in addition to high capital investments required, significant infrastructure facilities and lack of technical know-how, act as a significant barrier to entry for any producer seeking to enter the market on a significant scale and compete with the Group in relation to sales of phosphate rock, phosphoric acid and phosphate-based fertilisers.

Low-Cost Position in Phosphate Rock and Phosphate-Based Fertilisers

The Group believes that it is one of the lowest cost producers of phosphate rock in the industry, primarily due to:

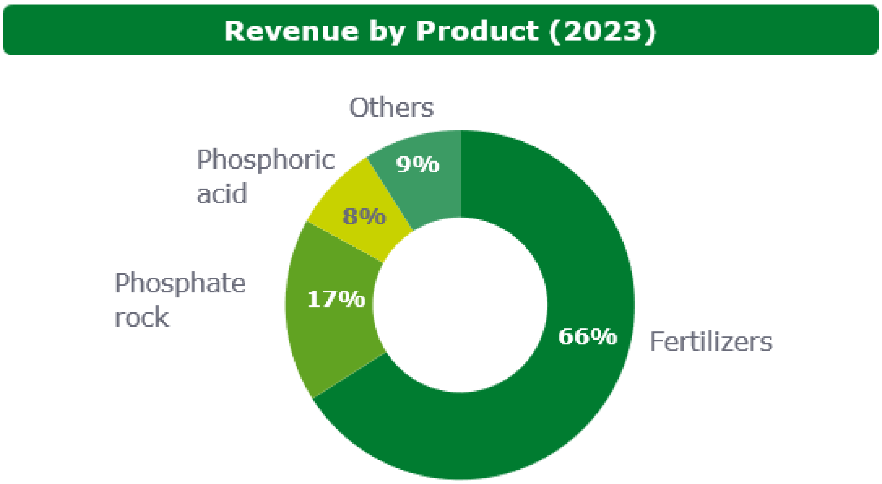
(i) access to high-quality phosphate rock reserves from mined open-pit sites with close proximity to ports, which lowers processing and production costs;

(ii) having a strategic geographic position with access to efficient shipping routes in terms of freight costs and time of delivery to key export markets; and

(iii) since April 2014, the Group has operated a slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar, which is another factor contributing to its cash cost leadership. In addition, the majority of the Group's mining operations, chemical plants and port operations are concentrated in a relatively small area in central Morocco, which allows the Group to benefit from operational synergies as well as economies of scale.

Balanced Product Portfolio and International Footprint

The Group is present in all segments of the phosphate value chain, from the extraction of phosphate rock and the production of phosphoric acid to the production of phosphate-based fertilisers. Apart from purchases of sulphur and ammonia (and, to a lesser extent, sulphuric acid, potash and micronutrients) from third-parties, the Group is self-sufficient in all three segments. The Group believes its vertically integrated business model across the phosphate value chain provides flexibility in optimising its product mix between phosphate rock, phosphoric acid and fertilisers, which allows it to maximise margins and optimise capacity utilisation according to demand. The chart below shows the Group's revenue by product for 2023:



OCP has a well-established industrial and commercial presence in major markets, with over 350 clients across five continents. The Group is, therefore, able to mitigate decreases in sales in regions where there is poor demand by shifting sales to other regions, which creates a natural hedge against adverse events in any given market or region. The Group generates its revenues with diversified clients. No client generates alone more than 10% of the consolidated revenue and, accordingly, the Group is not dependent on any single customer. In addition, the Group's export sales are balanced between Latin America, Europe, India, Africa, North America, Brazil and Asia, which accounted for 9%, 19%, 22%, 14%, 4%, 15% and 15% of total export sales in 2022, respectively, and 12%, 20%, 14%, 16%, 5%, 18% and 11% of total export sales in 2023, respectively. As a result, the Group believes it is able to both reduce its exposure to adverse events and increase its sales where favourable conditions prevail, which, in turn, allows the Group to seek higher profitability margins. The location of the Group's operations in Morocco also gives the Group a competitive advantage in terms of time to market as compared to its main competitors, especially when combined with low-cost transportation in certain key export markets, including South America, Europe, West Africa and the United States.

Growth Industry, Underpinned by Sustainable Long-Term Trends

Given P_2O_5's role as an essential soil nutrient in agricultural production, the Group believes that it is well positioned to benefit from the strong fundamentals of the global agricultural industry, which, to a large extent, are driven by:

- population growth;
- a reduction in available arable land per capita; and

- an increase in consumption of meat and dairy in emerging markets.

According to IFA, global phosphate fertiliser demand is forecasted to grow by approximately 4 million tonnes from 2023 through to approximately 50 million tonnes P_2O_5 in 2027 and exceed 2020 record levels according to IFA's central long-term scenario. The Group believes that the long-term growth in demand for fertilisers will principally be driven by the need to increase crop production primarily due to the world's growing population, which is projected to increase to 9.7 billion people by 2050, an increase of around 26% from 2020, according to the UN. In addition, in light of the expected growth of the world's population and the expected reduction of available arable land per capita stemming in part from increased urbanisation and industrialisation, the area of arable land per capita decreased from 0.38 ha in 1970 to 0.25 ha in 2000, with a projected decline to 0.18[6] per capita by 2050, according to the FAO. As a result of the limited ability to expand the existing stock of arable land, it will be necessary to increase yields on the existing fields to improve crop yields and meet future anticipated demand for food, which in turn is expected to increase demand for fertilisers, according to the FAO. Accordingly, the World Research Institute estimates that an increase of approximately 50% to 60% in global crop production will be required by 2050 to meet global food demand.

In addition, an increase in per capita income, especially in emerging markets, such as Brazil, China and India, is leading to changes in dietary habits. According to the FAO, by 2032 world meat consumption per capita is projected to grow by 2% compared to the base period (average 2020-2022). Middle-income countries will contribute significantly to this growth, spurred by economic development and urbanization. In low-income nations, rapid population growth drives increased meat consumption, yet limited access and income levels continue to restrain per capita consumption to only 15% of high-income country averages. Higher consumption of meat results in increased demand for fertilisers (due to higher demand for crops used as feed for livestock) and feed phosphate products. In high-income countries, concerns about health, environment, and animal welfare is prompting shifts in meat consumption patterns.

Strong Financial Position and Flexible Investment Programme to Further Improve the Group's Cost Position

As described in more detail in "*—Strategies—Improve Efficiency and Increase Industrial Capacity*" below, the Group is pursuing its Capital Expenditure Programme, which the Group believes will improve its operating performance and help the Group strengthen its positions across the phosphate value chain. The Group has structured the Capital Expenditure Programme in various phases to 2030, allowing the Group significant flexibility in developing the programme according to the Group's cash position and market conditions. The Group also expects the Capital Expenditure Programme to further lower its cost position and increase the Group's profitability over the medium- to long-term, based on management's assessment.

The Group's low production cost has enabled it to preserve margins and maintain positive cash flow generation, even in periods of sustained low phosphate rock and fertiliser prices. The Group's net financial debt has generally increased from Dh 50.9 billion as at 31 December 2022 to Dh 68.3 billion as at 31 December 2023, as the Group continue to execute its Capital Expenditure Programme.

When and if completed, the projects that are the subject of the Capital Expenditure Programme are expected to improve the Group's operating performance and help the Group strengthen its position across the phosphate value chain.

The Group's financial position is bolstered by its access to a diverse range of long-term financing resources, which enable the Group to implement sustainable investment strategies that drive diversified

[6] Based on FAO projections under the baseline (Business As Usual) scenario. FAO. 2018. The future of food and agriculture – Alternative pathways to 2050

growth. The support received from the Moroccan state as the main shareholder also provides the Group with investors that prioritize long-term value creation over short-term gains, which the Group believes further strengthens its position and reinforces its commitment to delivering lasting value to stakeholders.

The Group is targeting its leverage ratios at a level consistent with a standalone investment grade credit rating, with a maximum target net financial debt to EBITDA ratio of 2.5x (currently 2.3x).

Ample and low-cost access to renewable energy sources

OCP benefits from Morocco's geographical positioning, providing access to a favourable combination of solar and wind resources, particularly in the south of the country. Beyond the intrinsic potential of solar and wind resources individually, the Group believes that combining the two sources will allow OCP to achieve better loading factors and lower renewable energies production costs. Additionally, OCP is one of the major landholders in the country with access to significant land resources to secure and establish renewable energy farms and green hydrogen plants. All these factors help to facilitate highly competitive renewable energy production costs.

Given the Group's commitment to achieve carbon neutrality in its operations relating to scope one and two emissions by 2030, and on all three scopes by 2040, the Group believes that access to ample and low-cost renewable energy is a substantial competitive advantage in its journey towards carbon neutrality. For instance, the Group targets the production of 5GW of electricity from renewable sources by 2027 and no less than 13GW by 2032, which would mark a significant step towards harnessing the potential of available wind and solar resources.

Highly Experienced Management Team

The Group has a strong and experienced senior management team, which has a detailed knowledge of, and experience in, the fertiliser industry and provides the Group with the skills and expertise required to implement its strategy and Capital Expenditure Programme. The Group's senior management team combines extensive industry and marketing experience with financial and management expertise. In addition, in 2008 the Group underwent major structural changes: from the *Office Chérifien des Phosphates*, a state-owned organisation earning royalties based on volume, to becoming a joint stock company (*société anonyme*) with a new governance structure and a decentralised, more flexible and profit-driven organisation.

Strategy

The Group's goal is to strengthen its position as a leading integrated phosphate producer and maintain flexible positioning across the value chain, by focusing on the following priorities:

Increase Commercial Agility and Industrial Flexibility

The Group's Capital Expenditure Programme is designed to increase the flexibility provided by the Group's vertically integrated upstream, midstream and downstream phosphate operations. By further increasing its capacity across the three links of the phosphate value chain (i.e., phosphate rock, phosphoric acid and fertilisers), the Group believes it will be better able to respond to changes in demand and market conditions. In particular, the Group believes that fertilisers represent a significant growth opportunity within its markets, driven by the development of, and demand for, new products, services and "customised" fertilisers, which integrated 27 new products (23 new fertilisers products, three new rock products and one new acid product). In 2022, OCP expanded its portfolio to 174 diversified products that are primarily focused on providing customised formulas.

The Group also intends to continue to pursue strategic partnerships focused primarily on achieving synergies with or complementing its existing business, operations and product range, enhancing its position in the value chain. In 2023, the Group established a strategic partnership with major players in the fertiliser sector in India. The objective of this partnership is to carry out joint research and development initiatives, to jointly promote innovative fertilisation solutions and to offer customised fertilisers that meet the specific needs of Indian farmers, in close collaboration with the Indian agricultural ecosystem (including the public sector, agronomic institutes, agricultural federations and farmers). This partnership helps the Group toward its strategic goal of creating innovative fertilisation solutions adapted to differing needs of farmers worldwide. Moreover, the Group has opened representative offices and subsidiaries in a number of key geographic areas, including, among others, China, Ethiopia, Kenya, Singapore, the United Arab Emirates, the United States, Brazil, India and Argentina. These entities increase the Group's position in finished fertiliser products, globally, and its presence in key markets. The Group is also able to work closely with farmers and support on the ground development of agriculture.

Improve Efficiency and Increase Industrial Capacity

In view of the growth in global demand for fertilisers and the Group's competitive position, OCP has embarked, since 2008, on a major investment programme aimed at anticipating growth in future demand and strengthening its leading position across the value chain. The first phase of the Capital Expenditure Programme, focused on strengthening production capacity, aimed at doubling mining capacities and tripling processing capacities. As the second phase of the Capital Expenditure Programme, the Group launched the Green Investment Programme, a new strategic programme devoted to raising fertiliser production, investing in new green fertilisers and renewable energy. The Green Investment Programme aims to increase production capacity from the current 15 million tonnes of fertiliser to 20 million tonnes by 2027.

The Group also made significant investments aimed at transforming the logistics chain through the use of the slurry pipeline technology, as well as increasing its operational and environmental efficiency. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures*". These investments are a first step towards the Group's ambition to give itself the means to capture 50% of the increase in demand for phosphate fertilisers on a global scale, while ensuring a balanced presence on the three main links of the value chain.

These planned capacity increases of the Group's Capital Expenditure Programme are expected to help the Group strengthen its position across the phosphate value chain. Based on current plans, the total estimated costs of the Capital Expenditure Programme since its launch in 2008 to 2027 are approximately U.S.$21 billion[7] (Dh 190 billion), with approximately U.S.$8 billion (Dh 74 billion) already incurred between 2008 and 2022 in its first phase, and the remainder intended to be invested between 2023 and 2027 as part of the Green Investment Programme. In the year ended 31 December 2023, the Group incurred U.S.$2.65 billion (Dh 26.8 billion) in costs related to the Capital Expenditure Programme. The costs of the Capital Expenditure Programme are expected to be funded from internally generated cash flows, existing and future external financings and the proceeds of the Notes. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures*".

Moreover, OCP aims to continue its development in Africa, which is the region expected to experience the highest growth in the world in terms of fertiliser demand over the next few years according to IFA.

[7] For convenience, figures expressed in U.S.$ in this paragraph have been translated into U.S.$ at the average Dh/U.S.$ exchange rate for the year ended 30 December 2022 as published by the Central Bank of Morocco, which was Dh 10.4477 per U.S.$1.00. Such translation is not reflective of a translation in accordance with IFRS and it should not be construed as a representation that the Dh amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

OCP is expected to continue to increase sales in the continent and has committed to invest in new capacities in Africa (e.g. Ethiopia, Nigeria and Ghana). See also "*—Phosphoric Acid and Phosphate-Based Fertilisers—Production Facilities—Other sites and projects*".

Reinforce Cost Leadership

The Group believes that it is one of the lowest cost producers of phosphate rock in the industry. As part of its strategy, the Group is actively engaged in improving the efficiency and reducing the unit cost of its operations, in particular, its mining and transportation activities, through the adoption of new technologies, processes and procedures. For example, since 2014, the use of the slurry pipeline instead of rail for conveying phosphate rock significantly reduces the Group's logistics costs. Furthermore, the development of the Jorf Phosphate Hub allows the Group to increase its capacity production levels while achieving significant economies of scale by leveraging existing platforms and centralising some of the industrial operations.

Additionally, by strengthening its capacity and cost leadership, the Group aims to build an integrated and agile supply chain capable of more quickly and efficiently adapting to market dynamics. Digitalisation in particular is especially important as it can enable the optimisation of mining activities and manufacturing processes throughout the value chain.

Focus on innovation and the promotion of agricultural best practices

The Group is adopting a soil health-driven approach based on soil mapping, extension programmes, customised fertilisers and fertilisation best practices through the 4R Principles (right fertiliser, right rate, right time and right place), boosting productivity while protecting the environment.

The 4R Principles approach requires synergistic strategies that go beyond standard formulas (commodity fertilisers). For this reason, the Group advocates for a reasoned nutrient management approach to optimise nutrient use efficiency. To achieve this objective, the Group aims to be a major global supplier of soil fertility solutions by developing a portfolio of customised products and services that add value to farmers by addressing new trends and challenges that the agriculture industry is facing, such as the development of digital technologies or an increase in environmental awareness.

To bring these solutions to farmers, the Group is building strong research and development capabilities and innovation capabilities within UM6P to serve this agenda, especially as it relates to soil health, nutrient efficiency, crop health and nutrition. In addition, the Group believes that investing in digital technology and leveraging data are key to driving competitiveness, better serving farmers, and capturing new growth opportunities.

The Group first implemented this approach in Africa, developing customised products and offering extension services and digital tools to better support farming in the region. The strong growth on the African continent affirms the Group's ambition to be a partner in African agriculture and development through its African subsidiary, OCP Africa. The strategy targets a fertiliser product that is better suited to local soils and crops. Specific examples of the Group's strategy include:

- Through its subsidiary, OCP Africa, which is dedicated to developing sustainable agriculture in Africa, the Group works with farmers as part of its OCP School Lab initiative, which provides farmers with a mobile classroom that offers awareness training in best agricultural practices for the dominant crops in the relevant region (e.g., cocoa and rice in Cote d'Ivoire and corn in Kenya). The OCP School Lab leverages physical training and content as well as digital tools. Thanks to a team of agricultural engineers, farmers benefit from multi-year support and technological solutions to stay connected or in direct contact with agricultural advisors. The OCP School Lab offers demonstrations and educational training sessions raising awareness about agricultural practices in accordance with the predominant culture of the regions in which each Lab is located. The OCP School Lab also offers soil analysis which uses technology to determine the best product, soil and crop for use in the relevant region. The lab allows the Group to address more technical aspects such as soil nutrient needs and fertiliser recommendations tailored to local soils and crops. The labs have been equipped with state of the art technology, including medium infrared and technical X-ray sensors that enable soil fertility assessment in real-time. In 2022, over 136,000 farmers benefited from OCP Africa School Lab services in Kenya, Ghana, Senegal, Cote d'Ivoire and Tanzania.

- The Group is deploying an Agribooster programme on the African continent which aims at holistically supporting farmers across all the "pain points" they are facing by securing their access to high quality inputs, training on good agronomic practices, and securing of market linkages upstream of their agricultural campaign. The ecosystem developed is designed to de-risk farmers' investments, and facilitate their access to finance. Over 2.1 million farmers have benefited from the Agribooster programme since it began in 2016, including 222,000 farmers in 2022 in Cote d'Ivoire, Nigeria, Kenya, Guinea, Togo, Ghana, Kenya, and Burkina Faso.

- The Group's "Al Moutmir Initiative", which seeks to bring the Group's soil and crop expertise to Moroccan farmers, includes new municipalities, new crop types, new resources created through the Act4Farmers movement, which mobilises OCP volunteers, the implementation of agri-platforms for raising awareness and training, the "Al Moutmir Li Khadamat Al Qorb" initiative, which includes a mobile soil analysis laboratory operating in various provinces in Morocco, and the experimental farming programme "Agri-platforms", which is used for training and sharing agricultural best practices. This initiative also includes a wide range of services and tools integrating innovative production units (such as smart blenders), mobile applications, a call centre, sensors and connected devices to collect and analyse data. In 2022, 20,000 farmers were supported by the "Al Moutmir Initiative" in Morocco and 144,600 farmers were supported by the Agri-platforms in four African countries. In addition, approximately 1,000 female farmers in 43 regions of Morocco benefited from over 4,000 training and coaching sessions in the field of agriculture since the start of the "Al Moutmir Initiative".

The Group's innovative soil farmer solutions strategy has also been rolled out globally, with initiatives in many countries, including Brazil and the United States. The Group's efforts reflect the awareness of importance and sustainable and intelligent agriculture. The Group intends to develop and implement innovative solutions that meet the needs of the market and farmers by offering tailor-made and integrated solutions, increasingly adapted fertiliser formulations and other phosphate products. For example:

- The Group established a joint venture with Fertinagro Biotech for the production of high value-added fertilisers (enhanced NPK, bio stimulants, etc.) in Jorf Lasfar. The joint venture seeks to offer advanced solutions based on combining industrial flexibility and competitiveness with innovation and agronomic services for farmers. The joint-venture operates a steam blending and granulation industrial unit, with a total annual capacity of 500 KT. It is characterised by high flexibility to produce a nearly unlimited number of specialty products NPK++, NP++, PK++, improved by five advanced technologies of high efficiency fertilisers: Duramon (N slow release), Protect (P slow release in alkaline soils), Multiphos (P slow release in Acidic soils), Actibion (soil microorganisms stimulant), SOP (high soluble K).

- The Group integrates R&D into its industrial value chain through the assistance of researchers, engineers and technicians. Since 2018, the Group has developed new fertiliser formulas and conducted agronomic tests on the performance of the fertilisers. The Group's innovative practices have evolved considerably in recent years, for example with the successful development of new fertiliser formulas (enriched liquid fertilisers, nitrogen-enriched TSP, Phosfeeds, and soluble fertilisers). The Group has key partnerships with SMEs, start-ups, research centres, and certain innovation communities and collaborates with UM6P. As a result of the Group's R&D, the Group has produced more than 40 different customised NPK formulas.

The Group's focus on innovation is also reflected in the design of the second phase of the Capital Expenditure Programme by:

- increasing flexibility: Shifting from building standard phosphate-based fertiliser production units to more flexible units which will allow the Group to increase production to higher value-added products and to offer more formulas and solutions to its customers; and

- be more dynamic: The Group intends to increase the agility of its design process, allowing the programme to be optimised to meet new developments as they arise.

Further diversify the Group's portfolio from standard phosphate commodities

As part of its strategy, the Group is actively engaged in sustainably valuing all the underlying possibilities within its resources and capabilities. OCP has adopted a balanced approach of exploiting mature projects with high potential value along with exploring products, services and technologies which could enable the Group to have a competitive edge in any existing or new market. The Group is focused on improving the way it leverages its reserves, capabilities and human capital, as well as developing new businesses and services involving by-product valorisation, technology-based expertise, engineering, consulting and analytics and maintenance and machinery.

The development of phosphate-based specialty products beyond the agricultural market would allow the Group to diversify into more value-added products in growing and established markets such as animal feeds and purified phosphoric acid. These businesses represent an opportunity to expand and for strategic resilience through diversification beyond fertilisers.

In 1998, OCP began producing purified phosphoric acid, a high-grade phosphoric acid, through EMAPHOS, a joint venture with Prayon and Budenheim. In 2021, OCP and its joint venture partners decided to double their PPA capacity and launch the construction of a second PPA unit EMAPHOS II. However, PPA is only the first step upstream in the industrial phosphates value chain.

In addition to developing new PPA capacities, OCP is considering moving downstream in the value chain by integrating PPA to applications such as soluble fertilisers, industrial phosphate salts and the fast growing LFP hub applications. Phosphate salts comprise a wide range of applications in the food, pharmaceutical and industrial sectors while LFP cathods represent a credible alternative to other existing chemistries to boost wide spread adaptation of e-mobility. Through this move, the Group is working on leveraging its competitive upstream integration to secure a strong foothold further downstream into more value-added products and growing markets.

Beyond phosphate, Moroccan rock contains different elements that can be recovered along the value chain, such as fluorine, rare earths and vanadium. For example, fluorine can be recovered from FSA, a by-product of phosphoric acid. It can be monetised by selling it directly or transforming it into a high margin product such as CaF2, HF or other downstream products. Also, the Group is exploring innovative options for monetisation of phosphogypsum, such as applications for agriculture and construction materials. These potential monetisation opportunities provide an opportunity for the Group to diversify its portfolio and sustainably manage its wastes.

Moreover, an additional area of diversification is in renewable energies. The Group believes that achieving carbon neutrality is an imperative new business component, driven by more engaged consumers, more restrictive environmental regulations, and increasingly demanding investors. As such, the Group's ambition is to achieve carbon neutrality in its operations relating to scope one and two emissions by 2030, and on all three scopes by 2040. New opportunities are emerging, and the Group believes that it could be particularly well positioned to be a leader in upstream activities through green electricity and green ammonia initiatives. The Group believes that it has several competitive advantages as it is a forerunner in the field of green phosphate fertilisers, it can benefit from Morocco's great solar potential, it has considerable electricity consumption and a large cogeneration capacity. In particular:

- Green electricity: the Group aims to achieve carbon neutrality throughout its entire value chain through green mining, solar farms, and energy for desalination and adapt its operations to accommodate the intermittency of renewable electricity and minimize the need for energy storage.

- Green ammonia: Green ammonia presents an opportunity for the Group as it can be used for its own consumption and as a chemical resource and green energy carrier for other end markets in Morocco and internationally. Moreover, the Group believes it can capture this competitive advantage thanks to access to renewable energy at a competitive cost, the scale of its captive energy and ammonia needs, and its ability to carry out large-scale projects. The Group has set a target for production of 1 million tonnes of green ammonia production by 2027 and 3 million tonnes by 2032. The Group is installing a green ammonia production complex, which is planned near Tarfaya. This is expected to have a capacity of 1 million tonnes per year powered by a solar and wind farm, with a total capacity of 4.6GW.

Achieve sustainable growth

Sustainability and innovation remain at the heart of the Group's strategic priorities. OCP is embedding sustainability in the way it operates its mining and chemicals businesses, by implementing initiatives that it believes will have a positive impact in terms of the environment, employees, communities and farmers. In particular, the Group seeks to expand on its strategy, including further developments in the renewable energy sector as a result of a number of factors:

- The Group already generates electricity (~2.8 TWh in 2023) from existing facilities and has experience operating power plants, and this generation capacity and experience could provide a base to support the intermittent use of renewable energy.

- The Group has "ready-to-use" land close to its production sites with high solar irradiation and significant PV potential and the Group could benefit from Morocco's considerable renewable energy potential.

- The Group has substantial requirements for both electricity (4 TWh in 2022, i.e. 10% of the national consumption) and ammonia (NH_3 consumption reached ~1.6 MT in 2023, i.e. ~46.3% of the Group's purchases of raw materials), which provide a significant incentive to develop sustainable energy solutions.

In December 2022, the Group launched its U.S.$13 billion Green Investment Programme as the second phase of the Capital Expenditure Programme. The Green Investment Programme targets the increase of the Group's mining and fertiliser production capacity, as well as an increase in rock extraction capacity by means of opening a new mine in Meskala, alongside the establishment of a new fertiliser complex located in Mzinda. The Group’s industrial facilities are all expected to be supplied with 100% non-conventional water (desalinated seawater or treated wastewater) by 2024 and 100% clean energy by 2027, in alignment with its aim to achieve carbon neutrality by 2040. See *“—Climate change—Green Investment Programme*” for more detail.

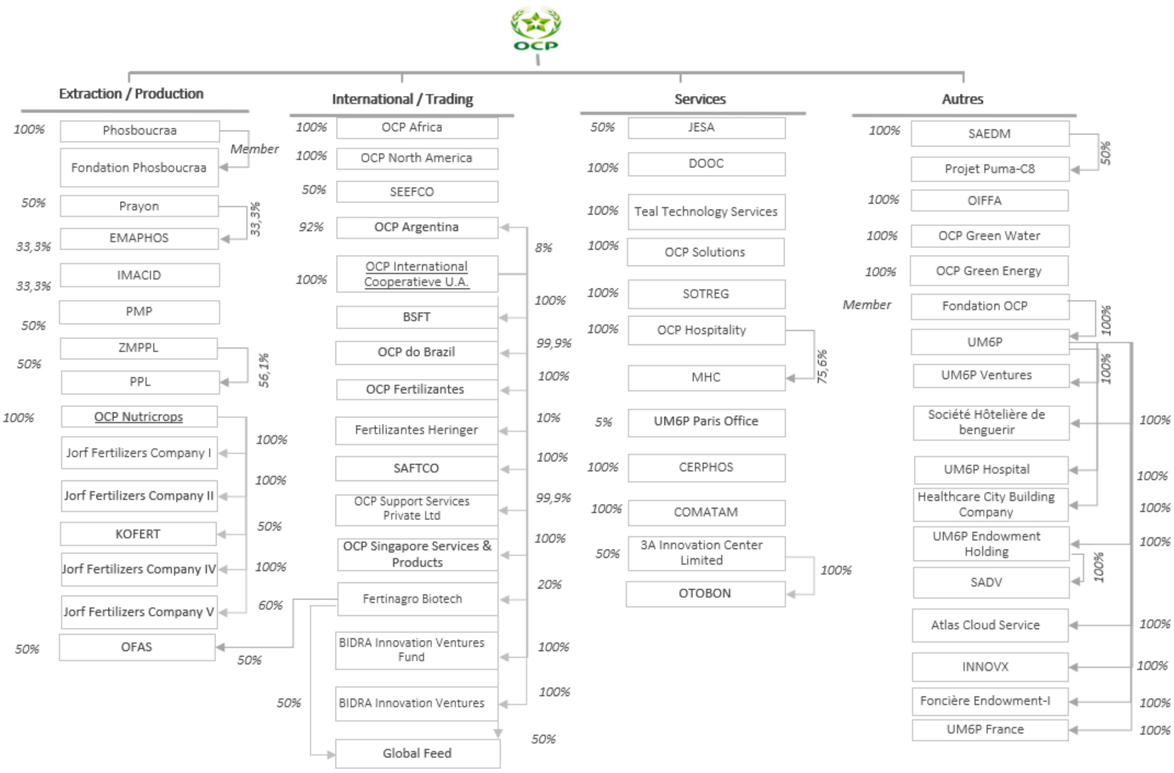
History

The *Office Chérifien des Phosphates* was established on 7 August 1920. The Group's key events of the past five years are set forth below:

- *2018*—JFC4, the last project of the first wave of OCP's investment programme (run from 2012-2021) became operational.
- *2018*—the Group created coding schools: 1337 in Khouribga and Youcode in Youssoufia.
- *2018*—the Group completed the acquisition of 20% of the shares in Fertinagro Biotech SL.
- *2018*—the Group obtained the IFA HSE gold medal.
- *2019*—OCP Fertinagro Advanced Solutions, a JV between OCP and Fertinagro Biotech was established.
- *2019*—Mostafa Terrab was elected chairman of IFA.
- *2019*—OCP joined the World Business Council for Sustainable Development.
- *2020*—OCP International Cooperative acquired the remaining 30% of BSFT share capital and became the only shareholder of BSFT.
- *2021*—OCP and Hubei Forbon Technology Co Ltd signed an agreement for the establishment of a JV operating in the research and development field to develop new generations of fertiliser solutions and smart agriculture.
- *2022*—Koch Ag & Energy Solutions acquired 50% of KOFERT (formerly, Jorf Fertilizer Company 3), a subsidiary of OCP Group.
- *2022*—the Group, alongside Bioline by Invivo and Agrorobótica and Sementes Tropical, launched the first carbon farming and certification project in Brazil.
- *2022*—the Group established OCP Green Water ("**OGW**"), a subsidiary focused on supplying non-conventional water for the Group and OCP Green Energy ("**OGE**"), a subsidiary focused on developing the company's renewable energy generation activities.
- *2022*—the Group reorganised its JFC subsidiaries under its newly formed and fully owned "**OCP Nutricrops**" subsidiary.
- *2022*—the Group initiated an internal reorganisation under its new Strategic Business Unit ("**SBU**") structure.
- *2023*—the OCP Group announced a U.S.$13 billion Green Investment Programme to increase OCP's mining and fertiliser production capacity while fulfilling its commitment to achieve carbon neutrality by 2040.
- *2023*—the Group entered into a strategic partnership with India to carry out joint research and development initiatives, promote innovative fertilisation solutions, and offer tailor-made fertilisers that meet the specific needs of Indian farmers.
- *2023*—the OCP Group finalised the acquisition of 50% stake in GlobalFeed S.L, a manufacturer and distributor of a wide range of products in the animal nutrition segment.
- *2023*—the Group signs the UN Climate Change High-Level Champions Call to action.
- *2023*—the Group finalised its internal reorganisation under its new SBU structure.

Organisational Structure of the Group

The following chart provides information in respect of the Company's principal subsidiaries and sets forth the Group's ownership of the subsidiaries' share capital (100% unless indicated) as at 31 December 2023:



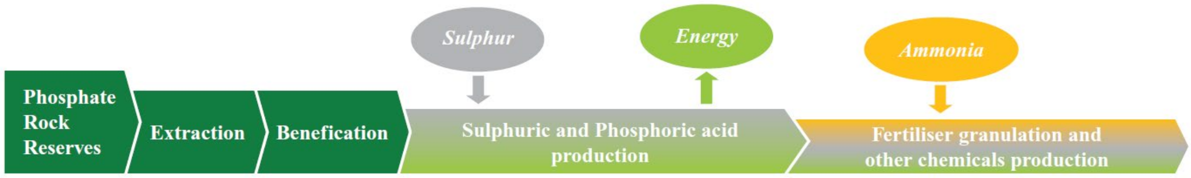
Internal Reorganisation and Strategic Business Units

In 2022, the Group initiated a new transformation of its operating model and organisation, mirroring its strategy and structured around Strategic Business Units ("**Strategic Business Units**" or "**SBUs**", each a "**SBU**"), focusing each on a specific strategic domain. Thus, the Group operates under the following SBUs: (i) Rock Solutions, (ii) Nutricrops, (iii) Specialty Products & Solutions, (iv) Mining, (v) Manufacturing and (vi) UM6P. Each SBU is in charge of managing both exploitation & exploration activities related to its domain and has all necessary capabilities to execute its strategy. Moreover, this transformation has led to a lean corporation creating value for the SBUs and the creation of new entities and strategic programs, among them the "Strategic Program Mzinda / Meskala". See "—*The strategic programme of Mzinda-Meskala*." Nutricrops and UM6P, in addition to being SBUs, also operate as separate legal entities and are wholly-owned subsidiaries of OCP S.A. and Fondation OCP, respectively, as shown in the chart above.

In 2023, the Group finalised its internal reorganisation under its new SBU structure.

Operations Overview and Phosphate Value Chain

The Group produces and exports: (i) phosphate rock; (ii) phosphoric acid (including purified phosphoric acid); and (iii) phosphate-based fertilisers. As part of its vertically integrated business model across the phosphate value chain, the Group mines phosphate ore from its own mines and extracts quality phosphate rock from the ore at the Group's beneficiation plants. The Group then uses its phosphate rock as a raw material (more than two thirds of its phosphate rock production) to produce phosphoric acid (including purified phosphoric acid) by combining the phosphate rock with sulphuric acid. Phosphoric acid is also used to produce fertilisers by adding ammonia, phosphate rock or potash and other chemical agents through granulation and other chemical processes, depending on the end product. The Group produces six major types of phosphate-based fertilisers, MAP, DAP, NPK, NPS, ASP and TSP, as well as over 174 diversified products that are primarily focused on providing customised formulas. OCP Group added in 2022, 23 new fertilisers product, 3 new rock products and 1 new Acid products, such as fertilisers enriched with micronutrients and reactive phosphate rock.



The Group sells any phosphate rock, phosphoric acid or fertilisers not consumed internally to third parties in domestic and global markets. See "*—Products and Sales*" below.

Phosphate Rock Mining and Production

Phosphate rock reserves in Morocco are owned by the State, which has granted exclusive access to such reserves to the Group since 1920, at the time the Issuer was the *Office Chérifien des Phosphates*, and, subsequently, to the Issuer in 2008 (when the Issuer became a joint stock company), pursuant to Article 2 of the OCP Law, which grants a monopoly to the Issuer with respect to phosphate exploration and mining in Morocco.

The Issuer mines and produces phosphate rock directly at its mines in Khouribga and Gantour and through its wholly owned subsidiary, Phosboucraâ, in Boucraâ. The Group's mining activities focus on the extraction, treatment, enrichment and delivery of phosphate rock to its chemical processing facilities in Jorf Lasfar and Safi, as well as the export of phosphate rock to customers abroad. All of the Group's mining activities are conducted at open-pit mines.

In FY 2023, the Group treated 26 million tonnes of phosphate rock, respectively, of which more than two thirds was used by the Group, and the remainder of which was sold to external customers.

Phosphate Rock Reserves

The phosphate mined in Morocco is of sedimentary origin and generally consists of apatite (rock phosphate), silica, carbonates (such as calcite and dolomite) and clays, as well as a number of rare earth and heavy metal elements.

The quality of phosphate rock produced by the Group is determined by measuring the P_2O_5 content of the phosphate ore. The P_2O_5 content of the phosphate ore varies from 5% to 45%. If phosphate ore has P_2O_5 content of less than 30%, the phosphate ore is subjected to a process of washing, drying or dry beneficiation. Following the extraction of the ore, the phosphate rock is stored before being transported to the Group's processing plants. Depending on its bone phosphate of lime content ("**BPL**"), the phosphate ore is classified as (i) "high grade" phosphate (BPL of more than 69.5%); (ii) "medium grade" phosphate (BPL of equal to or more than 68.0% and less than 69.5%); (iii) "low grade" phosphate (BPL content of equal to or more than 61.0% and less than 68.0%); or (iv) "very low grade" phosphate (BPL content of equal to or more than 40.0% and less than 61.0%). In 2021, approximately one fifth of the phosphate rock produced by the Group was classified as being "high grade", according to IFA. The BPL content of phosphates mined in Morocco generally ranges from 45% to 80%.

Morocco's principal phosphate rock fields are:

- the Oulad Abdoun fields in the region of Khouribga;

- the Gantour field in the region of Youssoufia (comprised of the Youssoufia and Ben Guerir mining sites);

- the Oued Eddahab (Boucraâ) fields in the Southern Provinces; and

- the Meskala field in the Essaouira region.

As at 31 December 2023, according to the Group's estimates, reserves in Khouribga accounted for approximately 43% of the Group's total reserves, while the reserves in Gantour, Meskala and Boucraâ accounted for approximately 37%, 18% and 2% of the Group's total reserves, respectively. Mining operations are not currently conducted at the Meskala field. For an indicative map of the Group's reserves, see "*—Overview*" above.

According to the USGS Mineral Commodities Summaries published in January 2024, Morocco (including Western Sahara, referred to as the Southern Provinces herein) has the largest phosphate rock reserves in the world with 50 billion tonnes (approximately 67.6% of estimated world total reserves of 74 billion tonnes) and, under Moroccan law, the Group has exclusive access to Morocco's phosphate reserves. The Group estimates that economically exploitable reserves account for several hundred years of global phosphates consumption (at current consumption levels). The average P_2O_5 content of the phosphate rock currently mined by the Group is approximately 30.7%, based on IFA estimates (World Phosphate Rock Production, 2022).

Mining

The Group operates mines in three principal locations: Khouribga, Gantour (Youssoufia and Ben Guerir) and Boucraâ. The Group uses open-pit mining methods at all of its mining sites. The Group's mines and processing plants are supported by storage facilities and a road and rail network. The Group generally uses a six-stage process for the extraction of phosphate ore from its mines as follows:

- *Drilling:* drilling operations are conducted with holes drilled in various diameters depending on the characteristics of the rock, the nature of the explosives used and the desired fragmentation of the rock.

- *Blasting:* explosives are placed in the drilled holes in order to break the ground and facilitate the removal of the phosphate ore.

- *Scouring:* the top layer of material covering the phosphate ore is removed.

- *Defruiting:* the phosphate ore is removed by truck to stone removal facilities.

- *Transport:* the phosphate ore is transported to hoppers using large capacity trucks, which hold between 110 and 210 tonnes of rock.

- *Stoning:* the phosphate ore is unloaded from the trucks into hoppers, which remove large blocks of rock from excavated material.

The following table sets forth the Group's phosphate extraction volumes and extraction capacity of the Group's mining sites for the periods indicated:

	Full Year		
	2023	**2022**	**2021**
	(thousand tonnes)		
Phosphate ore extracted....................................	**30,217**	**23,685**	**24,487**
Khouribga...	22,831	17,080	17,763

	Full Year		
	2023	2022	2021
	(thousand tonnes)		
Youssoufia	3,318	3,572	3,603
Ben Guerir	2,620	1,171	1,352
Boucraâ	1,448	1,862	1,770
Extraction capacity (per year)	47,500	47,500	**47,125**
Khouribga	34,500	34,500	34,025
Youssoufia	4,800	4,800	4,900
Ben Guerir	4,200	4,200	4,200
Boucraâ	4,000	4,000	4,000

Khouribga

Khouribga, located 120 km south-west of Casablanca and 200 km east of Jorf Lasfar, is the Group's largest phosphate mining site. Khouribga has a total production capacity of 34 million tonnes per year.

Khouribga is currently comprised of four mines in the following sites: Sidi Daoui (in depletion), Merah El Ahrach, Sidi Chennane and El Halassa. Underground mining operations began at Khouribga in 1921. Since the 1960s, open-pit mining has been conducted at Khouribga and underground mining is no longer conducted.

Ore extracted from the open-pit sites at Khouribga are first delivered by trucks to the Group's ore storage facilities from which it is subsequently delivered by conveyor belt to the Group's processing and beneficiation plants.

As part of the first phase of its Capital Expenditure Programme, the Group completed a number of projects at Khouribga, including:

- a slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar (with a length of 234 km, including secondary pipes and an annual capacity of up to 38 million tonnes), launched in April 2014 to reduce dependency on train transportation and reduce the Group's transportation costs; and
- the expansion of two mines at Khouribga (Sidi Chennane and Merah) and the opening of one new mine (Beni Amir), as well as the construction of two new washing plants.

As part of the next phase of the Capital Expenditure Programme, the Group is in the process of implementing a number of additional projects at Khouribga, including the development of one new mine with a washing plant, and the expansion of the Beni Amir mine and its washing plant, which remains in the project phase. For more information on this project, see "—*The strategic programme of Mzinda-Meskala.*"

Gantour

Gantour is located approximately 140 km east of Safi and stretches 125 km east to west and 20 km north to south. The Gantour field covers a surface area of 2,500 km^2. Gantour has a total production capacity of 12.5 million tonnes per year. Mining at Gantour is conducted using similar techniques as those used at the Khouribga mine.

Gantour is comprised of two mines, Ben Guerir and Youssoufia, and three mining fronts: Ben Guerir (at the Ben Guerir mine), Buchan and M'Zinda (both located at the Youssoufia mine).

Mining began at Ben Guerir in 1980, through the use of open-pit mining. The Ben Guerir mine is located in the eastern part of the Gantour field. Mining began at Youssoufia in 1931. The Youssoufia mine is located in the western part of the Gantour field.

Ore extracted from the open-pit sites at Gantour is first delivered by trucks to the Group's ore storage facilities, from which it is subsequently delivered by rail to the Group's processing and beneficiation plant in Safi as the open-pit mines are not directly connected by rail to the Group's processing and beneficiation plants.

As part of the second phase of the Capital Expenditure Programme, the Group is in the process of implementing a number of additional projects at Gantour, including the expansion of the Ben Guerir mine, the construction of a new washing plant (the construction of which is nearly complete) and the development of a new mine in Louta with its own washing plant, which remains in the project phase. For more information on this project, see " *—The strategic programme of Mzinda-Meskala."*

Boucraâ

Boucraâ is located 100 km south-east of Laâyoune and 1,200 km south-east of Casablanca. Boucraâ has a total production capacity of 3.5 million tonnes per year.

The Boucraâ mining site is the only site currently operational in the Oued Eddahab fields of Boucraâ. The phosphate mined at Boucraâ is sedimentary and consists of two layers of phosphate; at present, only the first layer is being mined for commercialisation. Mining of the second layer, which is less rich in BPL and contains more silica, commenced in 2014, following the completion of the necessary processing infrastructure.

Mining began at Boucraâ in 1972. Mining operations at Boucraâ are conducted by the Issuer's wholly owned subsidiary, Phosboucraâ, initially founded in 1962 by the Instituto Nacional del Industria ("**INI**", a Spanish State entity) as a corporation under the name "Empresa Nacional Minera del Sahara S.A." during Spain's former administration of the current Southern Provinces. In 1969, it changed its name to "Phosboucraâ". In 1976, the Issuer purchased a 65% share of Phosboucraâ from INI. Phosboucraâ continued as a joint venture until 2002, when the Issuer acquired INI's remaining 35% share, making Phosboucraâ a wholly owned subsidiary of the Issuer. The objectives of Phosboucraâ are to ensure the extraction, treatment, transport and marketing of phosphate mined in Boucraâ. Furthermore, 100% of all net revenues from Phosboucraâ are reinvested locally in the Southern Provinces, making it one of the most important contributions to the region's economic viability and wellbeing of its local population. In fact, since 1977, this has amounted to over Dh 27.3 billion total value of net cash flows into the region, with no dividends ever paid to the Issuer. Phosboucraâ is also the largest private employer in the region, with 1,896 employees.

Ore extracted from the open-pit mine at Boucraâ is delivered to the wharf at Laâyoune for export.

As part of the second phase of the Capital Expenditure Programme, the Group is currently expanding the Boucraâ mine by launching a Dh 16.5 billion development programme that will improve the Southern Provinces' infrastructure, educational system and health facilities. This committed investment (over the period 2011-2026) is expected to have a Dh 44.0 billion direct and indirect impact on the local region's economy (in terms of local wages and revenues generated by local businesses) by 2026. It also aims to create up to 54,000 new full-time jobs in the region by 2026, and expand and improve Phosboucraâ's industrial capabilities by moving it up the value chain from an entity originally exporting only raw materials to one producing finished fertilisers, and seeks to optimise Phosboucraâ's reserves' life expectancy by enabling the exploitation of the Boucraâ phosphate deposits not viable today.

This new industrial development programme at Phosboucraâ will specifically include new mining equipment at the Boucraâ mine (with drilling and screening machinery that aims to increase Phosboucraâ's mining capacity by 1.5 million tonnes a year, and thereby aiming to reach a total mining capacity of 5.5 million tonnes a year), new storage capacity, a new washing and flotation unit (which aims to increase the lifespan of the Boucraâ phosphate reserves from 43 years to 75 years), a new drying unit (which seeks to increase Phosboucraâ's drying capacity by 2 million tonnes a year, and thereby aiming to reach a total drying capacity of 6 million tonnes a year), a new large scale fertiliser production plant (with a total capacity of one million tonnes a year) and a new wharf (with a 3.4 km access bridge, thereby seeking to increase Phosboucraâ's total shipping capacity to 5.2 million tonnes a year in the first phase, and a total of 8.2 million tonnes a year in the second phase).

Phosphate Rock Production

The treatment process of phosphate ore extracted from the Group's mines depends upon the grade of the phosphate ore. "High grade" and "medium grade" phosphate ore can be used or sold without significant treatment processes (only drying), whereas "low grade" and "very-low grade" phosphate ore require more extensive treatment through washing, floatation, dry enrichment, calcination, drying or blending with higher grade phosphate rock.

The Group combines six methods to treat the phosphate ore extracted from its mines:

- *Screening:* all phosphate extracted is first screened to determine the level of treatment required and to optimise downstream processing, reducing unnecessary handling.

- *Washing:* low grade phosphate is enriched through a washing process to increase the percentage of P_2O_5.

- *Floatation:* very-low grade phosphate is treated through floatation processes.

- *Calcination:* high grade or low grade phosphate is treated to remove organic materials contained in the rock.

- *Drying:* all grades of phosphate are dried to reduce the water content in the phosphate to 2.0%.

Each of the Group's mining sites is supported by processing facilities (screening) and beneficiation facilities (washing, floatation, calcination and drying), which produce phosphate rock from the ore extracted from the Group's mines. In the case of phosphate rock to be transported by the Group's slurry pipeline from Khouribga to Jorf Lasfar, the phosphate rock is further processed, primarily by crushing to reduce the particle size and creating phosphate pulp.

Phosphate Rock Quality

The quality of phosphate ore is generally measured based on the P_2O_5 content of the phosphate, which represents the level of nutrient content. Phosphate ore grades currently produced by the Group contain, on average, approximately 30.7% P_2O_5 content, based on IFA estimates (World Phosphate Rock Production, 2022).

Production Volumes

The following tables set forth the volume of phosphate rock extracted and produced by the Group and production capacities for the periods indicated:

	Full Year		
	2023	2022	2021
	(thousand tonnes, except for percentages)		
Volume of phosphate ore extracted	30,217	23,685	24,487
Volume of phosphate rock treated[(1)]	25,987	27,312	32,169
Production capacity	47,500	47,500	47,125
Utilisation (%)	63.6	49.9	52.0

(1) Volumes of phosphate rock eligible for sale.

The Group treated 26 million tonnes of phosphate rock in FY 2023, 27.3 million tonnes in FY 2022 and 32.2 million tonnes in FY 2021, of which 5.7 million tonnes, 5.2 million tonnes and 9.9 million tonnes were exported by the Group, respectively. Phosphate rock that is not exported is supplied to the Group's chemical processing facilities at Safi and Jorf Lasfar.

Khouribga

The treatment facilities supporting the Khouribga mining site are located between Khouribga and Oued-Zem.

The table below sets forth the treatment facilities at Khouribga, together with their respective production capacities, as at 31 December 2023:

	Production Capacity
	(million tonnes per year)
Benidir drying plant	10.0
Oued-Zem drying complex	6.9
DWS drying complex	6.5
Daoui beneficiation plant	6.7
Merah beneficiation plant	11.3
BENI AMIR beneficiation plant	12.0
Sidi Chennane liaison facility	11.0
Central Zone liaison facility	11.0

The treatment facilities supporting the Khouribga mining site comprise three beneficiation plants. The facilities also include a drying complex at Oued-Zem and a drying plant in Benidir to dry the phosphate ore after the downstream beneficiation process is complete, and a downstream drying complex in Jorf Lasfar to dry the phosphate pulp that has been transported through the slurry pipeline. Two liaison facilities transport the phosphate ore within the treatment facilities. In addition, wastewater from the city of Khouribga is recycled and used in the plants. The wastewater treatment plant has the capacity to treat 5 million cubic metres of wastewater per year. The Group has also developed facilities to source water for the Khouribga mine through the Maroc Central facility which was completed in 2014 and which supplies water to all Khouribga washing facilities and the slurry pipeline.

At Khouribga, the Group processed approximately 22 million tonnes, 22 million tonnes and 26 million tonnes of phosphate ore in FY 2023, FY 2022 and FY 2021, respectively, and produced approximately 22.9 million tonnes, 17.1 million tonnes and 17.8 million tonnes of phosphate rock, respectively.

Gantour

The treatment facilities supporting the mining sites at Gantour are located at Youssoufia. There are no treatment facilities at Ben Guerir. Production from the Ben Guerir mine is transported by rail to Youssoufia (approximately 50 km) or Safi (if washing is required).

The table below sets forth the treatment facilities at Gantour, together with their respective production capacities, as at 31 December 2023:

	Production Capacity (million tonnes per year)
Youssoufia drying plant	2.9
Youssoufia beneficiation plant	3.8
Youssoufia calcination plant	2.4
Liaison plant between Youssoufia and beneficiation plant	3.4

At Gantour, the Group processed approximately 3.07 million tonnes, 4.2 million tonnes and 4.8 million tonnes of phosphate ore (Youssoufia only) in FY 2023, FY 2022 and FY 2021, respectively, and produced approximately 6.0 million tonnes, 4.7 million tonnes and 5 million tonnes of phosphate rock (Youssoufia and Ben Guerir) in FY 2023, FY 2022 and FY 2021, respectively.

Boucraâ

The table below sets forth the treatment facilities at Boucraâ, together with their respective production capacities, as at 31 December 2023:

	Production Capacity
Washing and drying units	3 million tonnes per year
3.2 km wharf (storage capacity)	between 10 – 70 thousand tonnes
Desalination units	1.2 million cubic metres per year

At Boucraâ, the Group processed approximately 1.4 million tonnes, 1.1 million tonnes and 1.4 million tonnes of phosphate ore in FY 2023, FY 2022 and FY 2021, and produced approximately 1.4 million tonnes, 1.9 million tonnes and 1.8 million tonnes of phosphate rock, respectively.

Phosphoric Acid and Phosphate-Based Fertilisers

The Group has conducted processing activities of phosphates since 1965. The Group's facilities produce:

- *Phosphoric acid:* produced by combining phosphate rock with sulphuric acid. Phosphoric acid is used in fertilisers but is also used in a number of industry sectors, including the treatment of metals, the pharmaceutical and fermentation industries and in the treatment of wastewater, cleaning products and cosmetics. Purified phosphoric acid is also used in food and beverage production.

- *Phosphate-based fertilisers:* produced by the Group from the phosphate rock extracted from its mines. Sulphuric acid is added to phosphate rock to produce phosphoric acid. Phosphoric acid is mixed with ammonia to produce MAP, DAP and NPS, with ammonia and potassium chloride to produce NPK and with further quantities of phosphate rock to produce TSP. NP+ (including NPS and NPK), which is a nitrogen and phosphate-based fortified fertiliser, can be enriched and customised with secondary and micro-nutrients. Phosphate-based fertilisers are most commonly used to improve soil fertility by enhancing nutrient content in the soil and, as a result, to increase crop production and yields.

Feed phosphate products (DCP and MCP) are produced using feed grade phosphoric acid mixed with lime. These phosphate- and calcium-based animal feed supplements are then used to manufacture mixed feed for farm animals to meet their phosphorus requirements and thus ensure optimal growth, fertility and bone development.

Production Facilities

The Group's production of phosphoric acid and phosphate-based fertilisers is split between its processing plants at Jorf Lasfar and Safi.

Jorf Lasfar

The chemical complex at Jorf Lasfar is located on the Atlantic Ocean, approximately 24 km south of El Jadida, and covers an area of 1,835 hectares.

The complex commenced operations in 1986. Prior to 2012, this production was conducted by the Issuer's former wholly owned subsidiary, Maroc Phosphore S.A., which was merged into the Issuer in 2012. In addition to the Group's own operations, certain of the Group's joint ventures operate phosphate production facilities at Jorf Lasfar, including EMAPHOS, IMACID PMP, PPL, Prayon, OFAS and KOFERT, of which the Group directly or indirectly owns 50%, 33.33% and 50%, 28.1%, 50%, 50% and 50%, respectively.

The Group's products sold from Jorf Lasfar include phosphoric acid for use in fertilisers, purified phosphoric acid for use in food products and phosphate-based fertilisers. The Group also produces sulphuric acid (as an intermediary product), which is entirely used internally for the production of phosphate-based fertilisers. Products manufactured at Jorf Lasfar meet ISO 14001 certification standards.

The following table sets forth details of the phosphoric acid and phosphate-based fertilisers produced at Jorf Lasfar for the periods indicated:

	Full Year		
	2023	**2022**	**2021**
	(thousand tonnes)		
Phosphoric acid	5,098	4,973	5,662
Phosphate-based fertilisers	9,761	9,453	9,767
of which:			
DAP	3,772	4,464	3,457
MAP	3,374	2,271	3,502
Others (ASP, NPS + NPK)	2,616	2,718	2,808

As at 31 December 2023, the Group's production capacity at Jorf Lasfar was 14.3 million tonnes of fertilisers and 6.6 million tonnes of phosphoric acid per year, including the production capacity of its joint ventures IMACID PMP and KOFERT, which have a combined production capacity of 1.5 million tonnes of phosphoric acid per year, and EMAPHOS, which has a production capacity of 0.25 million tonnes of purified phosphoric acid per year.

In connection with the first phase of the Capital Expenditure Programme, the Group completed a number of projects at Jorf Lasfar, including:

- an expansion of fertiliser production capacity at the Jorf Phosphate Hub by commissioning four fully integrated fertiliser production units (each with an annual production capacity of one million tonnes of fertiliser);
- the start of operations of a new phosphoric acid unit (Line E) with a 450,000 tonnes production capacity;
- an increase in port capacity from 30 million tonnes in 2007 to 50 million tonnes in 2017; and

- the construction of a seawater desalination plant with a water production capacity of 25 million cubic meters per year.

As part of the second phase of the Capital Expenditure Programme, the Group has started construction on a number of additional projects at Jorf Lasfar, including:

- the construction of new phosphoric acid line (Line F) with a capacity of 450 thousand tonnes phosphoric acid, the start of operation of this new phosphoric acid line was on March 2023;

- the construction of three granulation lines with a capacity of one million tonnes each, two of them have started production on May 2023 and December 2023, the third one is expected to be commissioned before the end of 2024. These lines will benefit from phosphoric acid coming from Line F and from the freed-up capacity from efficiency programmes;

- additional phosphoric acid capacity gains through increased efficiency which will amount to a total of 350 kilo tonnes of phosphoric acid capacity;

- the construction of sulphuric acid plants with a total capacity of 3.3 million tonnes;

- the construction of production units for TSP fertilisers, with a capacity of approximately 1000 KT by the second half of 2025;

- the construction of production units for purified phosphoric acid, with a first capacity productions of approximately 280 kTP2O5 by end of 2026 – early 2027;

- the construction of production units for the recovery and valorisation of fluorine with a capacity of approximately 20 kilo tonnes of AHF by 2026;

- the construction of production units for the transformation of AHF into AlF3 with a capacity of approximately 28 kilo tonnes of AlF3 by 2026;

- the construction of production units for the recovery and valorisation of non-enriched uranium with a capacity of approximately 0,4 million lbs of U3O8 by 2026 and 1,7 million lbs by 2029

- the construction of production units for components for LFP batteries with a capacity of approximately 30kT of the material compound LiFePO4 by 2026;

- the construction of phosphate animal feed production units with a total capacity of 150 KT by 2026 and 150 KT by 2027; and

- the construction of a green ammonia production facility (capacity of 100KT p.a.) by 2026 being integrated in the existing industrial platform, with the objective of ammonia production and technology assessment.

Safi

The chemical complex at Safi is located on the Atlantic Ocean, approximately 10 km from Safi, and covers an area of 670 hectares, of which approximately 60% is still available for development. The complex commenced operations in 1965 to process the phosphates extracted from the Gantour mining sites.

Prior to the absorption of Maroc Phosphore S.A. into the Issuer in 2012, operations at Safi were conducted by the Maroc Phosphore I and Maroc Phosphore II chemical units. Operations at Safi are now conducted directly by the Issuer. Products from Safi include phosphoric acid for use in fertilisers, various "special" quality phosphoric acid and phosphate-based fertilisers. Sulphuric acid is also produced and used internally for the production of phosphate-based fertilisers.

The following table sets forth details of the phosphoric acid and phosphate-based fertilisers produced at Safi for the periods indicated:

	Full Year		
	2023	**2022**	**2021**
	(thousand tonnes)		
Phosphoric acid	1,065	1,319	1,480
Phosphate-based fertilisers	1,113	1,060	1,136
of which:			
TSP	965	920	917
DCP/MDCP	148	140	219

As at 31 December 2023, the Group's nominal production capacity at Safi was 1.2 million tonnes of phosphoric acid, 0.9 million tonnes of TSP and 0.2 million tonnes of feed phosphate products per year.

As part of the second phase of the Capital Expenditure Programme, the Group is in the process of implementing a number of additional projects at Safi, including:

- the construction of fertiliser production units with a total capacity of 4.5 million tonnes of customised phosphate fertilisers between 2025 and 2027; and

- the expansion, among other things, of port and storage facilities to accommodate such increase in phosphate rock and fertilisers exports.

The strategic programme of Mzinda-Meskala

The Mzinda-Meskala strategic programme, as part of the Green Investment Programme, aims to develop a new mining and processing axis with benefits for the OCP Group. It is expected to contribute significantly to the development of new fertiliser capacities of 10 million tonnes by 2030. The investment programme relies on a flexible, integrated industrial system to maintain the Group's leadership and strengthen its resilience. The new mining and chemical complexes will be located in Mzinda and Meskala.

The Mzinda-Safi axis is expected to deliver the first 2MT of fertiliser capacity in 2025 and an additional 2MT of TSP in 2026. Rock will be extracted from the Ben Guerir mine extension, with a capacity of 6MT, and from the new Louta mine, with a similar capacity of 6MT. Processing operations will be carried out at the new Mzinda chemical complex, and the finished product will be transported via an innovative, green, 100km-long corridor to the SPH storage platform for shipment via the new port of Safi with 11MT capacity. The corridor, whose design will be green and innovative for optimum energy and environmental efficiency, will also ensure the transport of industrial needs for clean energy and unconventional water.

The Meskala axis will deliver new mining capacity of 20MT and processing capacity of 2MT by 2030. The first mining capacities of 8MT are expected to be delivered in 2028 and transported via a Meskla-Mzinda corridor for eventual processing at the Mzinda chemical complex.

The strategic Mzinda-Meskala programme is designed as a cost-competitive, integrated, sustainable, digitalised and innovative operation. This new programme will be based on the following pillars:

- Digitalisation and Industry: to enhance operational efficiency optimise processes and improve overall productivity within the industrial platform.
- Sustainability: as a priority in process and plant design, while implementing renewable energy solutions and promoting responsible environmental practices.

The programme includes the construction of:

- seawater desalination plant in Safi with a capacity of 200 Mm3
- solar farm in Ben Guerir-Mzinda with a minimum capacity of 440 MW by 2027.
- Technological innovation in fertiliser production, drying, granulation and the valorisation of valuable by-products.

Other sites and projects

Beyond its Moroccan production capacities, The Group has also entered into production joint ventures and has direct or indirect interests in processing plants in Belgium, Brazil, France, India, Spain and the United States. In addition to Morocco, OCP heavily invests in production and logistics across numerous African countries, including fertiliser blending and storage facilities. These projects enable the Group to optimise cost efficiencies for farmers while enhancing OCP agility and responsiveness to local requirements.

For example, OCP Senegal commenced the construction of a comprehensive fertiliser production facility located 110 km from the country's capital, Dakar. The project will be implemented in two phases:

- Phase 1 includes a 100tons/ hour (150,000tons/year) bagging unit and a 25,000-ton storage capacity.
- Phase 2 involves expansion of the facility to accommodate a bulk-blending unit.

This blending unit is expected to address Senegal's fertiliser needs, and those of its neighbouring countries Gambia, Guinea, Liberia, Mali, Mauritania, and Sierra Leone. The facility's strategic location aims to enable efficient distribution through established transportation corridors.

The Rwanda Fertilizer Company ("**RFC**"), a joint venture between OCP Africa and the Government of Rwanda, completed construction of its fertiliser blending unit at the Bugesera Industrial Park in December 2023. Official production has begun, marking a significant milestone in Rwanda's agricultural development. Situated 50 km from Kigali, the facility aims for an annual capacity exceeding 100,000 tonnes, serving Rwanda and neighbouring countries. RFC has also launched projects like the OCP School Lab and soil mapping initiatives, emphasizing its commitment to enhancing agricultural sustainability.

Phosphoric Acid Production

The Group produces phosphoric acid for export and for use in its phosphate-based fertilisers. The two principal raw materials for the production of phosphoric acid are phosphate rock and sulphuric acid. The Group produces phosphoric acid at its plants from phosphate rock extracted from the Group's mines and sulphuric acid either produced at the Group's plants from sulphur purchased from third-party suppliers or sulphuric acid purchased directly from third-party suppliers.

As at 31 December 2023, the Group had total annual production capacity of 7.7MT of phosphoric acid production per year. The table below sets forth the production capacity of the Group's facilities for the production of various types of phosphoric acid as at 31 December 2023:

	Phosphoric Acid 29%	Phosphoric Acid 54%	Purified Phosphoric Acid
		(million tonnes)	
Jorf Lasfar	**6.586**	**5.465**	**0.250**
Of which:			
Issuer	*3.141*	*2.441*	*0*
JFCI	*0.537*	*0.408*	*0*
JFCII	*0.525*	*0.399*	*0*
JFCIII	*0.522*	*0.397*	*0*
JFCIV	*0.537*	*0.408*	*0*
JFCV	*0.365*	*0.357*	*0*
IMACID	*0.516*	*0.619*	*0*
PMP	*0.444*	*0.436*	*0*
EMAPHOS	*0*	*0*	*0.250*
Safi	**1.155**	**1.096**	**0**

The Group generally uses the "wet process" of phosphoric acid production, which involves the decomposition of phosphate rock with sulphuric acid. Phosphoric acid is produced by:

- grinding the phosphate rock (the level of "grinding" required depends upon the origin and nature of the rock, as well as the method of acid production used);
- decomposing the phosphate rock with sulphuric acid, which creates phosphoric acid and calcium sulphate in different hydrate forms;
- following crystallisation of the calcium sulphate, separating the calcium sulphate from the phosphoric acid by filtration, which allows for the production of phosphoric acid with a P_2O_5 concentration of between 25% and 29%; and
- concentrating the acid through evaporation, through which the P_2O_5 concentration of the acid is increased to approximately 54%.

Purified phosphoric acid is used either in acid form or in the form of salts (i.e., when combined with calcium, sodium, potassium or ammonium). EMAPHOS produces purified phosphoric acid that can be used in food products, the highest quality purified phosphoric acid in the industry. The higher grades of acid for use in industrial, food or pharmaceutical applications are produced by a solvent extraction process patented by the Issuer's joint venture company, Prayon.

Phosphate-Based Fertiliser Production

The Group produces primarily the following types of fertilisers:

Fertiliser	Production Basis	Production Process
TSP	The decomposition of phosphate rock using phosphoric acid.	The process results in a fertiliser with a double concentrate of phosphate from the phosphoric acid and the phosphate rock.

Fertiliser	Production Basis	Production Process
DAP....................................	The neutralisation of phosphoric acid by use of ammonia.	Phosphoric acid with a P_2O_5 concentration of 46% is mixed in a reactor with liquid or gaseous ammonia.
MAP....................................	The neutralisation of phosphoric acid by use of ammonia.	Phosphoric acid with a P_2O_5 concentration of 55% is mixed with liquid or gaseous ammonia.
Soluble MAP.......................	The neutralisation of phosphoric acid by use of ammonia and crystallisation.	Purification and concentration of phosphoric acid, then neutralisation with ammonia. The solution is then crystallised and dried.
NPK....................................	The neutralisation of phosphoric acid by use of ammonia.	Generally produced by blending nitrogen-based, phosphate-based and potash-based fertilisers.
NPS	The neutralisation of phosphoric acid by use of ammonia.	Phosphoric acid with a P_2O_5 concentration of 55% is mixed with liquid or gaseous ammonia. Sulphuric acid is also mixed in.

As at 31 December 2023, the Group had a total annual production capacity of 15.4 million tonnes of phosphate-based fertilisers at its facilities at Jorf Lasfar and Safi.

Supply of Sulphur, Sulphuric Acid and Ammonia

The following table sets forth information on the volumes of sulphur, sulphuric acid and ammonia consumed by the Group and purchased from third-party suppliers for the periods indicated:

	Full Year		
	2023	2022	2021
	(thousand tonnes)		
Sulphur consumed	6,342	6,497	6,873
Sulphuric acid consumed..	754	1,302	2,081
Ammonia consumed...	1,639	1,787	1,726

Sulphur and Sulphuric Acid

Sulphur is the principal raw material used in the production of sulphuric acid, an intermediate product necessary for the production of phosphoric acid. The Group purchases sulphur and sulphuric acid from third parties. The purchases consumed of solid and liquid sulphur are the largest supply cost for the Group and accounted for 36.9%, 44.2% and 49.6% of the Group's purchases of raw materials in FY 2023, FY 2022 and FY 2021, respectively. The Group estimates that its consumption of sulphur amounted to 6.3 million tonnes in FY 2023, which represented approximately 9.4% of the worldwide sulphur market according to CRU. Morocco is the second largest importer of sulphur globally, according to CRU.

The Group sources its sulphur from a number of major suppliers with whom it has direct and long-term relationships in the Middle East, Kazakhstan, North America and Europe. While the Group's Russian sulphur supply was initially impacted as a result of the Russia-Ukraine conflict, it was able to cover and secure its sulphur needs from these major suppliers. Sulphur is a by-product of the de-sulphurisation of oil and natural gas and, accordingly, is generally supplied by such producers.

The price of the sulphur obtained from third-party suppliers is generally negotiated on a quarterly or annual basis under medium-term supply agreements. The Group's average sulphur consumption cost was U.S.$127 per tonne in FY 2023, U.S.$301 per tonne in FY 2022 and U.S.$170 per tonne in FY 2021.

Ammonia

Ammonia is used to produce MAP, DAP and NPK, as well as specialty fertilisers such as sulphur-enriched and micronutrient-enriched fertilisers.

The Group purchases ammonia from a number of major third-party suppliers, primarily from countries in the Middle East and Asia and from Trinidad. The cost of ammonia accounted for 46.3%, 45.1% and 32.3% of the Group's purchases of raw materials in FY 2023, FY 2022 and FY 2021, respectively. In FY 2023, the Group purchased approximately 1.7 million tonnes of ammonia. OCP secured its ammonia requirements and enabled smooth production continuity after the start of the Russia-Ukraine conflict by managing to diversify its portfolio and establish new contracts from Middle Eastern suppliers who launched new capacities during the year. In addition, the ammonia market is regionally driven due to high freight costs. The transportation of ammonia requires specialised ships and is often expensive, which makes non-regional suppliers less attractive.

The Group primarily purchases ammonia through medium to long-term agreements. From time to time, in order to increase flexibility in supply, the Group purchases ammonia from the spot market. In 2019, the Group entered into a long-term agreement for the purchase of ammonia with GCA as from the start-up of GCA's new production unit (expected in the third quarter of 2024). The Group's average ammonia consumption cost was U.S.$614 per tonne in FY 2023, U.S.$1,096 per tonne in FY 2022 and U.S.$444 per tonne in FY 2021.

Ammonia prices were on the uptrend in 2021 due to favourable demand dynamics from downstream industries supported by government stimulus packages and the reduction of supply due to technical outages in main origins. In 2022, ammonia prices increased further, as the market was affected by the Russia-Ukraine conflict, which has led to reduction of supply. Additionally, high natural gas prices in Europe contributed to price volatility. After reaching their peak, ammonia prices started to decrease as a result of supply growth in the Middle East and Asia coupled with decreasing demand.

In 2023, ammonia prices continued to experience a downwards trend as a result of limited demand, coupled with relatively low natural gas prices. OCP managed to secure its ammonia requirements from contracts and maintain a diversified portfolio to benefit from price advantage from Asia and the Middle East. During the first half of 2023, the ammonia market experienced a downward trend, due to reduced demand from the fertiliser and industrial sectors following the unfavourable 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 approximately $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.

Energy

The mining of phosphate ore and the production of phosphate rock and phosphate-based fertilisers require significant amounts of energy. Electricity is essential for the operation of various mining and production equipment. Moreover, heat energy (steam and hot water) is essential for generating high temperature dry air used for drying certain products. The Group produces its own energy and purchases some energy from various local third-party providers. The Group's fertiliser production operations are, to a certain extent, energy self-sufficient, whereas the Group's mining and phosphate rock production facilities meet their energy requirements with energy purchases from third parties.

The following table sets forth information on the Group's electricity and steam production and purchases from third-party suppliers, as well as the Group's electricity consumption for the periods indicated:

	Full Year		
	2023	**2022**	**2021**
	(kWh millions, unless otherwise indicated)		
Group electricity production	2,846	2,853	3,026
Electricity purchases from third parties	1,194	1,174	1,270
Total	**4,040**	**4,027**	**4,296**
Electricity sold to third parties	203	520	1,733
Steam energy production (*KT*)	25,738	26,697	29,476

Customers

OCP has a well-established industrial and commercial presence in major markets, with over 350 clients across five continents. The Group sells its products to other industrials, including integrated and non-integrated players, large and established traders and distributors. In FY 2023, FY 2022 and FY 2021, the Group's ten largest customers represented 34.4%, 42.5% and 32.7% of the Group's export sales, respectively. The Group's largest single customer accounted for 7.3%, 12.1% and 5.9% of the Group's export sales in FY 2023, FY 2022 and FY 2021, respectively.

Products and Sales

Phosphate Rock

Phosphate rock extracted from the Group's mines is used by the Group and exported to the Group's customers around the world. In FY 2023, FY 2022 and FY 2021, the Group sold approximately 82%, 83% and 73%, respectively, of its phosphate rock (by volume) through domestic sales (comprising almost exclusively intra-group sales to the Group's subsidiaries and joint ventures) and 18%, 17% and 27%, respectively, through export sales. The table below sets forth the Group's sales volumes of phosphate rock (including intra-group sales) for the periods indicated:

	Full Year		
	2023	**2022**	**2021**
	(million tonnes)		
Domestic sales(1)	26.4	24.5	27.2
Export sales(2)	5.7	5.2	9.9
Total sales	**32.1**	**29.7**	**37.1**

(1) Including phosphate rock transfer within the same legal entity OCP SA for the needs of chemical transformation (Safi/Jorf).
(2) Excludes intra-group phosphate sold to OCPFER, OCPA, OCPNA and SAFTCO. Includes sales made with a third party by OCPFER, OCPA, OCPNA and SAFTCO.

Phosphate rock sold to the Group's subsidiaries and joint ventures is used as a raw material for the production of phosphoric acid and phosphate-based fertilisers. In recent years, in line with its value chain, the Group has sought to increase its internal use of phosphate rock in the production of phosphoric acid and phosphate-based fertilisers. The Group sells its phosphate rock to subsidiaries and joint ventures of the Group and accounts for internal transfers of phosphate rock within the Group on the basis of contract prices, calculated by reference to average export prices.

The following table sets forth the Group's intra-group use and sales of phosphate rock, by user, for the periods indicated:

	Full Year		
	2023	**2022**	**2021**
		(million tonnes)	
Safi[(1)]	4.4	5.8	6.2
Jorf[(1)]	8.9	8.2	9.6
JFC I	1.7	1.6	1.8
JFC II	1.6	1.5	1.6
KOFERT	1.6	1.7	1.7
JFC IV	1.6	1.6	1.8
JFC V	1.3	1.2	1.2
PMP	2.3	1.4	1.6
IMACID	3.0	1.4	1.9
Total	**26.4**	**24.5**	**27.2**

(1) Phosphate rock transfer within the same legal entity OCP SA for the needs of chemical transformation (Safi/Jorf).

The average price per tonne of phosphate rock exported by the Group was U.S.$157 in FY 2023, U.S.$233 in FY 2022 and U.S.$100 in FY 2021. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations and Financial Condition—Global Macroeconomic Conditions and Agricultural Commodity Prices*".

The principal export markets for the Group's phosphate rock were Europe (32.4%), South America (26.9%) India (21.0%) and Asia (12.7%) in FY 2022 and Europe (12.8%), South America (22.1%), India (47.2%) and Asia (14.5%) in FY 2023.

The following table sets forth the Group's export sales of phosphate rock, by export market, for the periods indicated:

	Full Year		
	2023	**2022**	**2021**
		(million tonnes)	
North America	**0.0**	**0.0**	**0.0**
of which:			
Canada	0.0	0.0	0.0
United States	0.0	0.0	0.0
Europe	**0.7**	**1.7**	**3.6**
of which:			
Turkey	**0.1**	0.6	0.8
Poland	**0.1**	0.3	0.4
India	**2.7**	**1.1**	**2.1**
South America	**1.2**	**1.4**	**2.3**
of which:			

	Full Year		
	2023	2022	2021
	(million tonnes)		
Mexico	1.1	1.1	1.5
Brazil	0.0	0.2	0.5
Africa	**0.0**	**0**	**0**
Asia	**0.8**	**0.7**	**1.5**
of which:			
Indonesia	-	0.2	0.5
Pakistan	0.5	0.3	0.6
Oceania	**0.2**	**0.4**	**0.4**
of which:			
New Zealand	**0.2**	0.3	0.3
Australia	0.0	0.0	0.0
Total export sales	**5.7**	**5.2**	**9.9**

The Group principally sells phosphate rock directly to its end customers, which are primarily non-integrated phosphate-based fertiliser companies purchasing phosphate rock to produce phosphoric acid and phosphate-based fertilisers. In FY 2023, the Group had 34 customers for phosphate rock, which were located in 27 countries.

Approximately less than one third of the Group's phosphate rock export sales are made based on long-term, committed-volume contracts, with terms of typically three to five years. These contracts generally provide for fixed sales volumes and either fixed prices or a pricing formula, which takes into account market price dynamics.

Phosphoric Acid

Substantially all of the phosphoric acid sold by the Group is exported to the international markets, with export sales accounting for 82%, 89% and 92% of the Group's total sales of phosphoric acid by volume in FY 2023, FY 2022 and FY 2021, respectively. Substantially all domestic sales are sales to the Group's subsidiaries and joint ventures. The table below shows the breakdown of the Group's sales of phosphoric acid (including intra-group sales) for the periods indicated.

	Full Year		
	2023	2022	2021
	(million tonnes)		
Domestic sales	0.3	0.2	0.2
Export sales	1.3	1.5	2.1
Total sales(1)	**1.6**	**1.6**	**2.3**

(1) Includes sales made by Joint Venture (IMACID, PMP and EMAPHOS)

In FY 2023, FY 2022 and FY 2021, approximately 44.1%, 39.8% and 46.7%, respectively, of the Group's total phosphoric acid sales by volume were sold from Safi, and 55.9%, 60.2% and 53.3%, respectively, were sold from Jorf Lasfar. The following table sets forth the breakdown of phosphoric acid export sales by chemical processing site for the periods indicated:

	Full Year		
	2023	2022	2021
	(thousand tonnes)		
Safi	**570.2**	**577.8**	**983.6**
Jorf Lasfar	**723.1**	**873.7**	**1,122.1**
of which:			
PMP	255.2	350.2	374.5

	Full Year		
	2023	2022	2021
	(thousand tonnes)		
IMACID	329.2	370.9	453.6
Issuer	55.2	30.6	142.0
EMAPHOS	83.4	122.0	127.1
JFC I	-	-	-
JFC II	-	-	-
KOFERT	-	-	-
JFC IV	-	-	-
JFC V	-	-	25.0
Total export sales	**1,293.3**	**1,451.5**	**2,105.7**

The average price per tonne of phosphoric acid exported by the Group was U.S.$980 in FY 2023, U.S.$1,563 in FY 2022 and U.S.$1,045 in FY 2021. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations and Financial Condition—Global Macroeconomic Conditions and Agricultural Commodity Prices*".

The principal export markets for the Group's phosphoric acid were India (30.1%), Europe (33.6%) and Asia (excluding India) (28.5%) in FY 2022 and India (38.9%), Europe (28.9%) and Asia (excluding India) (26%) in FY 2023. The following table sets forth the Group's export sales of phosphoric acid, by export market, for the periods indicated:

	Full Year		
	2023	2022	2021
	(thousand tonnes)		
India	**502.8**	**436.4**	**780.5**
Europe	**373.7**	**487.1**	**705.6**
of which:			
Belgium	77.6	186.3	208.7
Spain	106.6	98.4	124.8
Turkey	96.4	90.4	159.4
Africa	**3.1**	**-**	**-**
Asia	**335.7**	**413.3**	**417.3**
of which:			
Pakistan	331.2	392.6	390.7
Bangladesh	-	10.6	26.6
South America	**75.1**	**114.6**	**175.5**
of which:			
Brazil	51.0	94.2	101.7
Mexico	23.5	20.1	73.8
United States	**2.9**	**-**	**26.8**
Total export sales[(1)]	**1,293.3**	**1,451.5**	**2,105.7**

(1) Includes sales made by Joint Venture (IMACID, PMP and EMAPHOS)

The Group principally sells phosphoric acid directly to its end customers, which are primarily fertiliser companies, feed phosphate products and other chemicals companies (including for the purified phosphoric acid business). In 2023, the Group had 34 customers for phosphoric acid, which were located in 27 countries.

All of the Group's sales contracts are either on a spot or contract basis, and contract sales include price formulas which are linked to market prices.

Phosphate-based fertilisers

Phosphate-based fertilisers produced by the Group are primarily exported to the international market, with export sales accounting for 96.2%, 95.2% and 96.3% of the Group's total sales of phosphate-based fertilisers by volume in FY 2023, FY 2022 and FY 2021, respectively.

The table below sets forth the Group's sales of phosphate-based fertilisers for the periods indicated:

	Full Year		
	2023	2022	2021
	(million tonnes)		
Domestic sales	0.5	0.4	0.4
Export sales	11.3	8.7	10.5
Total sales(1)(2)	**11.8**	**9.1**	**10.9**

(1) Excludes intra-group phosphate-based fertilisers sold to OCPFER, OCPA, OCPNA and SAFTCO.
(2) Includes sales made with a third party by OCPNA, OCPFER, OCPA and SAFTCO.

The average price per tonne of phosphate-based fertilisers sold domestically (only to third parties) was U.S.$180 in FY 2023, U.S.$260 in FY 2022, and U.S.$215 in FY 2021. The average price per tonne of phosphate-based fertilisers exported by the Group was U.S.$520 in FY 2023, U.S.$824 in FY 2022, and U.S.$533 in FY 2021. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations and Financial Condition—Global Macroeconomic Conditions and Agricultural Commodity Prices*".

In FY 2023, FY 2022 and FY 2021, approximately 63.2%, 77.9% and 79.5%, respectively, of the Group's total phosphate-based fertiliser sales by volume were sold from Jorf Lasfar, approximately 5.3%, 8.5% and 8.8%, respectively, were sold from Safi, with the remaining portion sold from trading subsidiaries. The following table sets forth the Group's sales of phosphate-based fertilisers, by chemical processing site and product, for the periods indicated:

	Full Year		
	2023	2022	2021
	(thousand tonnes)		
Jorf Lasfar	**7,456**	**7,107**	**8,682**
of which:			
MAP	1,718	1,456	2,614
DAP	3,836	3,740	3,394
NPS	941	724	693
NPK	471	505	1,044
TSP	425	258	255
ASP	26	336	317
Other	39	89	364
Safi	**624**	**773**	**960**
of which:			
TSP	516	661	794
Other	108	112	166
Trading subsidiaries	**3,712**	**1,249**	**1,274**
of which			
MAP	1,818	619	804
NPK	289	139	140
DAP	437	149	84
TSP	928	192	86
NPS	200	113	116
Other	39	38	44
Total sales(1)(2)	**11,791**	**9,129**	**10,916**

(1) Excludes intra-group phosphate-based fertilisers sold to OCPNA, OCPFER, OCPA and SAFTCO.
(2) Includes sales made with a third party by OCPFER, OCPFER, OCPA and SAFTCO.

The following table sets forth the Group's sales of phosphate-based fertilisers, by chemical processing site and subsidiary or joint venture, for the periods indicated:

	Full Year		
	2023	**2022**	**2021**
	(thousand tonnes)		
Jorf Lasfar	**7,456**	**7,107**	**8,682**
of which:			
Issuer	6,303	4,920	5,655
JFC I	14	333	685
JFC II	0	463	445
KOFERT	879	677	681
JFC IV	2	542	882
JFC V	258	171	332
Safi	**624**	**773**	**960**
Trading subsidiaries	**3,712**	**1,249**	**1,274**
of which:			
OCPA	514	255	123
OCPFER	2,437	652	356
SAFTCO	43	40	119
OCPNA	718	302	677
Total sales(1)(2)	**11,791**	**9,129**	**10,916**

(1) Excludes intra-group phosphate-based fertilisers sold to OCPNA, OCPFER, OCPA and SAFTCO.
(2) Includes sales made with a third party by OCPNA, OCPFER, OCPA and SAFTCO.

The principal export markets for the Group's phosphate-based fertilisers were South America (21.7%), Europe (10.1%), Asia (15.2%), Africa (22.4%), India (23.9) and North America (5.7%) in FY 2022 and South America (34.3%), Europe (17.4%), Africa (11.2%), India (17.9%) and North America (6.7%) in FY 2023. The following table sets forth the Group's export sales of phosphate-based fertilisers, by export market, for the periods indicated:

	Full Year		
	2023	**2022**	**2021**
	(thousand tonnes)		
North America	**756**	**493**	**705**
of which:			
DAP	24	15	-
MAP	592	408	622
NPK	-	-	-
TSP	126	66	82
NPS	9	-	-
South America	**3,888**	**1,890**	**3,507**
of which			
DAP	516	60	278
MAP	2,196	1,251	2,162
NPK	55	20	205
TSP	904	301	417
NPS	156	142	189
Europe	**1,972**	**877**	**1,738**
of which:			-
DAP	1,256	463	975
MAP	200	187	253
NPK	268	133	290

	Full Year		
	2023	2022	2021
	(thousand tonnes)		
TSP	174	48	151
NPS	-	-	-
Africa	**2,025**	**1,947**	**1,916**
of which:			
DAP	445	357	359
MAP	112	49	95
NPK	437	490	525
TSP	54	20	21
NPS	975	695	620
Asia	**1,266**	**1,324**	**1,191**
of which:			-
DAP	775	783	787
MAP	11	36	-
NPK	-	-	-
TSP	469	496	377
India	**1,033**	**2,075**	**1,151**
of which:			
DAP	987	2,015	983
Oceania	**400**	**87**	**302**
of which:			-
DAP	23		31
MAP	**376**	**79**	**271**
Total export sales(1)(2)	**11,340**	**8,693**	**10,510**

(1) Excludes intra-group phosphate-based fertilisers sold to OCPNA, OCPFER, OCPA and SAFTCO.
(2) Includes sales made with a third party by OCPNA, OCPFER, OCPA and SAFTCO.

The Group principally sells DAP, MAP, TSP, NPK and NPS directly to its end customers, primarily large and established traders and distributors. DAP, MAP, TSP, NPK and NPS accounted for approximately 35.5%, 31.2%, 15.2%, 6.7% and 10.1% of total export sales of phosphate-based fertilisers by volume in FY 2023, respectively, 42.5%, 23.8%, 10.8%, 7.4% and 9.6% of total export sales of phosphate-based fertilisers by volume in FY 2022, respectively, and approximately 32.5%, 32.4%, 10.0%, 11.3% and 7.7% of total export sales of phosphate-based fertilisers by volume in FY 2021, respectively. In 2023, the Group had 268 customers for fertilisers, which were located in 82 countries. Sales of fertilisers are made on the spot market or under short-term or long-term contracts with negotiated or formula-based prices.

Feed Phosphate Products

The Group also produces feed phosphate products at Safi for use in animal feed nutrition. The facilities at Safi are designed to produce approximately 230,000 tonnes of feed phosphate products per year. The Group sells the feed phosphate products to domestic and international markets, with Brazil and Europe being two of its strategic markets.

OCP has the ambition to expand in this segment and to diversify its portfolio of products. OCP has started implementing its expansion through the acquisition of a 50% stake of GlobalFeed S.L. from Fertinagro Biotech S.L., a major Spanish fertilisers producer, in May 2023 a European feed producer with an annual production capacity of 180,000 tonnes, aiming to reach 400,000 tonnes by 2027.

Trading Subsidiaries

The Issuer has a number of subsidiaries around the world to assist with the Group's sales and trading activities.

Storage

In order to maintain a stable production cycle and to accumulate sufficiently large product volumes for export shipments via large carriers, the Group's production facilities had fertiliser storage facilities with a total storage capacity of 1.8 million tonnes, phosphoric acid storage facilities with a total storage capacity of 0.4 million tonnes and phosphate rock storage facilities with a total storage capacity of 8.5 million tonnes as at 31 December 2023. These storage facilities allow the Group to store up to approximately 26% of the Group's phosphate rock, phosphoric acid and phosphate-based fertilisers annual production volume (based on 2023 production levels). Additionally, the Group has substantial on-site storage capacity for phosphate rock.

The table below sets forth the storage capacity of the Group's storage facilities at each of its mining sites as at 31 December 2023:

	Storage Capacity
	(thousand tonnes)
Storage of Extracted Phosphate Ore	
Khouribga	**2,315**
of which:	
Daoui	125
El Halassa	900
Sidi Chennane	600
MEA	690
Gantour	**757**
of which:	
Ben Guerir	117
Ben Guerir (wet sorted)	290
Youssoufia (wet sorted)	350
Boucraâ	**900**
of which:	
Boucraâ mine	450
Facility 1 (wet sorted)	150
Facility 2 (wet sorted)	150
Facility 3 (wet sorted)	150
Storage of Treated Products	
Khouribga	**2,872**
of which:	
Parc el Wafi	600
Benidir Plant (wet)	220
Oued Zem Drying Complex (wet)	160
Merah Beneficiation Plant	220
Benidir Plant (dry)	50
Oued Zem Drying Complex (dry)	52
Downstream (dry)	250
Downstream (wet)	950
Casablanca Port	370
Gantour	**860**
of which:	
Drying Plant (wet sorted and washed)	90
Drying Plant (dry)	60
Beneficiation Plant (wet sorted)	140
Beneficiation Plant (washed)	90
Calcination Plant (wet sorted and washed)	290
Calcination Plant (dry)	50
Safi Port	140
Boucraâ	**750**
of which:	
Storage Hangers for Finished Products	500

	Storage Capacity (thousand tonnes)
Wet Sorted Stock	250

The table below sets forth the storage capacity of the Group's storage facilities at each of its chemical processing facilities as at 31 December 2023:

	Storage Capacity					
	Sulphuric Acid	Phosphoric Acid 29%	Phosphoric Acid 54%	Purified Phosphoric Acid	Phosphate-based fertilisers	Phosphate-based feeds
	(thousand tonnes)					
Jorf Lasfar	**239**	**68**	**267**	**21**	**1650**	**0**
of which:						
Issuer	132	17	93	0	750	0
JFC I	15	10	19	0	200	0
JFC II	15	10	19	0	200	0
KOFERT	15	10	19	0	200	0
JFC IV	15	10	19	0	200	0
JFC V	14	4	26	0	100	0
IMACID	19	4	37	0	0	0
PMP	14	3	35	0	0	0
EMAPHOS	0	0	0	21	0	0
Safi	**66**	**11**	**136**	**0**	**180**	**9**

The Group also has storage facilities at the ports of Jorf Lasfar, Safi and Casablanca.

The Group also pays for the temporary use of warehouse space, with the volume of used space depending principally on seasonality and fluctuations in regional supply and demand. The Group's products may deteriorate if stored inadequately or for a period that is longer than the prescribed maximum storage period.

Transportation

Raw materials are principally delivered to the Group's processing and production facilities by pipeline, ship, rail and truck. Rail transportation of the Group's raw materials and products, storage of the Group's products at the ports' storage facilities and loading the Group's products onto ships are arranged by the Group.

Pipeline, rail and truck transportation are used for deliveries of phosphate rock extracted by the Group to the Group's chemical processing facilities at Jorf Lasfar and Safi. Phosphate ore is first delivered by trucks and conveyer belts to the Group's storage facilities from which it is subsequently transported by rail to the Group's processing and beneficiation plants. The use of transportation by truck and rail has decreased since the Group's slurry pipeline from Khouribga to Jorf Lasfar became operational. Onward from the plants, rail is used for nearly all deliveries of phosphate rock, phosphoric acid and phosphate-based fertilisers to the ports for onward transportation by sea and for deliveries of such products to domestic customers. The Group transports its products for export by rail to the ports of Casablanca and Safi or by conveyor belt to the ports of Jorf Lasfar and the wharf at Laâyoune, in each case, for on-shipment by sea. The Group regularly enters into CFR and FOB contracts and, to a lesser extent, contracts of affreightment ("**COA**") for the delivery of its products.

Railway Transportation

Each of the Group's principal plants that produce end-products is connected to a train terminal. The Group arranges rail transportation for all of the Group's companies directly with ONCF. The Group has historically negotiated long-term agreements with ONCF, with tariffs set according to a pricing formula that varies according to changes in energy prices and cost of living. The Group has recently extended its agreement with ONCF by way of an amendment. The Group does not own or lease railcars or cisterns (used for the transportation of acids and liquid fertilisers).

Sea Transportation

The Group regularly enters into CFR and FOB contracts, as well as COAs, for the delivery of its products. For export sales arranged on an FOB basis, transportation by sea of the Group's products after their delivery to seaports is typically arranged by customers. In either case, however, the Group arranges for the storage of its products at the ports' storage facilities and the loading of the Group's products onto carriers, as well as generally coordinates the shipping process among the Group companies, ONCF, seaports and ship owners. The Group has access to the Casablanca, El Jadida, Safi and Laâyoune's ports.

Due to ongoing maritime freight disruptions in the Red Sea, the trade of fertilisers and raw materials has been partially disrupted. See "*Risk Factors—The Group is exposed to fluctuating prices of phosphate-based fertiliser and other phosphate-based products*."

Sea Transportation of Phosphate Rock

The Group's phosphate rock is primarily exported through the ports of Casablanca, Jorf Lasfar and Safi and the wharf at Laâyoune. In FY 2023, FY 2022 and FY 2021, approximately 58.6%, 60.7% and 71.4%, respectively, of the Group's phosphate rock export sales by volume were exported through the port of Casablanca and approximately 35.4%, 20.7% and 13.4%, respectively, were exported through the wharf at Laâyoune.

The following table sets forth information on export sales of the Group's phosphate rock, by port, for the periods indicated:

	Full Year		
	2023	**2022**	**2021**
	(thousand tonnes)		
Casablanca	3,314	3,135	7,036
Jorf Lasfar	161	686	1,011
Laâyoune	1,999	1,068	1,321
Safi	152	255	442
Others	27	21	44
Total	**5,653**	**5,166**	**9,854**

Compared to shipping in bulk, container shipping allows the Group to increase the number of customers to which it can ship its products by selling its products in smaller consignments to customers that cannot afford to purchase enough quantity to ship it in a bulk cargo. As a result, the Group can export its products by container to small- and medium-scale distributors all over the world, where shipping in bulk would not be economical.

The Group has a number of facilities at the ports from which it ships its phosphate rock.

Port	Facilities
Casablanca	A vessel loading berth measuring 581 metres with a loading capacity of 15 million tonnes per year; a train unloading facility measuring 412 metres with an unloading capacity of 15 million tonnes per year; handling, storage and recovery facilities, including storage hangers with a

Port	Facilities
	capacity of 350,000 tonnes, storage and recovery conveyors measuring 25 km and an automatic weighing and surveying station; and other structures, including administrative buildings and maintenance facilities.
Laâyoune...	A dock terminal for loading ships with phosphate and an intermediate dock for unloading ships carrying crude oil for the processing plant; two vessel loading machines; two speedboats; a series of phosphate recovery conveyors; electrical stations; and marine structures (winches, etc.).
Jorf Lasfar...	Two phosphate loading gantries.
Safi..	A phosphate unloading nave; a phosphate storage facility with a capacity to hold 240,000 tonnes of phosphate; and two ship loading circuits.

The wharf at Laâyoune is 17 metres in length, which allows the docking of ships with the capacity to carry up to 70,000 tonnes of cargo.

Sea Transportation of Phosphoric Acid and Phosphate-Based Fertilisers

The Group's phosphoric acid and phosphate-based fertiliser products are primarily exported through the ports of Jorf Lasfar and Safi.

In FY 2023, FY 2022 and FY 2021, approximately 44.1%, 39.8% and 47.1%, respectively, of the Group's phosphoric acid export sales by volume were exported through the port of Safi and approximately 55.9%, 60.2% and 52.9%, respectively, were exported through the port of Jorf Lasfar. The following table sets forth information on export sales of the Group's phosphoric acid, by port, for the periods indicated:

	Full Year		
	2023	**2022**	**2021**
	(thousand tonnes)		
Jorf Lasfar..	723	874	1,115
Safi	570	578	991
Total..	**1,293**	**1,451**	**2,106**

In FY 2023, FY 2022 and FY 2021, approximately 63%, 78.4% and 79.8%, respectively, of the Group's phosphate-based fertilisers export sales by volume were exported through the port of Jorf Lasfar, approximately 4.3%, 7.2% and 8.1%, respectively, were exported through the port of Safi and 32.7%, 14.4% and 12.1%, respectively, were exported through other ports. The following table sets forth information on export sales of the Group's phosphate-based fertilisers, by port, for the periods indicated:

	Full Year		
	2023	2022	2021
		(thousand tonnes)	
Jorf Lasfar	**7,143**	**6,814**	**8,386**
Of which:			
MAP	1,715	1,449	2,598
DAP	3,588	3,543	3,328
NPS	940	724	693
NPK	471	505	1,044
TSP	395	207	248
ASP	26	336	317
Other	7	50	156
Safi	**485**	**629**	**849**
Of which:			
TSP	403	540	714
Other	82	89	136
Other Ports	**3,712**	**1,249**	**1,274**
Of which:			
MAP	1,818	619	804
NPK	289	139	140
DAP	437	149	84
TSP	928	192	86
NPS	200	113	116
Other	39	38	44
Total	**11,340**	**8,693**	**10,510**

Compared to shipping in bulk, container shipping allows the Group to increase the number of customers to which it can ship its products by selling its products in smaller consignments to customers that cannot afford to purchase enough quantity to ship it in a bulk cargo. As a result, the Group can export its products by container to small- and medium-scale distributors all over the world, where shipping in bulk would not be economical.

The Group has a number of facilities at the ports from which it ships its phosphoric acid and phosphate-based fertilisers.

Port	Facilities
Jorf Lasfar	Two fertiliser loading gantries; one solid sulphur unloading gantry; one liquid sulphur unloading gantry; two phosphoric acid loading gantries and ammonia unloading gantries; two solid sulphur storage facilities; eight ammonia tanks; three liquid sulphur intermediary storage bins; two sulphur fusion units; sulphur unloading conveyors; and fertiliser loading conveyors.
Safi	An unloading nave for fertilisers; two storage facilities for fertilisers with storage capacities of 60,000 tonnes and 70,000 tonnes, respectively; vessel loading circuits; sulphur unloading naves; a storage facility for sulphur with a storage capacity of 35,000 tonnes; a sulphur wagon loading circuit; two truck loading extractors; phosphoric acid decanting circuits; 11 storage bins for phosphoric acid; three phosphoric acid truck decanting stations; and two phosphoric acid vessel loading stations.

The ports of Jorf Lasfar and Safi are owned by the State and there has been a concession between the State and the Issuer in relation to dock handling and loading facilities for phosphate at such ports since 1924. The Issuer has owned the wharf at Laâyoune since 1967.

Development of the Group's Transportation Network

As part of the first phase of its Capital Expenditure Programme, the Group completed a number of projects to develop its transportation network, including:

- the Group began operating a slurry pipeline in April 2014 to transport phosphate rock from Khouribga to Jorf Lasfar (with a length of 234 km, including secondary pipes, and an annual capacity of up to 38 million tonnes). This pipeline has enabled the Group to decrease its reliance on rail transportation, saving energy and water by eliminating the drying procedures required for transporting phosphate rock intended for local use by train; and

- the Group increased its capacity at the Jorf Lasfar port from 30 million tonnes in 2007 to 50 million tonnes in 2017.

Research and Development

The Group's research and development ("**R&D**") has been outsourced to UM6P since 2018, which has enabled the Group to consolidate its R&D activities within a single dedicated structure and access capabilities and resources across scientific disciplines that aim to influence the Group's growth and increase cooperation with world-leading universities in the field of R&D. The evolution of the Group's R&D reflects the Group's ambition to pursue growth opportunity diversification and niche products. As a result, the Group seeks to follow best practices for R&D, including a R&D expenditure target of approximately 5% of revenue.

Farming Solutions: Exploring the Group's diversification opportunities through the search for new quality fertilisers and the Group's downstream integration through an offer of services to farmers, particularly in the African market.

Hacking Phosphate: Focusing on the possibilities of accessing new industrial sectors from the elements present in phosphate rock.

Circular Economy: Analysing the impact of the Group's activity during the life cycle of its various products and proposes ways of improvement.

Operational Efficiency: Exploring ways to improve the Group's existing business.

Digitalisation: A lever for growth and efficiency for all companies, especially industrial ones.

The Group's flagship projects for R&D include:

(i) new qualities of biofertilisers;

(ii) agricultural techniques adapted to the Group's growth markets, such as biosaline agriculture and water-stressed agriculture;

(iii) the valuation of the main by-products of the Group's activity, such as fluoride, phosphogypsum and washing sludge;

(iv) Experimental Mine and Experimental Plant Programme to explore new processes;

(v) the development of new materials for key equipment used by the Group, such as filtering canvases and pump materials;

(vi) renewable energies;

(vii) green ammonia and green hydrogen; and

(viii) lithium iron phosphate batteries.

Competition

The Group was established as the Moroccan national phosphates mining and extraction company, and the State has granted the Issuer exclusive access to Morocco's phosphate rock reserves. Accordingly, the Group has no domestic competition for its phosphate rock, although certain foreign companies export phosphate-based fertilisers into the Moroccan market.

The Group is subject to competition from foreign producers. Fertilisers are global commodities, and customers make their purchasing decisions principally on the basis of delivered price, customer service, product quality and time to market. The Group competes with a number of foreign producers, including state-owned and government-subsidised entities. The Group's traditional competitors include, among others, Ma'aden (Saudi Arabia), PhosAgro (Russia), Eurochem (Russia), Mosaic (USA), CF Industries (USA), Nutrien (Canada), Yara (Norway), ICL (Israel), Jordan Phosphates Mines Company (Jordan), Kailin (China), Wengfu (China) and Yuantianhua (China).

The Group has faced increasing competition in recent years, in part due to capacity increases by other industry players, which has led to an increase in the world supply of fertilisers and a corresponding decline in fertiliser prices between 2015 and 2020. From mid-2020, delayed planned additional capacities combined with stronger demand fundamentals has led to a recovery in prices and the initiation of a new cycle, although fertiliser prices and volumes have been, and are expected to continue to be, volatile. Notwithstanding this trend, the Group has continued to expand its capacity as the Group believes its cost leadership gives it a competitive advantage. See "*Risk Factors—Risks Relating to the Phosphates and Fertiliser Industry—The phosphate and fertiliser market is competitive*".

Sustainability

As a major contributor in the global fertiliser market, the Group supports progress towards a more prosperous, sustainable and resilient agriculture. The Group is vertically integrated, with operations across the full phosphate value chain. Fertilisers and phosphate are key to improve agricultural yields as they guarantee food security in the short, medium, and long term. Also, food security concerns increase due to the consequences of climate change and the depletion of precious natural resources, such as water and fertile soils. Intensive agricultural practices have a significant impact on the quality and availability of these resources. Soil erosion and the loss of topsoil lower soil nutrient content and contribute directly to lower crop yields. In this context, the Group's primary goal is to meet the exponential demand for food by optimising the use of natural resources. To this aim, the Group works to improve soil fertility and help farmers increase their yields. As an African company, the Group seeks to contribute to the economic and social development of the African continent.

The Group aims to produce positive impacts on the communities in which it operates by contributing to the United Nations sustainable development goals, specifically to those that aim to end hunger, provide access to quality education and decent work, generate economic growth, create sustainable cities and communities and fight against climate change. To identify important areas where the Group can have the largest impact, the Group continuously conducts stakeholder and materiality analyses. These analyses focus on topics such as occupational health and safety, water management, community engagement, food security, waste management, renewable energy, environmental compliance of activities, circular economy model, and soil and biodiversity management, among others. In order to maintain its leading position in the fertiliser and animal nutritional industries and progress towards sustainable farming, the Group places a considerable focus on sustainability in its strategy.

For example, in July 2022, in response to the increased costs of energy, food and fertilisers (and their threat to food security on the African continent), OCP Africa launched its Fertilizer Relief Program. OCP's contribution was split between a donation of 180,000 tonnes and 370,000 tonnes sold at discounted prices. This contribution represented roughly 16% of Africa's annual needs and over a quarter of OCP Africa's sales.

In line with its integrated, farmer-centric approach, this operation includes farmer training and awareness of best practices in sustainable fertilization, supply chain support access to financing and linkage to market. More than 4 million farmers benefit from this program, primarily those engaged in the cultivation of staple foods such as maize, rice and sorghum.

Policies and Due Diligence

The Group has focused its strategy according to financial and non-financial risks and opportunities that allow the Group to have a wider stakeholder perspective in its management. The Group has created an ESG governance structure that oversees the strategy, the compliance of applicable laws and corporate commitments for best sustainability practices. The Group has set the aim for 50% women in management by 2030 and 30% of women in senior management by 2025.

The policy development and due diligence system is a mechanism for risk monitoring, mitigation and response. Among other commitments, these policies intend to promote an ethical culture, a strong climate change response, environmental impact reduction and minimisation, social development and community involvement, and a healthy and safe place to work.

- **Sustainability policy:** demonstrates the Group's global strategy and commitments around sustainability.

- **Environmental management policy and its operational policies:** outlines the Group's commitments related to environmental management and is developed by specific policies, each of them related to a relevant business practice.

- **Code of Conduct:** establishes Group-wide code of conduct, encouraging personnel and external third parties to conduct business in accordance with our corporate commitments and ethical standards.

- **Climate change policy:** shows intention to align to TCFD and reduce the Group's carbon footprint. Its operational policies concern issues such as water, energy and emissions.

- **Human rights policy and its operational policies:** establishes the Group's commitments regarding different stakeholders: communities, suppliers, etc.

- **People policy and its operational policies:** establishes human resources issues such as D&I, H&S, etc.

- **Innovation and Quality Policies:** outlines the Group's quality standard and innovation strategy.

- **Purchasing Policy and Supplier Code of Conduct:** promotes sustainability across the Group's value chain.

- **Community engagement policy:** outlines OCP's strategy regarding local communities (including our social engagement initiatives, such as Act4Community).

- **Tax Policy:** establishes compliance with local tax regulations and international tax standards.

Environment

The activity of phosphate mining and processing industries involves the use, handling and production of chemicals and hazardous substances. The Group deploys the necessary resources and the technical, human and organisational means to control the related HSE risks and guarantee continuous improvement of environmental performance.

The Environmental Management System (EMS) set up by OCP's operational sites, according to the requirements of the ISO 14001 international standard, provides a structured framework for monitoring and governance of environmental performance.

- More than 99% of waste is diverted from disposal, including mining waste and waste generated by operation and maintenance activities.

- 90% reduction of fluoride gas annual pollutant load in 2022 compared to 2018, mainly due to the generalisation of the fluorinated gas scrubbing system on all phosphoric acid production lines in Safi and Jorf Lasfar sites.

- 100% chimneys below 50mg/Nm3 in ammonia aligned with the World Bank threshold in Jorf Lasfar site.

- A 6.4% increase in recycled water used either internally or sent to a third-party organisation, representing 31 million cubic metres.

The Group is also committed to replacing electrical equipment that uses polychlorobiphenyls (PCBs) as part of an integrated programme in coordination with the Moroccan Ministry of the Environment and United Nations Industrial Development Organization.

The Group's chemical, processing and loading activities have been certified ISO 14001, ISO 9001, OHSAS 18001, FSCC 22000 and ISO/CEI 17025. All OCP industrial operation sites have been awarded the "Protect and Sustain" label (an IFA product stewardship initiative) in relation to quality control, environment, and health and worksite safety. In Morocco, environmental protection is increasingly gaining importance. The liberalisation of trade and various international agreements on environmental protection have increased the pressure to introduce internationally recognised environmental standards in production. Accordingly, measures have been taken by the Government in recent years towards environmental protection and the conservation of resources. The Group's management believes that the Group is in compliance in all material respects with all applicable environmental legislation and safety laws and regulations, and is not aware of any past, current, pending or threatened material environmental claims against it. However, the Group's liability insurance may not cover or fully cover the Group against certain environmental risks. See "*Risk Factors—Risks Relating to the Group's Business—Accidents or other incidents involving the Group's production facilities could cause severe damage or injury, which could result in the incurrence of significant costs*" and "*—The Group is subject to increasingly onerous environmental and health and safety laws and regulations*".

Climate change

Facing climate change and aware of its responsibility to contribute to Morocco's goal of 45.5% greenhouse gas emissions reductions by 2030, the Group pursues an ambitious strategy to reduce its

CO_2 emissions and aims to become carbon neutral by 2040. The Group's carbon footprint evolution over the last decade has remained steady in spite of the Group's tripled production capacity for fertilisers. The Group's Scope 1 and 2 greenhouse gas emissions reduced by 12.1%, while sales of phosphate rock, phosphoric acid and fertiliser have increased by 93.0% from 2018 to 2022.

The Group has developed an energy programme with the goal of diversifying its energy mix and achieving self-sufficiency. Of the Group's total energy requirements, approximately 74% from cogeneration and 11% from renewables, was produced from clean energy sources in 2023. From 2017 to 2023, the ratio of clean energy per the total electricity consumed increased from 67% to 85%. The Group is committed to increasing its energy efficiency and has adopted the energy programme. The Group uses energy generated from its chemical production activities to generate power through a heat recovery system that converts heat (steam) from sulphuric acid production into electricity. The Group then uses this electricity for its internal needs. This energy-recycling programme enables the Group to make costs savings with respect to its energy and to reduce the Group's carbon footprint. The heat recovery system is currently used in two of the Group's plants and is expected to be implemented in other plants in due course.

In addition, 33.0% of the electricity consumption of the Khouribga mine and roughly all of the electricity consumed by the Youssoufia, Ben Guerir and Boucraâ mines are supplied by wind energy. The slurry pipeline which is used to transport phosphate from the Khouribga mine to the Jorf Lasfar fertiliser complex, in place of transport by railway, creates a significant reduction of CO_2 per year. These savings are expected to reach one million tonnes of CO_2/year at its full capacity.

Green Investment Programme

In December 2022, the Group launched its U.S.$13 billion Green Investment Programme as the second phase of the Capital Expenditure Programme. The Green Investment Programme targets the increase of the Group's mining and fertiliser production capacity, as well as an increase in rock extraction capacity by means of opening a new mine in Meskala, alongside the establishment of a new fertiliser complex located in Mzinda. The Group’s industrial facilities are all expected to be supplied with 100% non-conventional water (desalinated seawater or treated wastewater) by 2024 and 100% clean energy by 2027, in alignment with its aim to achieve carbon neutrality by 2040.

Sustainability building capacity 2023-2027

As part of the Green Investment Programme, the Group has also committed to invest Dh 130 billion (approximately U.S.$13 billion) globally from 2021 to 2027 in solutions aimed at increasing its production capacity from 15 million tonnes of fertiliser to 20 million tonnes. A large part of this investment is targeted towards extending the Group's mining capacity through the opening of a new mine in Meskala in the Essaouira region and the installation of a new fertiliser production complex in Mzinda.

Slurry pipeline

Among the Group's flagship innovations is the slurry pipeline. In 2014, the slurry pipeline was constructed to connect the Khouribga mine site and Jorf Lasfar. The slurry pipeline transports washed phosphate as pulp to the main processing platform. With a total transport capacity of 38 million tonnes, it allows the transport of more phosphate rock than traditional transport by train, removing all intermediary processing like drying at the mine level and re-adding water at the chemical platform level, resulting in significant reductions in CO_2 emissions and water. Compared to the prior transport used in 2020, it prevented 670,000 million tonnes of CO_2 emissions, and preserved 1.5 million cubic metres of fresh water.

Water

75% of the Group's water needs are currently sourced from unconventional water resources, such as treated wastewater from the cities of Khouribga, Ben Guerir and Youssoufia, as well as desalinated seawater from Jorf Lasfar, Safi and Laayoune. The Group is actively engaged in reducing its water footprint, defining ambitious goals in the mid-term and aiming to:

- Start operating two new wastewater treatment plants at Safi and Kasba Tadla in 2024, which is expected to result in an overall additional capacity of 14 million cubic meters of water per year recovered from urban wastewater. In addition, OCP has made the decision to supply its water needs from other wastewater treatment plants in the cities of Beni Mellal, Marrakech, Fquih Ben Salah and Marsa, for a total of 31.5 million cubic meters, which includes the extension of existing plants of Khouribga and Ben Guerir;

- Recover 90% of water used in phosphate washing plants;

- Invest in new filtration technologies at the Merah, Daoui and Youssoufia washing plants, with the intention to recover 50% of the remaining water from the residual sludge starting 2021;

- Reach 90% reduction of water used for watering mine runways;

- Leverage cutting-edge runway treatment technology in order to save an estimated 2 million cubic meters of water per year;

- Invest in research and development of new desalination technologies to maximise efficiency and minimise water costs;

- Reach 100% of water needs sourced from non-conventional sources by the end of 2024, all sourced from Jorf Lasfar and Safi with a total desalination capacity of 160 million cubic meters. The Group has accelerated realisation of its water programme with the establishment of its subsidiary, OCP Green Water (OGW), 100% owned by OCP, which will develop, implement and manage sustainable solutions promoting the adoption on the use of water from non-conventional resources on OCP's business activities. OGW play a crucial role in enabling the company to transition towards a more sustainable future while contributing to the communities and to the organisation’s bottom line;

- Construct additional desalination units with a total capacity of 560 million cubic meters by the end of 2027.

In February 2022, the Group entered into a long term strategic partnership and agreement with the Ministry of Equipment and Water in Morocco, to provide OCP Green Water the right to desalinate seawater for two main purposes: (i) providing drinking water to public distribution authorities (Régies and services) of El Jadida and Safi, and (ii) supplying industrial water to the Group and other industrial companies affiliated to OCP or based on its sites.

Green Energy

Through OCP Green Energy which is a wholly-owned subsidiary, the Group intends to produce 5 gigawatts (GW) of clean energy by 2027 and no less than 13GW by 2032. OCP has engaged in many studies that aim to use green energy wherever it may be possible. The Group is studying the use of electric or hydrogen mining trucks to replace the diesel ones, and also powering trains by renewable electricity from solar farms.

At the core of Green Investment Programme is the use of clean energy. OCP Group is expected to supply all its industrial facilities with green energy including wind, solar, and co-generation by 2027. By adopting zero emissions energy, the Group aims to strengthen their competitiveness while simultaneously providing power to new seawater desalination plants.

Health and Safety

Mining of phosphate ore and production of phosphate rock, phosphoric acid and phosphate-based fertilisers can be dangerous activities. Similar to other companies operating in these industries, there is a general risk of accidents involving heavy equipment, machines, structures, explosives and hazardous materials used in these industries.

The Group considers the health and safety of its employees to be its most significant responsibility in connection with its operations. The Group follows Moroccan industry safety standards applicable to each of its operations. In addition, the Group has developed its own safety standards beyond regulatory requirements. The Group strives to create a healthy and safe working environment at each of its mining and production sites or facilities by assessing the potential risks faced by its employees and implementing appropriate safety measures. The Group also educates its personnel as to these risks through occupational safety workshops and seeks to ensure that they have a sufficient knowledge of workplace safety procedures before they are permitted to work on a site or in a facility. Areas of improvements exist and include stricter adherence by the employees to the existing health and safety policies. The Safi site is certified OSHAS 18001 and the Group strives to go beyond this standard to promote a safety culture across its operations.

Despite these measures, lost time injury frequency rates ("**LTIFR**") involving the Group's employees and subcontractors remains above zero-incident level. The total combined LTIFR was 0.49, 0.66 and 0.84, respectively for FY 2023, FY 2022 and FY 2021. While the number of casualties for the Group employees was one in 2023, two in 2022 and three between 2019 and 2021 and the number of casualties for subcontractors was four in 2023, one in 2022 and four between 2019 and 2021. The occupational illness frequency rate for the Group employees remains at zero-level between 2017 and 2023.

The Group's occupational health and safety management system has been implemented based on ISO 45001 standards and covers employees and workers who are not employees but whose work and/or workplace is controlled by the OCP Group. The Group has a corporate team dedicated to health and safety management for all OCP sites and which defines overarching guidelines based on feedback from the field. Each site implements a programme to identify, assess and mitigate specific safety risks. These programmes are coordinated by a safety manager who manages a network of safety correspondents assigned to different areas of the relevant site. The Group also regularly holds health and safety committees of employee representatives to ensure the co-construction and the efficiency of the upward performance reporting and feedback culture.

Although the Group's management believes that the Group's operations have sufficient safety measures in place, the nature of the Group's business is such that accidents may occur. Moreover, while the Group strives to reduce its injury rates by implementing safety standards at its mining and production sites and facilities, there can be no assurance that accidents in the future will not occur. See "*Risk Factors—Risks Relating to the Group's Business—Accidents or other incidents involving the Group's production facilities could cause severe damage or injury, which could result in the incurrence of significant costs*" and "*—The Group is subject to increasingly onerous environmental and health and safety laws and regulations*".

Health and Wellness

The Group's Occupational Health Department, HSE Department and site safety managers work together to prevent negative health effects on workers. OCP has established occupational health clinics and employed occupational physicians and nurses at each site to provide the health expertise and facilities needed to support this responsibility. OCP's approach to maintaining the health and wellness of its employees has been developed in line with the World Health Organization's standards, and is structured around three pillars: healthy bodies, healthy workplace and healthy minds.

Non-Core Activities

The Group engages in a number of non-core projects, including activities to support its phosphates activities, which comprise the construction and operation of facilities designed to provide social services to employees and their families in the areas in which the Group operates, as well as, more generally, to improve infrastructure in Morocco in order to facilitate transportation of the Group's products. The Group is also engaged in a number of non-core projects that are not directly related to its phosphates activities. A number of these projects involve significant amounts of capital expenditure. In addition, the Group is subject to requests from various Government authorities to participate in, and provide funding for, social, infrastructure and other projects. The Group has set aims for 100% learning coverage of OCP employees by 2025 and 30% volunteer employees involved in OCP community service programmes.

The Group believes that providing support to the Moroccan agriculture sector, and supporting the employability of young people who live near the Group's facilities, enhances the Group's competitiveness by increasing its local partners' competitiveness and strengthening the Group's links in the communities in which it operates.

The Group's non-core projects are principally focused on eight sectors of the Moroccan economy: (i) infrastructure and large projects, such as the construction of port facilities, roads and commuter facilities; (ii) utility projects, such as the development of renewable energy plants, as well as pipelines and desalination plants; (iii) industry and construction venture projects, such as the development of a construction business; (iv) city planning and development projects, including the development of accommodation and associated facilities; (v) hospitality and services projects, such as the establishment of service companies; (vi) agricultural projects, such as the support of farming and processing projects; (vii) educational and R&D projects, such as the development of educational facilities; and (viii) training and recruitment projects. The Group may develop further activities in the future.

The following table sets forth the Group's operational expenditures and capital expenditures in respect of non-core activities for the periods indicated:

	Full Year		
	2023	2022	2021
		(Dh billion)	
Non-core activities			
Operational expenditures	5.0	3.6	2.5
Capital expenditures	11.0	9.4	5.6

OCP Foundation

In 2007, the Group established OCP Foundation, a non-profit organisation, recognised as a public good foundation, or *fondation d'utilité publique*, in 2012. In line with the values and ambition of the Group, OCP Foundation promotes sustainable human development in Morocco and in many other African countries. OCP Foundation uses its expertise and network of partners to co-build sustainable solutions that meet the priority needs of the communities it serves. Furthermore, the foundation adopts an agile action model based on collective intelligence and operates in different fields, such as education, R&D, climate change and biodiversity, community-based Agriculture, and social innovation, among others.

OCP Foundation implements a number of projects and promotes innovative approaches in partnership with Moroccan institutions and other national and international organisations. Its integrated initiatives range from providing Morocco with additional research capacity through developing R&D projects and funds to facilitating access to knowledge and supporting excellence and inclusive education, enhancing cooperatives capacity and network building in African countries and empowering local communities to improve their quality of life and reduce their environmental footprint. In addition, numerous actions are carried out with international partners to strengthen their resources and help them develop strategic decision-making tools. Through its promotion of a knowledge ecosystem, OCP Foundation supports many independent structures like UM6P and the Lycée d'Excellence de Ben Guerir.

The Group funds the OCP Foundation and determines the level of funding it will receive at the beginning of each year. In FY 2023, FY 2022 and FY 2021, the Issuer provided OCP Foundation with Dh 13.5 billion, Dh 14.4 billion and Dh 6.8 billion, respectively. Over the course of the past several years, Group funding of the OCP foundation has increased due to the construction of the UM6P (as defined below) in Rabat and the extension of the UM6P in Ben Guerir. OCP Foundation also provides incentive-based contributions to farmers in Morocco for the purchase of fertilisers for a value of Dh 1.3 billion in FY 2023, Dh 1.8 billion in FY 2022 and Dh 0.4 billion in FY 2021.

Phosboucraâ Foundation

In 2014, the Group established Phosboucraâ Foundation, a non-profit organisation that has become a key actor in the socio-economic development of the Southern Provinces, both professionally and for the wellbeing of local communities. The Phosboucraâ Foundation is committed to enhancing the skills of communities in the southern regions of Morocco and building a brighter future. The Phosboucraâ Foundation achieves this goal through close monitoring of economic and social developments and identification of emerging challenges. This enables the Phosboucraâ Foundation to continuously refine and adapt its programmes to best serve the needs of these communities, thus ensuring their ongoing progress.

The commitment to continuous improvement is reflected in the projects undertaken by the Phosboucraâ Foundation, and which currently prioritise delivering excellent education and nurturing innovative entrepreneurship. Their ambitious objectives are achieved through the mobilisation of a diverse range of expertise, the promotion of collaborative synergies, and the cultivation of strong relationships with key players within local ecosystem, such as UM6P.

In 2022, the Phosboucraâ Foundation successfully mobilised several UM6P's institutes and engaged new expert partners to address the needs of the region, leading to the launch of several impactful initiatives: The Phosboucraâ Foundation's R&D support has been enhanced by the establishment of a Scientific Follow-up Committee, aimed at evaluating and assess the research projects funded by the Phosboucraâ Foundation.

To further enhance education, the Phosboucraâ Foundation has partnered with UM6P's School of Collective Intelligence. The programme encompasses a sponsorship initiative for high schools in Laâyoune, infrastructure upgrades for schools, and capacity building for both students and teachers. The promotion of entrepreneurship has been bolstered with the addition of four new training programmes, two of which are in collaboration with UM6P.

Mohammed VI Polytechnic University (UM6P)

UM6P was founded and is supported by the OCP Foundation. UM6P is a hub of education, research, innovation and entrepreneurship, with the goal of becoming an educational bridge between Morocco, the wider continent of Africa, and the rest of the world. UM6P was inaugurated in 2017 in order to support the R&D agenda of OCP Group, and to contribute to educating a new generation of African leaders. In 2018, the Group outsourced it R&D to UM6P. For additional information, see "—*Research and Development*" above. UM6P is a multi-campus University located in Ben Guerir, Laâyoune, Rabat and soon Casablanca and El Jadida. It applies a "learning by doing" approach and develops partnerships with highly regarded universities, to promote leadership and training in focused research areas.

By contributing to the training of a new generation of researchers, entrepreneurs and leaders, UM6P is committed to positioning Morocco and Africa at the forefront of technology and human sciences.

Lydex

The Lycée d'Excellence of Ben Guerir ("**Lydex**") is the product of a public/private partnership between the Ministry of National Education, Vocational Training, Higher Education and Scientific Research and the OCP Foundation to promote a high standard of education. Three founding principles underpin the operation of the Lydex: (i) to encourage excellence, (ii) to promote access for bright students from vulnerable backgrounds and (iii) the inclusion of all the regions of the Kingdom.

Ibn Rochd Foundation for Sciences and Innovation

The Ibn Rochd Foundation for Sciences and Innovation ("**FIRSI**"), of which the Group is a member, is a non-profit organisation founded by UM6P to support the development of youth through research and entrepreneurship, funded by financial support programmes targeting university-level students, researchers and start-ups. FIRSI aims to promote academic excellence and encourage scientific research and entrepreneurship to support the inclusion of Moroccans and Africans regardless of their financial means.

1337

1337, if which the Group is a member, is a peer-learning computer programming school at UM6P, with locations in both Ben Guerir and Khouribga. It is the first of its kind in Morocco and the wider continent of Africa to provide IT training, completely free of charge, open and accessible to anyone between the ages of 18 and 30. The 1337 educational approach is based on peer-learning. A participatory operating style allows students to hone their creativity through project-based learning. 1337 does not require candidates and students to have a degree or extensive IT training. The only criteria for admission is to succeed in the selection process.

UM6P Ventures

UM6P has launched UM6P Ventures, a venture capital firm aimed at providing access to early stage capital for start-ups and accelerating science and technology innovation. UM6P Ventures has partnered with the following universities: University Cadi Ayyad, Mohammed V University, Hassan II University and AlAkhawayn University of Ifrane. These partnerships provide access to the resources of these universities, including laboratories. UM6P has also partnered with the MIT Sandbox Innovation Fund to create synergies and connect a wide network of local and international mentors and experts. UM6P Ventures is a 100% owned-subsidiary of the Group.

Bidra Innovation Ventures

Founded in 2022, Bidra Innovations Ventures, LLC, is a corporate venture firm incorporated in the United States, with U.S.$50 million in capital. Bidra's investment scope is focused on agriculture and agriculture technology, energy transition and sustainable technology, with the objective to support and accelerate the innovation strategy of the Group.

Global Phosphorus Institute

The Global Phosphorus Institute ("**GPI**"), of which the Group is a member, was established to promote global networks of research, innovation and dialogue on the vital role of phosphorus in supporting and improving earth life-cycles. The GPI aims to bring together the wide range of specialties necessary to gain a complete picture of the current phosphorus cycle, including geology, mining, chemical engineering; soil and plant sciences; agricultural and environmental sciences, economics, policy, and behavioural science.

*African Plant Nutrition Institute ("**APNI**")*

The APNI, of which the Group is a member, was created in March 2019 as a not-for-profit Moroccan association located in Ben Guerir. The APNI is an independent scientific organisation working solely on improving plant nutrition across the African continent to strengthen and contribute to the existing research for development efforts in Africa.

The APNI's mission is to enhance plant nutrition for a food-secure continent. To support its mission, APNI envisions excellent science supported through farmer-centric co-innovation with public and private sector partners, and a clear focus on outreach and capacity building.

*Institut de Promotion Socio-Educative ("**IPSE**")*

IPSE is an accredited OCP institution providing primary and secondary education to children of employees and staff members of the OCP Group through the use of new technologies, development of language skills, introduction to the experimental approach, and the promotion of science. It has partnerships with 38 prestigious academic institutions. The Group offers primary and secondary education to 23,100 children of employees enrolled in 2024 and the Group has set an enrolment ambition of 25,500 students by 2026. IPSE allocated Dh 515 million for construction costs and Dh 72 million for school equipment for the period 2019-2023 and plans to spend a further Dh 150 million over the period 2024-2025 towards the same costs.

Maghrib Hospitality Company

In 2019, the Group, ONCF and Hassan II Fund for Economic and Social Development announced an alliance in the upmarket hotel sector with the aim of supporting growth and employment in the Moroccan economy and is expected to include historic hotel assets in Morocco, which are owned by ONCF, including Mamounia in Marrakech, Palais Jamai in Fez, Michlifen in Ifrane as well as Marchica Lagoon Resort in Nador.

In early 2020, the Group and Hassan II Fund for Economic and Social Development created a 50/50 joint venture, Maghrib Hospitality Company ("**MHC**"), as a national centre for the development of the hotel sector in Morocco. As of 31 December 2023, OCP holds 75.6% of MHC through its fully owned subsidiary OCP Hospitality with the remaining 24.6% being held by the Hassan II Fund for Economic and Social Development. As of 31 December 2023, MHC holds a 52.1% stake in the share capital of Société La Mamounia ("**SLM**"), an 80% stake in Société de Gestion de l'Hôtel Michlifen d'Ifrane S.A. ("**SGHM**"), an 81.8% stake in Société Foncière La Lagune ("**SFL**"), and a 100.0% stake in Société Palais Jamai ("**SPJ**"), and holds directly in its books the Michlifen Hotel in Ifrane.

INNOVX

Innovx is an innovation engine incorporated by UM6P in 2022 with the ambition to pioneer leading technologies to build future industries. Innovx is a cross-disciplinary company dedicated to investing in and building innovative and sustainable businesses and ecosystems with the aim to leave a strong local impact in five strategic sectors: agriculture and water, energy, chemicals, digital and social innovation.

Green City and Green Mine Projects

In line with its sustainable development strategy, the Group is developing two major projects, "*Ville Verte de Ben Guerir*" (Green City of Ben Guerir) in Ben Guerir and "*Mine Verte*" (Green Mine) in Khouribga.

The Green City of Ben Guerir project is a 1,000 hectares new urban area near Ben Guerir. The project aims to provide residential, health, education, leisure and administrative infrastructure for the existing local population, as well as up to an estimated 100,000 people who are expected to move to the city. The Green City also aims to provide all of its required energy from renewable sources by 2027, and in partnership with OGW, aims to provide recycled and desalinated water by 2025. In addition, the Green City seeks to invest in innovative solutions to waste management, construction, and transportation, among others. The Green City of Ben Guerir notably includes UM6P, which focuses on research and development activities and offers bachelor's and master's degrees. The Green City of Ben Guerir has been under development for 10 years and features more than 250 hectares of landscaped land and 250,000 square metres of developed buildings, including flagship projects such as the Data Center (TIER 3 and 4 (with redundant power and network links) with 8,700 square metres), STARTGATE (a workspace for incubation and acceleration programmes with 200 work seats), two research platforms in solar energy and eco-construction, and other research and innovation laboratories under development.

The initial target for Green City of Ben Guerir to be home to 15,000 people by the end of the current development phase has been achieved. The Green City of Ben Guerir aims to extend its development and infrastructure beyond the first phase achieved to meet the growing need of UM6P of facilities and services. It is anticipated that by 2045, Green City of Ben Guerir will be home to 100,000 people, of which 20,000 students and researchers as well as 1,000 academic staff.

The Green City of Ben Guerir aims to become a reference knowledge city, both smart and green. The plan is to build an intelligent and sustainable urban area with UM6P at the heart, with the goal of providing a modern and appealing living environment for its residents. This urban area is designed as a living lab allowing experimentation in all domains of urbanism.

- Academic excellence and research: a value chain of educational excellence and comprehensive applied research with state-of-the-art equipment and living laboratories. Among the key infrastructures: the world class UM6P, Lycée d'Excellence (LYDEX), the coding school (1337), Industrial Expertise Centres and living labs open to the scientific community to test full-scale solutions in key areas – Green energy park, Green & Smart Building Park.

- Economic development: an economic activity zone dedicated to innovation players with a range of specific services and support.

- Urban attractiveness and sustainability: a city with quality, sustainable and smart urban amenities and living spaces, combined with a real estate offer and attractive services.

The Khouribga Green Mine is an old mine transformed into an urban area administrated by the mining site. This 300 hectare area is home to a Green Mine Park, a Central Mall (with business services, commercial spaces, office spaces), facilities for the population, including 1,800 units of housing, a multiplex and media library, hotels and real estate, and training centres for improving employability. The media library and Central Mall are already operational.

Insurance

The terms of the Group's insurance coverage are similar to those that are generally accepted in the phosphates industry and are tailored to address the specific activities of the Group. The Group's insurance coverage includes property damage, business interruption, civil responsibility, sabotage, terrorism, environmental remediation, employer's liability insurance, hazardous object insurance, IT and directors' and officers' liability insurance. The Group maintains insurance policies with Moroccan and international (in particular, in England, France, Germany and the United States) brokers and insurance companies. See "*Risk Factors—Risks Relating to the Group's Business—There are certain events for which the Group may not be adequately insured*".

Information Technology

The Group initiated in 2017, which remains ongoing, an impact driven digital transformation to leverage new technologies in order to accelerate the execution of its strategy and unlock the Group's value creation potential. This requires a balanced view between digitalisation (such as end-to-end business processes optimisation) and digital (such as new business models and analytics), while creating a sustainable impact on the ecosystem. The Group's digital strategy is built on the following pillars:

- Digitalising end-to-end business processes mainly around the Group's operations (such as supply chain, industrial and commercial) to better connect the production engine to more sophisticated customer needs.

- Creating a new customer/farmer experience (through transparency, customisation and services) for core customers and farmers.

- Developing new business opportunities to support the Group's strategy of diversification for non-core activities.

- Creating a positive environmental and societal footprint on the Group's ecosystem (for example, with green technology, digital education and smart cities).

- Transforming ways of working within the Group to foster innovation and increase productivity within the Group's operations (such as through the Digital Workplace and Productivity tools).

The current application footprint is mainly based on an Oracle E-Business Suite ERP which covers the functional areas related to corporate finance, consolidations in Moroccan accounting standards and IFRS, purchases, industrial maintenance, human resources and order management. A major project "Operational Backbone" was implemented, which involved the establishment of the SAP S4HANA cloud enterprise resource planning system for all enterprise management processes including industrial, manufacturing and supply chain operations.

Furthermore, several systems addressing specific operational activities have been deployed, including the MES (Manufacturing Execution System), a mine fleet management system, a laboratory Information Management System, as well as a downstream logistics planning.

In terms of IT infrastructure, the Group implemented virtualisation and cloud computing capacities. In collaboration with UM6P, OCP built the Ben Guerir Data Center (the largest in Morocco as of 2021, based on area) and Uptime certified at Tier 3 and 4 (which are certifications provided for fully redundant systems) and a High Performance Computing Infrastructure (the most powerful in Africa as of 2021 based on capacity). The Group also obtained ISO 27001 certification through an Information Security Management System (ISMS) in 2022.

On the methodological aspect of its IT, the Group has deployed several approaches and standards based on best practices in order to support the completion of projects and industrialise and improve the quality of its operations (agile methodology for product delivery, Information Technology Infrastructure Library ("**ITIL**") based operations).

Litigation

Due to the nature of its business and the industry in which it operates, the Group faces an inherent business risk of exposure to various types of claims and lawsuits, and the Group has been involved in lawsuits, claims, proceedings and investigations that are currently pending or have been concluded in recent years. However, the Group has not been involved in any governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Group is aware), during the last 12 months, which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Group, except as set forth below:

- The Group is involved in an ICC arbitration initiated by Samsung C&T Corporation on 29 December 2021, regarding a dispute arising from delays in the construction of two platform units at Jorf Lasfar, for which Samsung C&T Corporation was a construction contractor. Based on the quantity of work performed by the contractor, the Group's view is that the final contract value is U.S.$412 million. The Group claims that it is entitled to claim liquidated damages and recover back-charges for a total amount of U.S.$40 million, which is contested by Samsung C&T Corporation. Samsung C&T Corporation has claimed the remaining contractual payments as well as additional damages for a total amount of U.S.$150 million, which the Group believes are mostly unfounded. The parties do not exclude the possibility to resolve the issue using alternative dispute mechanisms.

- In January 2015, the Group acquired approximately 10% of the shares in Heringer, a Brazilian fertiliser company. In February 2019, Heringer filed for judicial reorganisation in Brazilian courts due to financial difficulties and its recovery plan was approved by the court in February 2020. Under the recovery plan, the Group, as a creditor of Heringer, is expected to recover the full amount due to the Group of U.S.$3.7 million in several instalments until 2045 with a three-year grace period and first instalment received on 31 December 2023. Additionally, the Group held a BRL 88 million claim against Heringer which was fully settled in 2022 through a payment of BRL 90 million in the context of an enforcement proceeding filed separately from Heringer's judicial reorganisation as such claim benefited from security granted by the Heringer Family (not affected by the judicial reorganisation).

- With effect from 30 November 2020, imports into the United States of certain of the Group's fertiliser products are subject to countervailing duties, currently at a rate of 2.12%, following regulatory decisions published by the United States Department of Commerce. The regulatory decisions were issued in response to a countervailing duty petition filed by The Mosaic Company on 26 June 2020.

  The Group has defended, and intends to continue to defend, itself vigorously against the countervailing duties imposed as a result of these regulatory decisions, including through judicial challenges to the duties at the USCIT. In June 2021, the Group initiated separate lawsuits at the USCIT to challenge the final determinations by the U.S. International Trade Commission with respect to injury to the U.S. fertiliser industry and by the U.S. Department of Commerce regarding the applicable duty rate imposed as a result of these determinations. As a result of this litigation, in September 2023, the USCIT in both lawsuits found significant errors in the agencies' determinations and remanded those determinations back to the respective agencies for further consideration. Both agencies have now submitted revised determinations to the USCIT for the court to either affirm or send back the determinations to the agencies for further consideration.

The Group has also opposed the efforts by the Mosaic Company to increase the level of duties that apply by intervening in the lawsuits initiated by The Mosaic Company at the USCIT and by fully participating in administrative reviews of the countervailing duty order requested by The Mosaic Company.

The United States Department of Commerce issued its final results in a first administrative review of the countervailing duty order in November 2023, which lowered the Group's duty rate to 2.12%. In December 2023, the Group initiated another lawsuit at the USCIT to challenge these final results of the first administrative review and recently intervened in The Mosaic Company's litigation also challenging these final results.

The current 2.12% duty rate is subject to change through the administrative review process and is temporary. The Group is currently participating in the second administrative review of the countervailing duty order for which the Preliminary Results are expected to be released on April 29, 2024, and the Final Results are estimated to be released in early November 2024.

MANAGEMENT AND EMPLOYEES

Governance Bodies

The Issuer's management structure consists of its shareholders—the Moroccan State, Infra-Maroc Capital, Prev Invest SA, SADV, SOCINVEST, and BCP,—and its Board of Directors.

Shareholders and General Meeting of Shareholders

The Issuer is 94.12% owned by the Moroccan State. The remaining interests in the Issuer are held by Infra Maroc Capital (2.98%), Prev Invest SA (1.10%), SADV (0.88%), SOCINVEST (0.82%), and BCP (0.10%). BCP is a major Moroccan bank. Infra Maroc Capital and SOCINVEST are owned by BCP. Prev Invest SA is wholly owned by RCAR, a major Moroccan pension fund. SADV is wholly owned by UM6P Endowment Holding.

The Issuer's shareholders exercise their rights through the General Meeting of shareholders (the "**General Meeting**"). The General Meeting is the supreme governing body of the Issuer. Pursuant to Article 27 of the Issuer's charter, an ordinary General Meeting, which must be convened at least once a year, to approve the accounts for the fiscal year and may take any decision that is not within the competence of the Board of Directors, save for any decision to amend the Issuer's charter. Pursuant to Article 28 of the Issuer's charter, an extraordinary General Meeting, which is convened on an *ad hoc* basis, is the only body authorised to amend the charter of the Issuer and, notably, to make decisions relating to the transformation of the Issuer into another corporate form.

Board of Directors

The Board of Directors of the Issuer is responsible for determining the activities of the Issuer and overseeing their implementation. The Board of Directors has authority to make decisions on all aspects of the Issuer's activities, except those matters expressly reserved to the shareholders pursuant to law and the Issuer's charter. Each member of the Board of Directors must hold a share in the Issuer (or be the representative of a shareholder).

As at the date of this Prospectus, the Issuer's Board of Directors consists of the following members:

Name	Age	Appointed/ Reappointed	Current Position
Mr. Mostafa Terrab	69	2023	Chairman and Chief Executive Officer
Mr. Abdelouafi Laftit	57	2023	Interior Minister
Ms. Nadia Fettah Alaoui	53	2023	Minister of Economy and Finance
Mr. Nasser Bourita	55	2022	Minister of Foreign Affairs, African Cooperation and Moroccan Expatriates
Ms. Leila Benali	46	2024	Minister of Energy Transition and Sustainable Development
Mr. Ryad Mezzour	53	2021	Minister of Industry and Trade
Mr. Mohammed Sadiki	67	2023	Minister of Agriculture, Maritime Fisheries, Rural Development and Water and Forests
Mr. Abdellatif Zaghnoun	64	2023	General Director of the National Agency for the Strategic Management of State Participations and for monitoring the performance of public establishments and enterprises
Banque Centrale Populaire	-	2021	Represented by its President and CEO Mohamed Karim Mounir

Pursuant to Article 15 II of the Issuer's charter, in the instance of a tie in voting at meetings of the Board of Directors, the Chairman of the Board of Directors has a casting vote.

Biographies

The following is a summary of the business experience of the members of the Board of Directors. The business address for each of the members of the Board of Directors is the registered office of the Issuer at 2-4, Rue Al Abtal, Hay Erraha, BP 5196 Casablanca, Morocco.

Mr. Mostafa Terrab

Mostafa Terrab was appointed Chief Executive Officer of the Group and Chairman of the Board of Directors in June 2008 and reappointed in May 2023. After being appointed Director General of the *Office Chérifien des Phosphates*, the Issuer's predecessor entity, in February 2006, he led its transformation from a state administration to a global corporation. Mr. Terrab's career has spanned the public, private and university sectors and a range of expert fields. Prior to joining the Group, Mr. Terrab served as lead regulatory specialist in the Global Information and Communications Department of the World Bank, heading the World Bank's "Information for Development" programme, from 2002 to 2006. He was the first director general of Morocco's National Telecommunications Regulatory Agency, which he served from 1998 to 2002. Between 1992 and 1998, Mr. Terrab was an adviser in the Royal Cabinet, during which time he also served as secretary general to the Executive Secretariat of the Economic Summit for the Middle East and North Africa. From 1990 to 1992, Mr. Terrab worked as assistant professor at Rensselaer Polytechnic Institute, Troy, New York. From 1988 to 1990 he was a fellow of Draper Laboratory, Cambridge, Massachusetts. From 1983 to 1985, Mr. Terrab worked as an analyst at Bechtel Civil and Minerals in San Francisco. Mr. Terrab obtained a diploma in Engineering from *l'École Nationale des Ponts et Chaussées* of Paris in 1979, a master's degree in Engineering from the Massachusetts Institute of Technology in 1982 and a PhD in Operational Research from the Massachusetts Institute of Technology in 1990.

Mr. Abdelouafi Laftit

Abdelouafi Laftit was appointed to the Board of Directors in 2018 and reappointed in May 2023. He is the Minister of the Interior of Morocco since April 2017. He started his professional career in finance in France before joining the "Office National des Ports" where he held various positions between 1992 and 2002.

Mr. Laftit served as Governor of the province of Fahs-Anjra as well as the province of Nador. He also served as CEO of the *Société d'aménagement pour la reconversion de la zone portuaire de Tanger ville* from 2010 to 2014. In 2014, he was appointed as a Governor of Rabat-Salé-Zemmour-Zaer region. Mr. Laftit graduated from École polytechnique de Paris and l'École nationale des ponts et chaussées.

Ms. Nadia Fettah Alaoui

Nadia Fettah Alaoui was appointed to the Board of Directors in 2021 and reappointed in May 2023. She has acted as the Minister of Economy and Finance of Morocco since 7 October 2021. She started her career as a consultant at Arthur Anderson before creating a private equity fund in Morocco which she managed for 5 years. In 2017, Ms. Fettah Alaoui held the position of Managing Director of the Sanlam Pan Africa Group until her appointment on 9 October 2019 as a Minister of Tourism and Transport (specifically, *Ministre de l'Artisanat, du Transport Aérien et de l'Economie Sociale*). Ms. Fettah Alaoui graduated from Hautes Etudes Commerciales (HEC) de Paris in 1994.

Mr. Nasser Bourita

Nasser Bourita was appointed to the Board of Directors in 2018 and reappointed in May 2022. He is the Minister of Foreign Affairs, African Cooperation and Moroccan expatriates of Morocco since April 2017. Mr. Bourita has held several positions within the Foreign Affairs Ministry in Rabat. He also served at the Moroccan Embassies in Vienna and Brussels. Mr. Bourita respectively occupied the positions of head of the Minister of Foreign Affairs Cabinet, Ambassador, and Secretary General of the Ministry. He holds a degree in international public law from Faculty of Rabat.

Ms. Leila Benali

Leila Benali was appointed to the Board of Directors in 2021 and reappointed in May 2024. She has acted as the Minister of Energy Transition and Sustainable Development of Morocco since 7 October 2021. During her career, she has held several management positions with major international companies, including Saudi Aramco, the world Economic Forum and the Arab Petroleum Investment Company (APICORP). Ms. Benali was also director for the Middle East and Africa at IHS Markit. She is a member of the United Nations panel of Expert on Fossil Energy since September 2018. As of March 2022, Ms. Benali is the president of the United Nations Environment Assembly. Ms. Benali graduated from École Mohammadia d'Ingenieurs (EMI) and École Centrale Paris. She also has a PhD in Electric Reforms at Institut Sciences Po Paris.

Mr. Ryad Mezzour

Ryad Mezzour was appointed to the Board of Directors in 2021. He has acted as the Minister of Industry and Trade of Morocco since 7 October 2021. Mr. Mezzour successively held the positions of General Manager of Budget Maroc, Director at the Société des Fonderies de Plomb de Zellidja and General Manager of Suzuki Maroc. Mr. Ryad Mezzour has been the Director of the Cabinet of the President of the Economic, Social and Environmental Council since 2013, before joining the Ministry of Industry, Trade, Green and Digital Economy in 2019 as Chief of Cabinet of then Minister Moulay Hafid Elalamy. With experience in the economic and social environment, Mr. Ryad Mezzour was vice-president of the Green Economy Commission at the Moroccan confederation of business association (CGEM) between 2012 and 2015 and is a member of the board of several non-profit institutions. He graduated from the Swiss Federal Institute of Technology in Zurich in 1996.

Mr. Mohammed Sadiki

Mohammed Sadiki was appointed to the Board of Directors in March 2015 and reappointed in May 2023. He has acted as the Minister of Agriculture, Maritime Fisheries, Rural Development, and Water and Forests since October 2021. Prior to his current role, Mr. Sadiki served as Secretary General of the said Ministry between January 2013 and September 2021 and as General Manager of the *Institut Agronomique et Vétérinaire Hassan II* in Rabat from 2009 to 2013. Before that, Mr. Sadiki was the Director of Scientific Research and Doctorate Studies at the *Institut Agronomique et Vétérinaire Hassan II* from 2005 to 2009, as well as the Director of Administrative Affairs from 2007 to 2008. He joined the *Institut Agronomique et Vétérinaire Hassan II* in 1984 as a Research Professor. Mr. Sadiki has been an expert at the *Agence Nationale de la Recherche Française* (ANR) since 2010 and an expert at the *Institut International des Ressources Génétiques des Plantes* (IPGRI) since 2000. Mr. Sadiki holds a degree in agronomy and in 1990 he obtained a PhD in agronomy science from the University of Minnesota.

Mr. Abdellatif Zaghnoun

Abdellatif Zaghnoun was appointed to the Board of Directors in 2023. He has acted as General Director of the National Agency for the Strategic Management of State Participations and for monitoring the performance of public establishments and enterprises since July 14, 2022. During his career, he has held several management positions at OCP Group. He was appointed General Director of Customs and

Excise Administration in 2004 and elected Chairman of the Audit Committee of the World Customs Organization (WCO), General Director of the General Tax Administration in 2010 and CEO of CDG in 2015. Mr Zaghnoun graduated from École Mohammadia d'Ingenieurs (EMI).

Representative of Banque Centrale Populaire

BCP is represented on the Board of Directors by its Chairman and Chief Executive Officer Mohamed Karim Mounir, a position which he held since 2018 and reappointed in 2021. He is graduated from l'École Mohammadia des Ingénieurs in Rabat and Conservatoire national des arts et métiers in Paris. He started his carrier as an engineer at OCP where he held several positions from 1982 to 1997. Mohamed Karim Mounir then joined BCP in 1997 where he had various responsibilities before being nominated in 2018 as Chairman and CEO of the bank.

BCP was incorporated in 1961 and is registered in the Casablanca commercial registry under registration number 28173. Since 2004, BCP has been listed on the Casablanca Stock Exchange. BCP and its subsidiaries own 3.9% of the shares of the Issuer.

Audit, Risks, and ESG Issues Committee

The Board of Directors is assisted by the Audit, Risk and ESG Issues Committee. The last meeting of the Board of Directors, held in March 2023, decided to extend the role of the Audit and Risk Committee to Environmental, Social and Governance (ESG) topics.

The main responsibilities of the Audit, Risks, and ESG Issues Committee include:

- evaluating the adequacy of the Group's internal control function, and monitoring the Group's internal and external audit functions;
- approving the annual programme for the Group's internal audit control function;
- evaluating the Group's accounting principles and methods;
- examining the risks to the Group and evaluating the importance of such risks;
- monitoring the Group's compliance with previous recommendations made by the Audit and Risk Committee;
- evaluating the mechanisms implemented by the Group to ensure the quality and transparency of disclosure of non-financial information related to ESG topics and ensuring the implementation of appropriate policies and procedures to manage ESG issues and align them with relevant standards; and
- recommending measures to the Board of Directors to improve the Group's internal control, risk management and information security functions.

The Audit, Risks, and ESG Issues Committee consists of the following members:

Name	Position
Abdellatif Zaghnoun	General Director of the National Agency for the Strategic Management of State Participations and for monitoring the performance of public establishments and enterprises, Chairman

Name	Position
Fatiha Belghiti	Government Commissioner, Vice-Chairman
Mohamed Karim Mounir	Chairman and chief executive officer BCP (Banque Centrale Populaire), Member
Karim Lotfi Senhadji	Chief Financial Officer of OCP S.A.
Permanent members	
Ahmed Sbaa	Vice President Control and Risk Management, OCP S.A
Anass Lahmamssi	Vice President Audit Group, OCP S.A

The Director in charge of the Audit Group and Control and Risk Management attends all meetings of the Audit and Risk Committee. The Audit and Risk Committee may also, on occasion, invite the Group's internal and external auditors and other independent external experts to participate in meetings of the Audit and Risk Committee. The Audit and Risk Committee meets twice per year, or more frequently as needed.

Senior Management

The Group has implemented a transformational dynamic called "Strategizing, Organizing & Delivering" and has evolved into a multi-business group, consisting of coherent performance units in terms of strategy, namely SBUs, and reinvented corporate functions to serve them.

The organisational structure of the Group is composed of SBUs that assume full responsibility for their income and expenses, and corporate functions that orchestrate the strategic interdependencies and synergies among the various SBUs to maximize the Group's efficiency while enabling it to address the challenges and opportunities of the current global context, characterised by its volatility, uncertainty, complexity, and ambiguity.

The following table sets out the names and the current positions of the Senior Management as at the date of this Prospectus:

Name	Age	Position
Mr. Mostafa Terrab	69	Chairman and Chief Executive Officer
Mr. Younes Kchia	39	Chief of Staff of the Chairman & CEO
Mr. Mustapha Ouhadi	59	Director Of General Affairs & Group Governance Support
Mr. Faris Derrij	47	Managing Director of the “Mining” business unit
Mr. Ahmed Mahrou	46	Managing Director of the “Manufacturing” business unit
Ms. Nadia Fassi Fehri	53	Managing Director of the “Rock Solutions” business unit
Mr. Marouane Ameziane	41	Managing Director of the “Specialty Products & Solutions” business unit
Mr. Karim Lotfi Senhadji	53	Chief Financial Officer
Mr. Ilass El Fali	49	Managing Director in charge of the Corporate Strategy, Performance Management and Operations Coordination
Mr. Abdelghani Filali	47	Strategic Committee Member in charge of the Strategic Program “Mzinda-Meskala”
Mrs. Ibtissam Bensetti	44	Chief Talent & Organizational Development Officer

Mrs. Hanane Mourchid	41	Strategic Committee Member, Chief Sustainability & Innovation Officer
Mrs. Meriem EL Asraoui	38	Chief Global Affairs Officer
Mrs. Kenza Margaoui	44	General Counsel
Mr. Soufiyane El Kassi	48	Chairman & CEO of OCP Nutricrops
Mr. Hicham El Habti..........................	46	President of UM6P

Biographies

The following is a summary of the business experience of the Group's Senior Management (for the biography of Mr. Mostafa Terrab, see "*—Board of Directors*", above). The business address for each of the Group's Senior Management members is the registered office of the Issuer at 2-4, Rue Al Abtal, Hay Erraha, BP 5196 Casablanca, Morocco.

Younes Kchia, Chief of Staff of the Chairman & CEO

Younes Kchia currently serves as Chief of Staff at OCP Group, and Deputy General Manager at UM6P where he is Vice Dean of Africa Business School and in charge of the Business & Management Pole. Prior to joining OCP in 2016, he held various positions as a Quant at esteemed institutions like Goldman Sachs, Bank of America Merrill Lynch and ANZ. He graduated from Ecole Polytechnique, from which he also holds a PhD in applied mathematics.

Mr. Mustapha Ouhadi, Director of General affairs & Group Governance Support

Mr. Mustapha Ouhadi graduated from the Mohammedia School of Engineers in electronics and telecommunications in 1989. He joined the OCP Group as an engineer in Boucraa where he worked on gap performance projects on the company's telecommunications networks and then on the development of new digital communication solutions. In 1998, he took on profit and loss responsibility of the phosphate treatment plant before joining the headquarters of the general management as the facilities manager in October 2000. In 2004, he was in charge of project management and quality within the human resources department, before taking over the responsibility of management control for human resources in 2007. In November 2007, he joined the group's general secretariat where he held various responsibilities before joining the President's office as a mission officer. He then combined this role with the responsibility of the management support direction, which he held until 2021 when he was appointed director of general affairs and support to the group's governance. He joined the OCP Group's strategic committee in November 2022.

Mr. Faris Derrij, Managing Director of the "Mining" business unit

Mr Faris Derrij, graduated from the Ecole Centrale de Lyon. He joined the OCP Group in 2010. He started his career at OCP as Global Mining Performance Director, then led the Production Direction of the Merah Béni Idir Axis at the Khouribga site. After roles as Director of the Gantour and Safi sites, he became Executive Vice President of Human Capital and Managing Director in charge of the Strategic Business Unit "Rock Solutions". Before joining OCP, M. Derrij held several senior positions at TOTAL and Orange.

Mr. Ahmed Mahrou, Managing Director of the "Manufacturing" business unit

Mr. Ahmed Mahrou graduated from Ecole Mohammedia des Ingénieurs EMI, he also holds an MBA from Ponts Business School and joined the Group in 2002 as a Process Engineer. He has a proven track record in operations management, continuous improvement, and operational excellence. He has more than 20 years of experience in managing plants, leading successful transformations, and carrying out impressive turnarounds in heavy industry. He is in charge of the Manufacturing Strategic Business Unit, carrying all the industrial transformation steps, with the objective of maximizing the value of Phosphates.”

Mr. Soufiyane El Kassi, Chairman & CEO of OCP Nutricrops

Mr. Soufiyane El Kassi joined the Group in 2000 as an engineer and production manager at the Khouribga mining site, before taking on multiple roles within the Group, including head of the Business Steering division, director of the Gantour mining site and Executive Director, Central Axis. Mr. El Kassi was a member of the task force in charge of the Group’s Industrial Development Programme in 2007. In 2015, he became Executive Vice-President of Industrial Development. He was appointed Chief Growth Officer in 2020. June 2022, Mr. El Kassi is appointed Managing Director in charge of the Strategic Business Unit “Fertilizers and Farmer Solutions” and in October 2022, he is appointed CEO and Chairman of OCP Nutricrops.

Mr. El Kassi holds an Engineering degree from the École des Mines de Paris.

Mrs. Nadia Fassi Fehri, Managing Director of the “Rock Solutions” business unit

Mrs. Nadia Fassi Fehri joined the Group in November 2020 as the Chief Transformation Officer and in March 2024, she was appointed Managing Director of the “Rock Solutions” business unit. Prior to joining the Group, she held various management positions within the Al Mada group including INWI, ONA holding, NAREVA and Managem. Ms. Fassi Fehri graduated from École Polytechnique, École Nationale des ponts et chaussées as well as the ESCP-EAP European School of Management.

Mr. Karim Lotfi Senhadji, Chief Financial Officer

Mr. Karim Lotfi Senhadji joined the Group in 2010 as Management Control Director. Then he served as Vice-President of Shipment & Logistics before his appointment as CEO at OCP Africa in October 2016. In February 2021, he was appointed Chief Financial Officer of the Group. Prior to joining the Group, Mr. Lotfi Senhadji held several management positions within multinational companies. Mr. Lotfi Senhadji graduated from École Royale de l'Air and ESSEC Business School.

Mr. Hicham El Habti, President of UM6P

Mr. Hicham El Habti managed several companies in Morocco and worked in consulting in France. He joined the Company in January 2013, he held various positions before being appointed Deputy Secretary General. He also acted as the President of UM6P. In June 2022, Mr. El Habti was appointed Managing Director in charge of the Strategic Business Unit "Innovation, R&D and Learning". Mr. El Habti graduated from the École Polytechnique in applied mathematics and economics, and also holds a master's degree from École Nationale des Ponts et Chaussées.

Mr. Marouane Ameziane, Managing Director of the “Specialty Products & Solutions” business unit

Mr. Marouane Ameziane started his career in Washington DC as an analyst in the World Bank's African Transport Department, and later joined KPMG Corporate Finance in Paris, where he acted as a financial adviser. He joined the Group in September 2009, serving as Chief of Staff to the CEO between January 2012 and June 2014, and then as Executive Vice President in charge of Strategy and Development. In June 2022, Mr. Ameziane was appointed Managing Director in charge of the Strategic Business Unit " *Specialty Products & Solutions* ". Mr. Ameziane graduated from the École des Mines de Paris and the Said Business School at Oxford University.

Mr. Ilass El Fali, Managing Director in charge of the Corporate Strategy, Performance Management and Operations Coordination

Mr. Ilass El Fali started his career and held positions of responsibility at Lesieur Cristal, Air Liquide Maroc, and Ynna Steel.He joined the Group in 2009 and started as a Project Manager in the Strategy and Partnership Department before taking on multiple roles within the Group, including Strategy and Partnership Department, General Manager of IMACID Company at Jorf Lasfar, Director of the industrial site in Safi, Executive Vice-President Industrial Operations, Chief Operating Officer and Advisor to the President. In June 2022, Mr. El Fali was appointed Managing Director in charge of the Corporate Strategy, Sustainability and Innovation and in March 2024, was appointed Managing Director in charge of the Corporate Strategy, Performance Management and Operations Coordination. Mr. El Fali graduated from the École des Mines de Paris.

Mr. Abdelghani Filali, Strategic Committee Member in charge of the Strategic Program "Mzinda-Meskala"

Mr. Abdelghani Filali graduated from the Moroccan Mohammedia School of Engineers (EMI), specialized in Industrial Processes, and holds an Executive MBA from Columbia Business School. He joined the Group OCP in september 2002. Currently, he is the Strategic Committee Member in charge of the Strategic Programs "Mzinda-Meskala". He previously held various positions along the OCP's industrial supply chain, as Process and Production engineer of Phosphoric Acid and Fertilizers and Head of Operational Excellence in Safi Industrial Platform, Head of Phosphoric Acid Plant and Jorf Fertilizers Companies in Jorf Lasfar Platform, Senior Vice President in charge of Khouribga Mining site, and recently as SVP in charge of Technical Sales and Commercial Excellence.

Mrs. Hanane Mourchid, Strategic Committee Member, Chief Sustainability & Innovation Officer

Hanane Mourchid joined the Group in 2007 as a production engineer at the Safi chemical site. Throughout her career at OCP, she held various roles, including leading one of the company's key manufacturing plants at the Jorf Lasfar Platform and launching the circular economy program in 2018. In 2021, she was appointed Executive Vice President Sustainability & Green Industrial Development. In February 2024, she was appointed as the Group's Chief Sustainability & Innovation Officer and Strategic Committee Member. Ms. Hanane Mourchid obtained a chemical engineering degree from the Mohammedia School of Engineers in Morocco in 2006. Ms. Mourchid attended the HEC Paris Executive Development Program and holds the MIT Executive Education Program Certificate. In 2017 she attended the Africa Business School-Mohamed VI Polytechnic University MBA and holds the Certificates of Business Excellence and Business Specialty & Strategy from Columbia University in New York.

Mrs. Meriem EL Asraoui, Chief Global Affairs Officer

Mrs. El Asraoui joined OCP Group in 2012 as a Legal Counsel, before advancing to the position of Senior Legal Counsel in 2015, and then serving as Legal Director for Commercial and International Affairs from 2016 to 2022. She became the Head of International Affairs in January 2023, and in September 2023, she was appointed as Chief Global Affairs Officer. Mrs. El Asraoui has been a licensed attorney-at-law and a member in good standing of the Quebec Bar (Canada) since 2010. Prior to joining OCP Group, Mrs. El Asraoui practiced law in Canada. She obtained her Law Degree from the University of Montreal in 2008.

Mrs. Kenza Margaoui, General Counsel

Mrs. Kenza Margaoui joined the Group in 2012 as Senior Legal Counsel, and then, starting 2015, served as Legal Vice-President in charge of Corporate, Financing and Intellectual Property. She was appointed General Counsel of the Group in 2020. Mrs. Margaoui graduated from Université Paris 1 Panthéon Sorbonne, as well as from the University of Texas at Austin and practiced law in various law firms in

Singapore and Paris prior to joining the Group. She is admitted to practice in the Paris and New-York Bar.

Mrs. Ibtissam Bensetti, Chief Talent & Organizational Development Officer

Mrs Ibtissam Bensetti joined the Group in 2012 as a Senior Strategy Manager. Throughout her career at OCP, she held various roles, including Head of Industrial Supply Chain and CEO of DuPont OCP Operations Consulting SA, an OCP subsidiary. She was appointed Chief Talent & Organizational Development Officer of the Group in 2023. Mrs Bensetti graduated from Telecom Paris, as well as from Yale School of Management, Sciences Po and Harvard Business School. Prior to joining OCP Group, Mrs. Bensetti held several senior positions at Orange and McKinsey & Company.

Strategic Committee

The Strategic Committee is responsible for formulating, validating and implementing medium and long-term decisions affecting the Group, such as the Group's business plan, budgetary matters, strategic plans for submission to the management and Board of Directors, partnerships and mergers and acquisitions and business development and innovation initiatives.

Remuneration

In accordance with the Issuer's charter, the total remuneration of the members of the Board of Directors is determined by the General Meeting and the remuneration of the Chief Executive Officer of the Group is set in accordance with the SA Law. For each of the years ended 31 December 2023, 2022 and 2021, the total remuneration of the members of the Board of Directors was nil.

The gross aggregate compensation of key management (which includes the Senior Management, the Executive Vice-Presidents, the Vice-Presidents and advisers to the Chief Executive Officer) in the year ended 31 December 2023 was Dh 169 million (including payroll taxes, social security and retirement contributions, healthcare and workers' compensation insurance, paid short-term employee benefits, paid compensation for termination of employment).

Conflicts of Interest

Save as described in "*Risk Factors—Risks Relating to the Kingdom of Morocco—The Moroccan State, in its capacity as shareholder, may cause the Group to engage in business practices that may not be in the interests of the Noteholders*", "*Management and Employees*" and "*Relationship with the Government*" on pages 48, 177 and 191 respectively, there are no potential conflicts of interest between any duties owed to the Issuer by members of the Board of Directors or the Group's General Directorate or Executive Directorate and their private interests or other duties.

Employees

The following table sets forth the number of employees of the Group in Morocco, by business unit or entity, as at the dates indicated:

	FY 2023	FY 2022	FY 2021
Khouribga[(1)]	**5,780**	**5,889**	**5,948**
of which:			
Engineers and equivalent	*363*	*345*	*336*
Technicians, supervisors and admin. staff	*2,759*	*2,342*	*2,070*
Workers and employees	*2,658*	*3,202*	*3,542*
Ben Guerir	**1,197**	**1,181**	**1,141**
of which:			

	FY 2023	FY 2022	FY 2021
Engineers and equivalent	*180*	*177*	*129*
Technicians, supervisors and admin. staff	*645*	*575*	*514*
Workers and employees	*372*	*429*	*498*
Youssoufia	**1,265**	**1,289**	**1,310**
of which:			
Engineers and equivalent	*81*	*78*	*79*
Technicians, supervisors and admin. staff	*679*	*601*	*547*
Workers and employees	*505*	*610*	*684*
Laâyoune	**1,896**	**1,927**	**1,954**
of which:			
Engineers and equivalent	*97*	*96*	*93*
Technicians, supervisors and admin. staff	*963*	*874*	*851*
Workers and employees	*836*	*957*	*1,010*
Jorf Lasfar	**3,977**	**4,068**	**4,178**
of which:			
Engineers and equivalent	*693*	*673*	*671*
Technicians, supervisors and admin. staff	*2,221*	*1,940*	*1,826*
Workers and employees	*1,063*	*1,455*	*1,681*
Safi	**2,113**	**2,176**	**2,231**
of which:			
Engineers and equivalent	*183*	*183*	*190*
Technicians, supervisors and admin. staff	*1,264*	*1,128*	*1000*
Workers and employees	*666*	*865*	*1,041*
Casablanca(2)	**1,048**	**1,092**	**1,133**
of which:			
Engineers and equivalent	*858*	*873*	*888*
Technicians, supervisors and admin. staff	*171*	*190*	*215*
Workers and employees	*19*	*29*	*30*
Other	**66**	**66**	**66**
of which:			
Engineers and equivalent	*66*	*66*	*66*
Technicians, supervisors and admin. staff	-	-	-
Workers and employees	-	-	-
Total	**17,342**	**17,688**	**17,961**

(1) Including the workforce of the Port of Casablanca.

(2) Workforce excluding the port of Casablanca.

The Group is one of the largest corporate employers in Morocco with 17,342 employees as at 31 December 2023 and more than 21,000 employees throughout the world. As at 31 December 2023, the Group had approximately 919 employees at PPL in India and 1,421 employees at Prayon in Belgium. The Group also has personnel dedicated to JESA (3,464 employees as at 31 December 2023).

All employees of the Group are free to join the five independent trade unions who are the most representative within the Group in accordance with the Group's social policy. As at 31 December 2023, independent unions represent 85% of employees and all associates are covered by collective bargaining agreements.

The Group and its social partners have a solid contractual framework, through the Social Charter, which defines the principles, rules, and obligations related to social dialogue. The charter puts in place the strong standards for trade union rights. The Group signed the Social Charter with the trade unions in recognition of the importance of effective consultation, participation and engagement with employees and workers' representatives to ensure social peace.

The Group engages in annual negotiations with employee representatives. At the end of the negotiations, an agreement protocol is signed consolidating the socio-professional achievements of employees in terms of compensation, skills and career development, social welfare and benefits.

The Group promotes an attractive and fair compensation policy based on adequate recognition and appreciation of the performance and potential of each associate. As one of Morocco's largest employers, the Group strives to be exemplary in terms of compensation policy.

The compensation and benefits policy of OCP associates is structured around three main components with distinct, objective and transparent criteria to ensure fairness:

- Base compensation: Each collaborator is given a base salary based on the key areas of responsibility, job characteristics, required experience, location and skill set. The base salary is reviewed annually, and any increase take into account the range of the remuneration in the pay bands and the Potential/Sustainable Performance level as well as market movements. Salary revisions are implemented through guidelines ensuring internal and external equity.

- Short term incentive plan is based on the combination of business results, team and individual performance: The profit bonus is set up to associate OCP employees with the OCP Group's annual profit, variable Bonus, implementation of a performance evaluation, integrating operational objectives and alignment with values.

- Benefits: OCP offers diversified benefits to its employees, covering up to housing benefits, medical coverage, social benefits, children scholarship, summer holidays and others.

As part of its general social policy, the Group offers a number of benefits to its employees, including:

- schemes to encourage home ownership (through mortgage assistance, financial donation, home and land sales) in order to become a home owner. In 2023, 720 associates received property ownership.

- access to social infrastructure such as sports facilities in OCP cites.

- access and to vacation centres and summer camps. The Group offers its employees and their families a panoply of partner hotels and resorts to spend their holidays in the different Moroccan cities as well as the group-specific vacation centres.

- In addition, the Group provides medical care both for current employees and their families, as well as for former employees.

The overall aim of the Group's social policy is to provide all employees with a balance between their professional and personal lives.

Diversity, equity and inclusion

As a global company, OCP is committed to create an inclusive work environment that allows all of its employees to express their full potential, regardless of their differences, without discrimination of any kind, including gender including pregnancy, disability, age, academic profile, culture, religion and nationality and any other characteristics protected by applicable laws and regulations. OCP's ambition and vision is to consolidate its position as socially responsible company.

OCP is committed to diversity and the elimination of all forms of discrimination, by:

- Respecting the principle of non-discrimination in all stages of the employee's professional career.
- Putting in place mechanisms for diversity and inclusion.
- Raise managers and employees awareness to the challenges of diversity and inclusion.
- Communicating to its employees and its ecosystem its commitment to non-discrimination and diversity.

OCP is resolutely committed to the effort to promote women managers to key positions at every level of the company's management. Indeed, the rate of women within OCP increased from 5% to 9.3% in the last 15 years and the rate of women in managerial roles increased from 16% to 33% over the same period.

The Group has achieved in 2021-2022, the "Assess" level, the first level of EDGE (Economic Dividends for Gender Equality) Certification. This is the world's leading standard for assessing corporate performance in gender equality and creating equal career opportunities for women and men. This certification supports the Group's commitment to the evolution of practices and the promotion of equality and diversity for the benefit of its employees and its ecosystem. Our Group is positioned at the forefront of gender diversity, inclusion and equal career opportunities.

OCP Group aims to reach the highest level of certification by 2024 and has committed to an ambitious action plan for an ever more inclusive work environment.

Pensions

In September 2008, the Issuer and the Ministry of Economy and Finance agreed to transfer the Issuer's internal pension scheme to a Government collective benefit scheme. The Group retained a part of its internal pension scheme, only with respect to employees hired by the Group before 2001 and personnel who retired before 2001. The cost to the Issuer of the transfer in 2008 was Dh 28 billion, and it was funded, in part, through borrowings from domestic banks. A subsequent cost of Dh 7 billion was incurred in 2010, which was funded by cash.

The types of retirement and benefit schemes offered by the Group are as follows:

- *Post-employment defined-contribution schemes*, for which the Group's obligation is limited to the payment of a contribution, which does not obligate the employer as to the level of payments made by the collective retirement benefit scheme. The contributions are recognised in charges in the period during which the employees have rendered the corresponding services.
- *Post-employment defined-benefit plans*, which include all post-employment benefits to retired personnel for which the Group is committed to provide a certain level of benefits, including death benefit, retirement indemnities and post-employment medical cover for the Group's staff.
- *Other long-term employee benefits* (other than post-employment benefits and termination benefits), which include insurance benefits in relation to death insurance, disability and work-related accidents. These benefits are not due wholly within 12 months after the end of the year during which the employees rendered the relevant services. Obligations for other long-term benefits are measured using an actuarial method similar to that applied to post-employment defined benefits.

For more information regarding the Group's defined benefit plans and its liabilities relating thereto, see Note 5 to the Financial Statements.

Training and Development

The Group seeks to invest heavily in the development of its associates' competencies and skills. In 2023, 72% of Group associates followed at least one training programme, with 92,588 man-days of training.

Ultimately, OCP created many innovative and accessible programmes offering everyone a training course that is unique and tailored to their needs:

- ***The Université Mohammed VI Polytechnique***: at the heart of our knowledge ecosystem, it offers wide opportunities over academics, research, executive education and entrepreneurship geared towards the human and economic development of Africa. The university is committed to an innovative pedagogical approach which places learning by experimentation and practice at the heart of training and research. The Living Labs – serving as experimental sites open to the scientific community to test solutions on a real scale (Green Energy Park, Advanced Technology Mining Platform, Chemical Hub of Safi, etc.) – is one of the many examples. Committed to train the future leadership of the continent, UM6P is connected to a global network of universities, institutions, and industrial actors such as the Massachusetts Institute of Technology, HEC Paris, École Polytechnique Fédérale de Lausanne, etc.

- ***The Learning Institute***: The Learning Institute's mission is to adjust skills in order to adapt to changes in business lines and roles, support ongoing professional development programmes, and provide personalised support for employees throughout their careers starting when they begin working for OCP Group.

- ***Industrial Expertise Centres (IEC)***: The mission of the IECs is to train employees in operational activities so that they are able to support OCP Group's industrial ambitions. The IECs work in synergy with the sites to ensure the sharing of expertise. The Khouribga and Ben Guerir centres provide training in mine-related business lines, while the Safi and Jorf Lasfar centres focus on processing. A fifth centre will be opened in Laayoune. The IECs use modern and adapted teaching tools such as e-learning, simulators, and training workbenches in an environment closely resembling OCP Group's real-life industrial experience.

- ***School of Coaching***:

  The ambition to project OCP and its ecosystem into the 3rd S-Curve requires the dissemination and embodiment of a new mind set by managers and employees, enabling them to create the conditions to release their full individual and collective potential.

  This mind set and the associated behaviours are nourished by the fundamentals of coaching, notably the ability to generate collective intelligence and behaviours of creativity, subsidiarity, empowerment and initiative taking.

  In collaboration with UM6P and Transformance Pro, a Coaching School integrated within the Africa Business School was created in 2020.

  Several coaching and support courses for Group employees (leaders, managers, transformation agents, connectors, internal coaches, etc.) are currently being deployed. In 2023, nearly 130 associates have been enrolled in OCP’s "Executive Coaching" programme, "Leader Coach" programme and "Internal Coach" programme.

- ***OCP Professors***: The Group has implemented "OCP Professors", which is a reflection of "OCP by OCP" learning, a programme that allows any OCP employee or retired employee to transfer his or her know-how and expertise for the benefit of the Group's internal and external ecosystem.

- ***KAFAATI***: The KAFAATI programme is a springboard to the learning enterprise. This TAMCA-OE associate development system was launched in 2019 to set up the conditions for the company of learners, with a view to providing employees with a framework for developing global and integrated skills. KAFAATI is a competency-based process based on a corpus of competencies/skills, linked to a learning journal, individualised learning paths and co-constructed with the Direct Managers, with a 70/20/10 logic.

- ***MOVEMENT***: Created in April 2016, the Movement programme provides employees with the financial and human resources necessary to work on a topic of their choice, as long as it creates sustainable value for the Group. The programme enables employees to fuel their career path through lateral professional development and cross-functional teamwork, to acquire additional skills, enrich their job content and work on topics they care about, as well as broaden accountability.

- ***BEYOND***: The new talent development programme BEYOND was created in 2019 to support the growth of OCP and continue to sustain our business model around a two-year curriculum for young talent with a four-principle approach:

  – On-the-job and academic learning: including two-thirds of on-the-job learning on both exploitation and exploration projects

  – Industrial DNA and functional exposure: including a minimum of six months at an industrial site to understand the product and its production process as much as the client

  – Connection and networking: placing participants into group and team environments to develop and test their collaborative skills, providing opportunities to network with different profiles (e.g. faculty, business coaches, project managers, subject matter experts)

  – Techno fluency: learning to innovate and integrate technology in a meaningful way

- ***1 PACTE***: In 2019, OCP launched '1 Pacte', a collective intelligence initiative to involve OCP employees and ecosystem in shaping the company's strategy. 1 Pacte aims to gather employees and ecosystem energies, foster strategic dialogue in decision-making, catalyse sustainable change and co-build a common understanding of how to build a better OCP for the future.

RELATIONSHIP WITH THE GOVERNMENT

The Issuer is 94.12% owned by the Moroccan State. The remaining interests in the Issuer are held by Infra Maroc Capital (2.98%), Prev Invest SA (1.10%), SADV (0.88%), SOCINVEST (0.82%), and BCP (0.10%). BCP is a major Moroccan bank. Infra Maroc Capital and SOCINVEST are owned by BCP. Prev Invest SA is wholly owned by RCAR, a major Moroccan pension fund. SADV is wholly owned by UM6P Endowment Holding.

The State, as a shareholder, has the right to nominate, approve the appointment of, and remove, the members of the Issuer's Board of Directors. The State may also influence the Group's results or financial condition through shareholder approval of the Group's budget and capital-related matters. For example, dividend payments are subject to the approval of the General Meeting of shareholders on an annual basis.

Board of Directors

The Issuer's Board of Directors is predominantly comprised of government ministers and other senior government officials, including the Interior Minister, the Minister of Industry and trade, the Minister of Foreign Affairs, African Cooperation and Moroccans Abroad, the Minister of Economy and Finance, the Minister of Energy Transition and Sustainable Development, the Minister of Agriculture and Fisheries, Rural Development and Water and Forests, and the General Director of the National Agency for the Strategic Management of State Participations and for monitoring the performance of public establishments and enterprises. Government representatives on the Board of Directors do not receive salaries for sitting on the Board of Directors of the Issuer. These individuals are paid in connection with their official responsibilities as ministers and government officials out of the State budget.

Dividends

Dividend payments made by the Issuer are subject to the approval of the General Meeting of shareholders and the percentage of the Issuer's profits to be paid to the shareholders is set forth in a resolution of the General Meeting of shareholders. Under Moroccan law, insofar as the legal limits relating to the distribution of dividends are complied with (legally, the net asset value cannot be inferior to the amount of the share capital increased by the non-distributable reserves), a Moroccan company can decide to distribute to its shareholders up to 100% of the distributable profits of the company for the previous year. The Issuer paid net dividends of Dh 9.2 billion in respect of FY 2023, Dh 8.1 billion in respect of FY 2022 and Dh 5.1 billion in respect of FY 2021, representing 32.7%, 49.6% and 157.3% of the Group's consolidated net profit (Group share), respectively. At the Board of Directors meeting held on 6 March 2024, OCP Group proposed to distribute dividends of Dh 7,251 million (net) in respect of profits distributable for 2023. The amount of this distribution will be validated at the General Meeting of shareholders.

Related Party Transactions

The Group enters into certain transactions with the Moroccan State, its joint ventures and other State and national companies and organisations, which are deemed to be related parties to the Issuer.

The following table sets forth the Group's outstanding balances with the Government and entities under government control as at 31 December 2023:

	State and state-controlled companies		BCP companies	
	Dec 2023	Dec 2022	Dec 2023	Dec 2022
	(Dh millions)			
Trade payables	394	623	-	-
Advance payments	46		-	
Other receivables and payables creditors	202	396	-	-
Cash and cash equivalents	656	1,151	64	919
Investments	-	2,500	-	-
Loans	920	486	5 984	3 039

The following table sets forth the Group's transactions with the Government and entities under government control for the periods indicated:

	State and state-controlled companies		BCP companies	
	FY 2023	FY 2022	FY 2023	FY 2022
	(Dh millions)			
Interest on investments	64	52	26	15
Utility costs	905	999	-	
Other operating expenses	187	202	-	
Interest on loans	12	11	155	45
Social charges	661	623	-	
Transport expenses ONCF	567	749	-	
Subscription ONCF/lump-sum contributions	400	400	-	
Assets and inventories purchases	461	85	-	0

TERMS AND CONDITIONS OF THE NOTES

Terms and Conditions of the 2034 Notes

The following is the text of the Terms and Conditions of the Notes which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Notes:

The U.S.$1,250,000,000 6.750% Notes due 2034 (the "**Notes**"), which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 14 and forming a single series with the Notes of OCP S.A. (the "**Issuer**"), were authorised by resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer dated 15 April 2024 and the terms and conditions of the Notes were authorised by resolutions of the Board of Directors of the Issuer dated 24 April 2024.

The Notes are issued subject to and with the benefit of an Agency Agreement dated 2 May 2024 (such agreement as amended, supplemented or restated from time to time, the "**Agency Agreement**") made between the Issuer, Citibank N.A., London Branch as fiscal agent and principal paying agent, and as transfer agent (in such capacities, the "**Fiscal Agent**" which expression includes any successor fiscal agent appointed from time to time in connection with the Notes and, together with any further or other paying agents or transfer agents appointed from time to time in respect of the Notes, the "**Paying Agents**" and the "**Transfer Agents**" respectively, which expressions include any successor paying agents or transfer agents appointed from time to time in connection with the Notes) and Citibank Europe plc, Germany Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes and, together with the Fiscal Agent, the Transfer Agent, and any other Paying Agents or Transfer Agents, the "**Agents**"). The holders of the Notes (the "**Noteholders**") are entitled to the benefit of a Deed of Covenant (the "**Deed of Covenant**") dated 2 May 2024 and made by the Issuer. The original of the Deed of Covenant is held by the Fiscal Agent on behalf of the Noteholders at its specified office.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement and the Deed of Covenant. Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours by the Noteholders at the specified office of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. References in these Conditions to the Fiscal Agent, the Registrar, the Paying Agents and the Agents shall include any successor appointed under the Agency Agreement.

*The owners shown in the records of Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking, société anonyme ("**Clearstream**") and the Depository Trust Company ("**DTC**") of book-entry interests in Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them.*

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are issued in registered form in principal amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof (referred to as the "**principal amount**" of a Note). A certificate (each, a "**Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer will procure to be kept by the Registrar.

1.2 Title

Title to the Notes passes only by registration in the register of Noteholders. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest therein or any writing on (other than the endorsed form of transfer), or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "**Noteholder**" and (in relation to a Note) "**holder**" means the person in whose name a Note is registered in the register of Noteholders.

For a description of the procedures for transferring title to book-entry interests in the Notes, see "Clearing and Settlement—The Clearing Systems".

2. TRANSFERS OF NOTES AND ISSUE OF CERTIFICATES

2.1 Transfers

Subject to paragraphs 2.4 (*Closed Periods*) and 2.5 (*Regulations*) below, and the terms of the Agency Agreement, a Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or any Transfer Agent together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

For a description of certain restrictions on transfers of interests in the Notes, see "Transfer Restrictions".

2.2 Delivery of New Certificates

Each new Certificate to be issued upon the transfer of Notes will, within five business days of receipt by the Registrar or the relevant Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer. For the purposes of this Condition, "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the Registrar or Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Except in the limited circumstances described herein (see "The Global Certificates—Registration of Title"), owners of interests in the Notes will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon the transfer of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement and, in the case of Restricted Notes, compliance with the Securities Act Legend.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Notes not so transferred will, within five business days of receipt by the Registrar or the relevant Transfer Agent of the original Certificate (or such longer period as may be required to comply with any fiscal or other regulations), be mailed by uninsured mail at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the register of Noteholders or as specified in the form of transfer.

2.3 Formalities Free of Charge

Registration of the transfer of Notes will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but upon payment by the Noteholder (or the giving of such indemnity as the Issuer or any Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

2.4 Closed Periods

No Noteholder may require the transfer of a Note to be registered during the period of 15 calendar days ending on the due date for any payment of principal or interest on that Note.

2.5 Regulations

All transfers of Notes and entries on the register of Noteholders will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests a copy of such regulations in writing.

3. STATUS

The Notes constitute direct, unconditional, unsubordinated, and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves and *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

4. COVENANTS

4.1 Negative Pledge

So long as any of the Notes remain outstanding (as defined in the Agency Agreement) the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**") (other than a Permitted Security Interest) upon, or with respect to, any of its or, as the case may be, its Material Subsidiaries' present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

(b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided and is approved by the General Assembly of the Noteholders (as defined below).

4.2 Interpretation

For the purposes of these Conditions:

(a) **Material Subsidiary** means at any time a Subsidiary of the Issuer:

(i) whose gross revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10% of the consolidated gross revenues, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;

(ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subclause (ii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subclause 4.2(a)(i) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or

(iii) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate gross revenues equal to) not less than 10% of the consolidated gross revenues, or represent (or, in the case aforesaid, are equal to) not less than 10% of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subclause 4.2(a)(i) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate gross revenues equal to) not less than 10% of the consolidated gross revenues, or its assets represent (or, in the case aforesaid, are equal to) not less than 10% of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subclause 4.2(a)(i) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subclause (iii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subclause 4.2(a)(i) above or, prior to or after such date, by virtue of any other applicable provision of this definition.

For the purposes of this definition:

(i) if there shall not at any time be any relevant audited consolidated accounts of the Issuer and its Subsidiaries, references thereto herein shall be deemed to be references to a consolidation (which need not be audited) by the Issuer of the relevant audited accounts of the Issuer and its Subsidiaries;

(ii) if, in the case of a Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, its consolidated gross revenues and consolidated total assets shall be determined on the basis of *pro forma* consolidated accounts (which need not be audited) of the relevant Subsidiary and its Subsidiaries prepared for this purpose by the Issuer;

(iii) if (i) any Subsidiary shall not in respect of any relevant financial period for whatever reason produce audited accounts or (ii) any Subsidiary shall not have produced at the relevant time for the calculations required pursuant to this definition audited accounts for the same period as the period to which the latest audited consolidated accounts of the Issuer and its Subsidiaries relate, then there shall be substituted for the purposes of this definition the management accounts of such Subsidiary for such period;

(iv) where any Subsidiary is not wholly owned by the Issuer there shall be excluded from all calculations all amounts attributable to minority interests;

(v) in calculating any amount all amounts owing by or to the Issuer and any Subsidiary to or by the Issuer and any Subsidiary shall be excluded; and

(vi) in the event that accounts of any companies being compared are prepared on the basis of different generally accepted accounting principles, there shall be made such adjustments to any relevant financial items as are necessary to achieve a true and fair comparison of such financial items.

A report by the auditors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary of the Issuer shall (in the absence of manifest error) be conclusive and binding on all parties;

(b) **Permitted Security Interest** means any Security Interest created for the purpose of any Project Financing, provided that such Security Interest is only upon (x) assets which are the subject of such Project Financing and (y) revenues or claims which arise from the operation, failure to meet specifications, exploitation, sale or loss of, or failure to complete or damage to, such assets;

(c) **Project Financing** means any arrangement for the provision of funds which are to be used solely to finance the acquisition, construction, development or exploitation of any assets pursuant to which the persons providing such funds agree that the only source of repayment of such funds will be the project and the assets and revenues (including insurance proceeds) generated by such project or a source other than the Issuer and its Subsidiaries;

(d) **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities, which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, in each case, outside Morocco and (ii) any guarantee or indemnity of any such indebtedness referred to in (i) above; and

(e) **Subsidiary** means, in relation to the Issuer, any company (i) in which the Issuer holds a majority of the voting rights or (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer.

4.3 Financial Statements

So long as any of the Notes remain outstanding, the Issuer shall deliver to the Fiscal Agent promptly once available but in any event (i) within six months of the end of each financial year of the Issuer, a copy of the Issuer's audited annual consolidated financial statements for such financial year, together with the report thereon by the Issuer's independent auditors, and (ii) within 90 days of the end of the first six months of each such financial year, a copy of the unaudited consolidated financial statements for the Issuer and its consolidated Subsidiaries for such six-month period, certified by two duly authorised officers of the Issuer as presenting fairly the consolidated financial position of the Issuer as at the end of such period, and the results of operations and changes in financial position of the Issuer and its Subsidiaries for such period, each prepared and presented in accordance with International Financial Reporting Standards. The Issuer shall procure that the Fiscal Agent delivers a copy of such financial statements, together with the relevant report of the auditors thereon (if applicable), to any Noteholder promptly upon written request by such Noteholder.

5. INTEREST

5.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 2 May 2024 (the "**Issue Date**") at the rate of 6.750% per annum, payable semi-annually in arrear on each of 2 May and 2 November in each year (each an "**Interest Payment Date**"). The first payment (representing a full six months' interest) shall be made on 2 November 2024.

5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue at such rate until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 12.

5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full six months, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed on the basis of a month of 30 days.

6. PAYMENTS

6.1 Payments in Respect of Notes

Payments of principal and interest will be made by transfer to the registered account of the Noteholder. Payments of principal and interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the register of Noteholders at the close of business on the date (the "**record date**") being the fifteenth day before the due date for the payment of interest.

For the purposes of this Condition, a Noteholder's "**registered account**" means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the register of Noteholders at the close of business, in the case of principal, on the second Business Day (as defined in Condition 6.4 below) before the due date for payment and, in the case of interest, on the relevant record date, and a Noteholder's registered address means its address appearing on the register of Noteholders at that time.

6.2 Payments Subject to Applicable Laws

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8.

6.3 No Commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition.

6.4 Payment on Business Days

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day or if the Noteholder is late in surrendering its Certificate (if required to do so).

In these Conditions, "**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign currencies) in London and New York City and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

6.5 Partial Payments

If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the register of Noteholders with a record of the amount of principal or interest in fact paid.

6.6 Agents

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

(a) there will at all times be a Fiscal Agent;

(b) there will at all times be a Paying Agent in a jurisdiction other than Morocco; and

(c) there will at all times be a Registrar.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders in accordance with Condition 12 as soon as practicable.

7. REDEMPTION AND PURCHASE

7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 2 May 2034 (the "**Maturity Date**").

7.2 Residual Maturity Call Option

The Issuer may, on not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time during the period commencing on (and including) 2 February 2034 to (but excluding) the Maturity Date at their principal amount, together with interest accrued to the date fixed for redemption.

7.3 Redemption for Taxation Reasons

If:

(a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 29 April 2024, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 beyond the prevailing applicable rates on 29 April 2024; and

(b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment.

7.4 Redemption at the Option of the Holders Upon a Change of Control

If, at any time while any of the Notes remains outstanding, a Change of Control (as defined below) occurs, each Noteholder shall have the option (unless, prior to the giving of the Change of Control Notice (as defined below), the Issuer shall have given notice under Condition 7.2) to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) that Noteholder's Note(s) at 101% of the principal amount of the Notes then outstanding, together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Change of Control Put Date (as defined below). Such option (the "**Change of Control Put Option**") shall operate as follows:

(a) if a Change of Control occurs the Issuer shall, within 14 days of the occurrence of such Change of Control, give notice (a "**Change of Control Notice**") to the Noteholders in accordance with Condition 12 specifying the nature of the Change of Control and the procedure for exercising the Change of Control Put option contained in this Condition 7.4;

(b) to exercise the Change of Control Put Option, the Noteholder must deliver at the specified office of any Agent on any Business Day falling within the period (the "**Change of Control Put Period**") of 45 days after that on which a Change of Control Notice is given, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Agent (a "**Change of Control Put Notice**") and in which the holder must specify a bank account complying with the requirements of Condition 6 to which payment is to be made under this Condition 7.4, accompanied by the Certificate for such Notes or evidence satisfactory to the Agent concerned that the Certificate for such Notes will, following the delivery of the Change of Control Put Notice, be held to its order or under its control;

(c) the Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note on the date (the "**Change of Control Put Date**") being the fifteenth day after the date of expiry of the Change of Control Put Period, unless previously redeemed or purchased and cancelled. Payment in respect of any Note so delivered shall be made, if the holder duly specifies a bank account in the Change of Control Put Notice to which payment is to be made on the Change of Control Put Date, by transfer to that bank account, subject in any such case as provided in Condition 6; and

(d) a Change of Control Put Notice given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Put Notice and instead to give notice that the Note is immediately due and repayable under Condition 10.

For the purpose of this Condition 7.4, "**Change of Control**" means, in relation to the Issuer, Morocco, or any instrumentality or agency thereof, ceases to (i) hold, directly or indirectly, more than 50% of the shares in the Issuer or (ii) hold, directly or indirectly, the right to appoint a majority of the directors of the Issuer or (iii) otherwise control or have the power to control the affairs and policies of the Issuer.

7.5 Purchases

The Issuer or any of its Subsidiaries (as defined above) may at any time purchase Notes in any manner and at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent or the Registrar for cancellation.

7.6 Notices Final

Upon the expiry of any notice as is referred to in Condition 7.2 or 7.3 above, the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

8. TAXATION

8.1 Payment Without Withholding

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of a Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note:

(a) where such withholding or deduction is imposed on a payment to a holder who is liable to the Taxes in respect of the Note by reason of such holder having some connection with any Relevant Jurisdiction other than the mere holding of the Note; or

(b) presented for payment in Morocco; or

(c) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union; or

(d) presented for payment (when presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Business Day.

Notwithstanding the foregoing, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986, as amended, Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**") as a result of a holder, beneficial owner or an intermediary not being entitled to receive payments on the Notes free of FATCA withholding. The Issuer will not have any obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA withholding deducted or withheld by the Issuer, an Agent or any other party.

8.2 Interpretation

In these Conditions:

(a) "**Relevant Date**" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12; and

(b) "**Relevant Jurisdiction**" means Morocco or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

8.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

9. PRESCRIPTION

Claims in respect of principal and interest will become prescribed unless made within ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date, as defined in Condition 8.

10. EVENTS OF DEFAULT

10.1 Events of Default

If any of the following events ("**Events of Default**") shall have occurred and be continuing:

(a) if default is made in the payment of any principal or interest when due in respect of the Notes or any of them and, in the case of interest, the default continues for a period of 14 days or, in the case of principal, the default continues for a period of seven days; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days following the service by any Noteholder on the Issuer (with a copy to the Fiscal Agent at its specified office) of written notice requiring the same to be remedied; or

(c) (i) any Indebtedness for Borrowed Money of the Issuer or any of its Material Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment or (as the case may be) within any originally applicable grace period for the payment thereof; (iii) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that the aggregate nominal amount of any such Indebtedness for Borrowed Money of the Issuer or such Material Subsidiary in the case of paragraph (i) or (ii) above, or amount of Indebtedness for Borrowed Money in relation to which such guarantee and/or indemnity of the Issuer or such Material Subsidiary has been given in the case of paragraph (iv) above, is at least U.S.$50,000,000 (or its equivalent in any other currency); or

(d) if the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, consolidation, reorganisation or other similar restructuring while solvent); or

(e) an order is made by any competent court or an effective resolution is passed for the winding-up, dissolution or liquidation of the Issuer or any of its Material Subsidiaries, save for the purposes of or pursuant to an amalgamation, consolidation, reorganisation or restructuring while solvent (i) in the case of a Material Subsidiary, by which the assets and undertaking of that Material Subsidiary are transferred to the Issuer and/or any other Material Subsidiary(ies) of the Issuer or (ii) on terms approved by the General Assembly of the Masse (as defined below); or

(f) the Issuer or any of its Material Subsidiaries stops or threatens to stop payment, or is unable to, or admits its inability to, pay all, or a material part of, its debts (or any class of its debts) as they fall due or is deemed by law or a court to be unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(g) if (i) proceedings are initiated against the Issuer or any of its Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Material Subsidiaries or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) unless initiated by the relevant company, any amount (A) in respect of which such proceedings are initiated or (B) of any indebtedness in respect of which such application is made or which is secured by the relevant encumbrance, is at least US$50,000,000 and the relevant proceedings, application, appointment, taking of possession or process is not discharged within 60 days; or

(h) if the Issuer or any of its Material Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(i) any event occurs which under the laws of Morocco or any other applicable jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) to (h) inclusive above,

then:

(i) in the case of an event referred to in paragraph (a) above, any Noteholder may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, declare the Notes held by it to be immediately due and payable together with accrued interest; and

(ii) in the case of any event referred to in paragraphs (b) to (i) above any Noteholder may, by written notice addressed to the Issuer and delivered to the specified office of the Fiscal Agent (each an "**Event Notice**"), notify such event, in respect of the Notes held by it, *provided that* an Event of Default shall only be declared, and such Notes shall only become immediately due and payable (at their principal amount together with accrued interest) if Event Notices are sent by Noteholders representing not less than 5% in aggregate principal amount of the Notes then outstanding,

whereupon such Notes shall immediately become so due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to all Noteholders by the Issuer.

10.2 Interpretation

For the purposes of this Condition 10 "**Indebtedness for Borrowed Money**" means any indebtedness (whether being principal, interest or other amounts) for or in respect of any borrowed money.

11. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. NOTICES

12.1 Notices to the Noteholders

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the register of Noteholders maintained by the Registrar and shall also be duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any notice shall be deemed to have been given on the day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

12.2 Notices From the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Certificate, with the Fiscal Agent or, if the Certificates are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

13. Representation of Noteholders and Modification

13.1 The Masse

Pursuant to article 299 of Law No. 17-95 relating to *sociétés anonymes* dated 30 August 1996 as amended by Law No. 20-05 ("**Law No. 17-95**"), the Noteholders are automatically grouped in a masse endowed with legal personality for the defence of their common interests (the "**Masse**").

13.2 Legal Personality, Representatives and General Assembly

The Masse is a separate legal entity by virtue of article 299 of Law No. 17-95, acting either through one or more agents (the "**Representative**") and in part through a general assembly of the Noteholders (the "**General Assembly**"). Articles 299 et seq. of Law No. 17-95 define the extent of the respective powers of the Representative and of the General Assembly, which are summarised in Condition (f) below.

13.3 The Representative

The office of the Representative may be conferred on a person or several persons of any nationality. However, pursuant to article 301 of Law No. 17-95, any person providing services to the Issuer may not be selected as Representatives, especially those who are in one of the following situations::

(a) the statutory auditors, the directors, the shareholders, the beneficiaries of special benefits, the employees of the Issuer or of one of its subsidiaries;

(b) the spouses, ascendants and descendants up to the second degree inclusively of the persons mentioned in Condition 13.3(a) above;

(c) those who receive from the persons mentioned in Condition 13.3(a) above, from the Issuer's subsidiaries any remuneration for services that could impair their independence or perform for subsidiaries functions that could put them in a situation of representation of the subsidiaries, especially recruitment of staff.

Also, any person cannot be appointed as Representative if:

- he or she has been irrevocably convicted of a crime or of one of the offences provided for and punished by articles 334 to 391 and by articles 505 to 574 of the Moroccan penal code;
- he or she has been irrevocably convicted of an offence against the Moroccan foreign exchange legislation or the legislation relating to the fight against money laundering;
- he or she has been subject to, or if the company he or she administered has been subject to, in Morocco or abroad, a judgment opening a judicial recovery or liquidation procedure and he or she has not been rehabilitated; or

- he or she has been subject to a conviction, having the authority of res judicata, for one of the crimes or offences listed above, pronounced by a foreign jurisdiction.

If one of the causes of incompatibility indicated occurs during the term of office of the Representative, the Representative must immediately cease to exercise his or her functions and inform the board of directors.

Pending the General Assembly which will appoint the initial Representative, the board of directors of the Issuer has appointed a temporary representative of the Noteholders (*mandataire provisoire*), in accordance with article 300 of Law No. 17-95 (the "**Temporary Representative**").

The Temporary Representative will be Mr. Mohamed Hdid and its mandate will terminate on the date of the General Assembly appointing the initial Representative.

According to article 300 of Law No. 17-95, the General Assembly shall be convened by the Temporary Representative no later than six months as from the closing date of the subscription of the Notes with a view to confirming the appointment of the initial Representative or electing a new Representative.

13.4 Powers of the Representative

Pursuant to articles 302, 303 and 304 of Law No. 17-95:

(a) In the absence of any decision to the contrary by the General Assembly, the Representative has the power to take, on behalf of the Masse, any acts of management (apart from alienation and conservatory actions) necessary to protect the common interests of the Noteholders taken as a whole. The Representative prepares, whenever he or she deem it necessary, and at least within 15 days following each anniversary date of the issuance of the Notes, a report for the Noteholders in which he or she describes, among other things (i) the diligences and actions he or she have carried out within the framework of his or her missions to safeguard the interests of the Noteholders and (ii) the significant facts, of which he or she is aware, that occurred in the activity or the financial situation of the Issuer and that could have an impact on said interests. The said report is transmitted to the Issuer which must publish it on its website and make it available to the Noteholders at its registered office for the entire duration of the Notes.

(b) The Representative, when duly authorised to do so by the General Assembly, is the only person entitled to take legal action on behalf of all the Noteholders.

(c) Legal proceedings initiated against all the Noteholders may only be brought against the Representative.

(d) The Representative shall not be entitled to interfere in the management of the corporate affairs of the Issuer.

(e) The Representative may attend shareholder meetings of the Issuer, but will not have voting rights.

(f) The Representative has the right to access documents made available to the shareholders of the Issuer in the same conditions as the shareholders of the Issuer.

13.5 The General Assembly

(a) Pursuant to article 308 of Law No. 17-95, the General Assembly is empowered to deliberate on any measures designed to ensure the defence of the Noteholders and the execution of the Conditions of the Notes and, in general, on all measures of a conservatory or administrative nature.

(b) Pursuant to article 309 of Law No. 17-95, any decision of the Issuer to modify the Conditions in a way that alters the rights of the Noteholders must be approved by the General Assembly. In the absence of such approval, the Issuer may implement its decision only by offering to repay Noteholders requesting the redemption of their Notes within three months from the date of the decision affecting their rights.

(c) Notwithstanding anything to the contrary set forth herein, the general assembly of the shareholders of the Issuer may not increase the obligations of the Noteholders, establish an unequal treatment between Noteholders or decide to convert the Notes into shares.

The Agency Agreement includes provisions for convening a General Assembly.

14. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

15. GOVERNING LAW AND SUBMISSION TO JURISDICTION

15.1 Governing Law

The Notes, and any non-contractual obligations arising out of or in connection with the Notes, are governed by, and will be construed in accordance with, English law save that the provisions of Condition 13, relating to the Masse and representation of the Noteholders, are governed by, and shall be construed in accordance with Moroccan law.

15.2 Jurisdiction of English Courts

The Issuer has irrevocably agreed for the benefit of the Noteholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, and any non-contractual obligations arising out of or in connection with the Notes, and accordingly has submitted to the exclusive jurisdiction of the English courts. The Issuer has waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

To the extent permitted by law, the Noteholders may take any suit, action or proceeding arising out of or in connection with the Notes (including any proceeding relating to any non-contractual obligations arising out of or in connection with the Notes) (together referred to as "**Proceedings**") against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

15.3 Appointment of Process Agent

The Issuer hereby irrevocably and unconditionally appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX, United

Kingdom, as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

15.4 Other Documents

The Agency Agreement and the Deed of Covenant, and any non-contractual obligations arising out of or in connection with the Agency Agreement or the Deed of Covenant, are governed by, and will be construed in accordance with, English law. The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, on terms substantially similar to those set out above.

16. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

Terms and Conditions of the 2054 Notes

The following is the text of the Terms and Conditions of the 2054 Notes which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Notes:

The Terms and Conditions of the 2054 Notes will be identical to those described under "Terms and Conditions of the 2034 Notes" above, except as follows:

(a) the definition of the "Notes" in the introductory paragraph shall be replaced with "U.S.$750,000,000 7.500% Notes due 2054 (the "**Notes**")";

(b) Condition 5.1 shall be replaced with the following:

"The Notes bear interest from and including 2 May 2024 (the "**Issue Date**") at the rate of 7.500% per annum, payable semi-annually in arrear on each of 2 May and 2 November in each year (each an "**Interest Payment Date**"). The first payment (representing a full six months' interest) shall be made on 2 November 2024."

(c) the definition of the "Maturity Date" in Condition 7.1 shall be replaced with "2 May 2054 (the "**Maturity Date**")";

(d) Condition 7.2 shall be replaced with the following:

"The Issuer may, on not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (Notices) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time during the period commencing on (and including) 2 November 2053 to (but excluding) the Maturity Date at their principal amount, together with interest accrued to the date fixed for redemption."; and

(e) the reference to "2 February 2034" in Condition 7.2 shall be replaced with "2 November 2053".

THE GLOBAL CERTIFICATES

The Global Certificates contain the following provisions which apply to the Notes in respect of which they are issued while they are represented by the Global Certificates, some of which modify the effect of the Conditions of the Notes. Terms defined in the Conditions have the same meaning in the paragraphs in this "The Global Certificates" section.

Accountholders

For so long as any of the Notes are represented by the Global Certificates, each person (other than another clearing system) who is for the time being shown in the records of DTC or Euroclear or Clearstream (as the case may be), as the holder of a particular aggregate principal amount of such Notes (each an "**Accountholder**") (in which respect any certificate or other document issued by DTC or Euroclear or Clearstream (as the case may be) as to the aggregate principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (and the expression "*Noteholders*" and references to "*holding of Notes*" and to "*holder of Notes*" shall be construed accordingly) for all purposes other than with respect to payments on such Notes, the right to which shall be vested, as against the Issuer, solely in the nominee of a common depositary for the relevant clearing system (the "**Relevant Nominee**") in accordance with and subject to the terms of the Global Certificates. Each Accountholder must look solely to DTC or Euroclear or Clearstream, as the case may be, for its share of each payment made to the Relevant Nominee.

Cancellation

Cancellation of any Note following its redemption or purchase by the Issuer or any of its subsidiaries will be effected by a reduction in the aggregate principal amount of the Notes in the register of Noteholders and by the annotation of the appropriate schedule to the relevant Global Certificate.

Payments

Payments of principal and interest in respect of Notes represented by a Global Certificate will be made upon presentation or, if no further payment falls to be made in respect of the Notes, against the presentation and surrender of such Global Certificate to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the holders of the Global Certificates for such purpose.

Distributions of amounts with respect to book-entry interests in the Regulation S Notes held through Euroclear or Clearstream will be credited, to the extent received by the Fiscal Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

Holders of book-entry interests in the Rule 144A Notes holding through DTC will receive, to the extent received by the Fiscal Agent, all distribution of amounts with respect to book-entry interests in such Notes from the Fiscal Agent through DTC. Distributions in the United States will be subject to relevant U.S. tax laws and regulations.

A record of each payment made will be endorsed on the appropriate schedule to the relevant Global Certificate by or on behalf of the Fiscal Agent and shall be *prima facie* evidence that payment has been made.

Notices

So long as the Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by Condition 12. Any such notice shall be deemed to have been given to the Noteholders on the day after the day on which such notice is delivered to such clearing system.

For so long as any of the Notes held by a Noteholder are represented by a Global Certificate, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through the applicable clearing system's operational procedures and otherwise in such manner as the Fiscal Agent and the applicable clearing system may approve for this purpose.

Change of Control Put Exercise Notice

For so long as any Note is represented by a Global Certificate, to exercise the right to require redemption of this Note under Condition 7.3 the Noteholder must, within the notice period set out in Condition 7.3, give notice to a Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream or DTC, as applicable (which may include notice being given on such Noteholder's instruction by Euroclear, Clearstream, DTC or any depositary for them to any Agent by electronic means) in a form acceptable to Euroclear, Clearstream or DTC, as applicable, from time to time.

Any notice given in accordance with the standard procedures of Euroclear, Clearstream or DTC, as applicable, by a Noteholder under Condition 7.3 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such Noteholder, at its option, may elect by notice to the Issuer to withdraw such notice and instead to give notice that the Note is immediately due and repayable under Condition 10.

Registration of Title

Registration of title to Notes in a name other than that of the Relevant Nominee will not be permitted unless Euroclear or Clearstream or DTC, as appropriate, notifies the Issuer that it is unwilling or unable to continue as a clearing system in connection with a Global Certificate or, in the case of DTC only, DTC ceases to be a clearing agency registered under the U.S. Securities Exchange Act of 1934, and in each case a successor clearing system is not appointed by the Issuer within 90 days after receiving such notice from Euroclear, Clearstream or DTC or becoming aware that DTC is no longer so registered. In these circumstances title to a Note may be transferred into the names of holders notified by the Relevant Nominee in accordance with the Terms and Conditions of the Notes, except that Certificates in respect of Notes so transferred may not be available until 21 days after the request for transfer is duly made.

The Registrar will not register title to the Notes in a name other than that of the Relevant Nominee for a period of 15 calendar days preceding the due date for any payment of principal or interest in respect of the Notes.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

Transfers

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear, Clearstream and DTC and their respective participants in accordance with the rules and procedures of Euroclear, Clearstream and DTC and their respective direct and indirect participants, as more fully described under "*Book—Entry Clearance Systems*".

CLEARING AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable. None of the Joint Lead Managers takes any responsibility for the accuracy of the information contained in this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. DTC, Euroclear and Clearstream are under no obligation to perform or continue to perform the procedures described below, and they may modify or discontinue them at any time.*

The Clearing Systems

Custodial and depository links are to be established between DTC, Euroclear and Clearstream to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. See "*—Book-Entry Ownership*" and "*—Settlement and Transfer of Notes*".

Investors may hold their interests in a Global Certificate directly through DTC, Euroclear or Clearstream if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through, or maintain a custodial relationship with, an account holder of either system.

DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, which clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in the Restricted Global Certificate directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organisations which are Direct Participants in such system.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Rule 144A Notes represented by the Restricted Global Certificate among Direct Participants on whose behalf it acts with respect to Rule 144A Notes and receives and transmits distributions of principal and interest on Rule 144A Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Independent Participants with which beneficial owners of Rule 144A Notes have accounts with respect to the Rule 144A Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their beneficial owners. Accordingly, although beneficial owners who hold Rule 144A Notes through Direct Participants or Indirect Participants will not possess Rule 144A Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Participants will receive payments and will be able to transfer their interest in respect of the Rule 144A Notes.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the Restricted Global Certificate as to which such Participant or Participants has or have given such direction. However, in the circumstances described under "*The Global Certificates—Registration of Title*", DTC will cause its custodian to surrender the Restricted Global Certificate for exchange for Definitive Notes (which will bear the legend applicable to transfers pursuant to Rule 144A).

Payments through DTC

Payments of principal and interest in respect of a Global Certificate registered in the name of, or in the name of a nominee for, DTC will be made to the order of such nominee as the registered holder of such Note.

Book-Entry Ownership

Euroclear and Clearstream

The Unrestricted Global Certificate evidencing Regulation S Notes will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream.

DTC

The Restricted Global Certificate evidencing the Rule 144A Notes will have an ISIN, Common Code and a CUSIP number and will be deposited with the Custodian and registered in the name of Cede & Co. as nominee of DTC. The Custodian and DTC will electronically record the principal amount of the Notes held within the DTC System.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of DTC, Euroclear or Clearstream as the holder of a Note evidenced by a Global Certificate must look solely to DTC, Euroclear or Clearstream (as the case may be) for its share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under such Global Certificate, subject to and in accordance with the respective rules and procedures of DTC, Euroclear or Clearstream (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes evidenced by a Global Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of interests in a Global Certificate held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are evidenced by such Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer, the Trustee or any Paying and Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participants' and Indirect Participants' records.

Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in a Global Certificate held within a Clearing System are exchanged for Definitive Notes.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Certificate to such persons may be limited. As DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Restricted Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of a physical certificate in respect of such interest.

Trading between Euroclear and Clearstream Participants

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream to purchasers of book entry interests in the Notes held through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the procedures applicable to conventional Eurobonds.

Trading between DTC Participants

Secondary market sales of book-entry interests in the Notes between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement system in same-day funds, if payment is effected in U.S. Dollars, or free of payment, if payment is not effected in U.S. Dollars. Where payment is not effected in U.S. Dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC Seller and Euroclear/Clearstream Purchaser

When book-entry interests in Notes are to be transferred from the account of a DTC Participant holding a beneficial interest in the Restricted Global Certificate to the account of a Euroclear or Clearstream accountholder wishing to purchase a beneficial interest in the Unrestricted Global Certificate (subject to the certification procedures provided in the Paying Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream Participant. On the settlement date, the custodian of the Restricted Global Certificate will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Global Certificate and (ii) increase the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream and evidenced by the Unrestricted Global Certificate. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream Seller and DTC Purchaser

When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream accountholder to the account of a DTC Participant wishing to purchase a beneficial interest in the Restricted Global Certificate (subject to the certification procedures provided in the Paying Agency Agreement), the Euroclear or Clearstream Participant must send to Euroclear or Clearstream delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream and the Registrar to arrange delivery to the DTC Participant on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream will (i) transmit appropriate instructions to the custodian of the Restricted Global Certificate who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC Participant and (ii) instruct the Registrar to (a) decrease the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream and evidenced by the Unrestricted Global Certificate and (b) increase the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Global Certificate.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Certificates among Participants and accountholders of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Fiscal Agent, the Agents or any of their agents will have any responsibility for the performance by DTC, Euroclear, Clearstream or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

Settlement of Pre-issue Trades

It is expected that delivery of Notes will be made against payment therefor on the Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within two business days (T+2), unless the parties to any such trade expressly agree otherwise.

Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until two days prior to the Issue Date will be required, by virtue of the fact the Notes initially will settle beyond T+2, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary.

Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes between the relevant date of pricing and the Issue Date should consult their own advisers.

TAXATION

Certain Moroccan Tax Considerations

The following section describes the main tax consequences of an investment in the Notes by a person or entity that is not a resident of Morocco. This summary is not a comprehensive description of all of the tax considerations that may be relevant to a decision to make an investment in the Notes. Each investor should consult its own tax advisers concerning the tax considerations applicable to its particular situation. This summary is based upon laws and relevant interpretations thereof in effect as at the date of this Prospectus, all of which are subject to change, possibly with a retroactive effect. In addition, it does not describe any tax considerations: (i) arising under the laws of any taxing jurisdiction other than Morocco; or (ii) applicable to a resident of Morocco.

As used in this section, a ***"non-resident individual"*** *is a person who does not have his permanent home (or domicile) in Morocco, who does not have the centre of his economic interest in Morocco and who is present in Morocco for less than 183 days in any period of 365 days, and a* ***"non-resident entity"*** *is a legal entity which has neither its registered office (seat) nor a permanent establishment in Morocco. A Noteholder will not become resident of Morocco for Moroccan income tax purposes merely by acquiring Notes.*

Principal and Interest

Under current Moroccan laws and regulations, interest payments under the Notes made to non-resident individuals or non-resident entities is subject to Moroccan withholding tax at a rate of 10%. Such withholding tax is the final tax for a non-resident individual or entity and no further declaration is required. However, based on articles 6.I.C.3° and 45 of the Moroccan tax code, which grant an exemption of the withholding tax to interest paid to non-resident entities or individuals in the case of loans in foreign hard currency for a period equal to or greater than ten years, the interest payments under the Notes will not be subject to withholding tax in Morocco.

If a double taxation treaty is in effect between Morocco and the country of residence of the holder of the Notes, it may provide for the application of different taxation. Each Noteholder should consult its own tax advisers concerning the tax considerations applicable to its particular situation taking into account the existence or not of a double taxation treaty signed between Morocco and such Noteholder's country of residence.

Principal repaid under the Notes is currently not subject to Moroccan withholding tax.

Capital Gain

Unless otherwise specified in a double taxation treaty signed between Morocco and the country of residence of the Noteholder, for Moroccan tax purposes, a capital gain derived from the disposal of Notes issued by a Moroccan entity is considered sourced in Morocco, and therefore subject to taxation in Morocco. A non-resident individual or non-resident entity will be subject to Moroccan capital gains tax only by virtue of realising a capital gain on the Notes issued by the Moroccan entity.

Non-Resident Entity

Under current Moroccan laws and regulations, the capital gain made by a non-resident entity from the disposal of the Notes is taxed in Morocco for fiscal year 2024 at a proportional tax rate depending on the amount of the capital gain, as outlined below:

- Less or equal to Dh 300,000 : 15%

- From Dh 300,001 to Dh 1,000,000 : 20%
- From Dh 1,000,001 to Dh 99,999,999 : 25.5%
- Equal or more than Dh 100,000,000: 33%

The above rates are applicable for the 2024 fiscal year. However, under the measures adopted by the Finance Law n° 50-22 for the Fiscal Year 2023 which was published in the official bulletin n° 7154 bis of 23 December 2022, these rates will be increased or decreased gradually to reach the following target rates by 2026:

- Less than Dh 100,000,000: 20%
- Equal or more than Dh 100,000,000: 35%

This tax is subject to a declaration in Morocco. It is the responsibility of the non-resident entity to file a tax return and to pay the applicable tax no later than 30 days after the month of sale.

Non-Resident Individual

Under current Moroccan laws and regulations, the capital gain made by a non-resident individual from the disposal of the Notes is subject to tax levied at the rate of 20%. A tax exemption is applicable to the capital gain if the annual sale price of securities issued by Moroccan entities is less or equal to Dh 30,000. As the Notes are not registered in an account with a Moroccan financial intermediary, it is the responsibility of the seller to file a tax return and to pay the applicable tax by no later than 31 March of the calendar year following the date of sale.

Double Taxation Treaties

If a double taxation treaty is in effect between Morocco and the country of residence of the Noteholders, it may provide for the application of different taxation aiming to eliminate or reduce double taxation. Each Noteholder should consult its own tax advisers concerning the tax considerations applicable to its particular situation taking into account the existence or not of a double taxation treaty signed between Morocco and such Noteholder's country of residence.

The double taxation treaties signed between Morocco and the following countries state that the capital gain arising from the disposal of Notes issued by a Moroccan entity shall not be taxable in Morocco:

Arab Maghreb Union	China	Gabon	Ireland	Lithuania	Norway	Rwanda	Turkey
Austria	Croatia	Germany	Italy	Luxembourg[(1)]	Oman	Senegal	Ukraine
Bahrain	Czech Republic	Ghana	Cote d'Ivoire	Macedonia	Pakistan	Serbia	United Arab Emirates
Belgium	Denmark	Greece	Japan	Madagascar	Poland	Singapore	United Kingdom
Benin	Egypt	Guinea	Jordan	Malaysia	Portugal	South Korea	United States of America[(3)]
Bulgaria	Ethiopia	Hungary	Kuwait	Mali	Qatar	Spain	Vietnam
Cameroon	Finland	India	Latvia	Malta	Romania	Switzerland	
Canada	France	Indonesia	Lebanon	Netherlands[(2)]	Russia	Syria	

(1) The double taxation treaty signed with Luxembourg is not applicable to "holding companies" within the meaning of the Luxembourg law of 31 July 1929 and the order-law of 17 December 1938.

(2) The Morocco-Netherlands tax treaty does not cover the Netherlands Antilles.

(3) A United States corporation that makes a capital gain on the sale of the Notes will not be entitled to the benefits of the double taxation treaty between Morocco and the United States if (i) by reason of special measures the tax imposed by the United States with respect to capital gains is substantially less than the tax generally imposed by the United States on corporate profits and (ii) 25% or more of the capital of such corporation is held of record or is otherwise determined, after consultation between the competent authorities of the United States and Morocco to be owned, directly or indirectly, by one or more persons who are not individual residents of the United States.

However, a non-resident individual that has been a resident of Morocco at any point of time should consult his own tax advisers concerning the tax considerations applicable to his particular situation.

Inheritance Taxes

No Moroccan inheritance or similar tax will be payable by a Noteholder who is a non-resident of Morocco.

Stamp Duties

No stamp, registration or similar duties or taxes will be payable in Morocco by Noteholders on the creation, offering, issue delivery or transfer of the Notes.

Certain U.S. Federal Income Tax Considerations

The following summary discusses the principal U.S. federal income tax consequences relevant to U.S. Holders and Non-U.S. Holders (as defined below) of the acquisition, ownership and disposition of the Notes. Except as specifically noted below, this discussion applies only to:

- Notes purchased on original issuance at their "issue price" (the first price at which a substantial amount of the Notes are sold to the public for cash, excluding sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers); and
- Notes held as capital assets for U.S. federal income tax purposes (generally, property held for investment).

The discussion does not address any aspect of U.S. federal taxation other than U.S. federal income taxation (such as the estate and gift tax, the alternative minimum tax or the Medicare tax on net investment income). This discussion also does not describe all of the tax consequences that may be relevant in light of a prospective investor's particular circumstances or to prospective investors subject to special rules, such as:

- financial institutions;
- insurance companies;
- individual retirement accounts and other tax-deferred accounts;
- tax-exempt organisations;
- dealers in securities or foreign currencies;
- persons holding Notes as part of a hedging transaction, "straddle," conversion transaction or other integrated transaction;
- certain former citizens and residents of the United States;
- U.S. Holders whose functional currency is not the U.S. dollar;
- persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognised on an applicable financial statement; or

- partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes.

The following summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), U.S. Treasury Regulations thereunder, published rulings of the U.S. Internal Revenue Service (the "**IRS**") and judicial and administrative interpretations thereof, in each case as available on the date of this Prospectus. Changes to any of the foregoing, or changes in how any of these authorities are interpreted, may affect the tax consequences set out below, possibly retroactively. No ruling will be sought from the IRS with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, a court will uphold such statement or conclusion.

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Note that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;

- a corporation created or organised in or under the laws of the United States or any state thereof, or the District of Columbia;

- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

A "**Non-U.S. Holder**" is a beneficial owner of Notes that is neither a U.S. Holder nor a partnership for U.S. federal income tax purposes.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes invests in Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partnerships investing in Notes should consult their own tax advisers regarding the tax consequences of their investment.

Payments of Interest

Payments of interest on a Note, including amounts withheld (if any), will be taxable to a U.S. Holder as foreign source ordinary income at the time they are received or accrued, depending on the U.S. Holder's method of accounting for U.S. federal income tax purposes.

If the issue price (as defined above) of the Notes is less than their principal amount by more than a *de minimis* amount, U.S. Holders will be subject to special U.S. federal income tax rules with respect to this original issue discount ("**OID**"). OID will be considered to be *de minimis* if it is less than 0.25% of the principal amount multiplied by the number of complete years to maturity. U.S. Holders will be required to include any OID in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, even though the cash attributable to this income will not be received until the Notes are sold, exchanged or retired. U.S. Holders should consult their own tax adviser concerning how to account for any OID that may accrue on the Notes.

Sale, Exchange or Retirement of the Notes

A U.S. Holder will generally recognise gain or loss on the sale, exchange or retirement of a Note equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder's basis in the Note. The amount realised does not include the amount attributable to accrued but unpaid interest not previously included in income, which will be treated like a payment of interest as described under "—*Payments of Interest*". A U.S. Holder's basis in a Note will generally be the acquisition cost of the Note, increased by any OID and unpaid interest previously included in income. Any gain or loss that a U.S. Holder recognises upon the sale, exchange or other disposition of a Note generally will be U.S. source capital gain or loss and will be long-term capital gain or loss if, at the time of disposition, the U.S. Holder's holding period for the Note is more than one year.

Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. Consequently, if Moroccan tax is imposed on such gain, the U.S. Holder generally will not be able to use the corresponding foreign tax credit, unless the U.S. Holder has other foreign-source income of the appropriate type in respect of which the credit may be used. The U.S. foreign tax credit rules are very complex and recently issued final U.S. Treasury Regulations (**Final FTC Regulations**) have imposed additional requirements that must be met for a foreign tax to be creditable. However, recent notices from the IRS (the **Notices**) provide taxpayers, subject to certain conditions, with temporary relief from some of these additional requirements until further notice or guidance by the IRS. U.S. Holders should consult their tax advisers with respect to the application of these rules to their particular circumstances.

Non-U.S. Holders

Subject to the discussion of backup withholding below, a Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Notes and gain from the sale, redemption or other disposition of the Notes unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the U.S.; (ii) in the case of any gain realised on the sale or exchange of a Note by an individual Non-U.S. Holder, that Holder is present in the U.S. for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met; or (iii) the Non-U.S. Holder is subject to tax pursuant to provisions of the Code applicable to certain expatriates.

Information Reporting and Backup Withholding

Information returns may be filed with the IRS in connection with payments of principal and interest in respect of, and the proceeds from sales of, Notes held by a U.S. Holder unless the U.S. Holder establishes, if required, that it is exempt from the information reporting rules, for example by properly establishing that it is a corporation. If the U.S. Holder does not establish that it is exempt from these rules, the U.S. Holder may be subject to backup withholding on these payments if it fails to provide a taxpayer identification number or otherwise comply with the backup withholding rules. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS. In general, payments of principal and interest in respect of, and the proceeds from sales of, the Notes, payable to a Non-U.S. Holder by a U.S. paying agent or other U.S. intermediary will not be subject to backup withholding tax and information reporting requirements if appropriate certification (IRS Form W-8BEN or other appropriate form) is provided by the Non-U.S. Holder to the payor and the payor does not have actual knowledge that the certificate is false.

U.S. Holders should consult their advisers regarding any additional tax reporting or filing requirements they may have as a result of the acquisition, ownership or disposition of the Notes. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

SUBSCRIPTION AND SALE

BNP Paribas, Citigroup Global Markets Limited and J.P. Morgan Securities plc (the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 29 April 2024, severally (and not jointly) agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the aggregate principal amount of the Notes listed next to its name in the table below at the issue price of 98.491%, in the case of the 2034 Notes and 97.262%, in the case of the 2054 Notes. The Issuer has agreed to pay to the Joint Lead Managers a combined management and underwriting and selling concession in respect of the Notes. In addition, the Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

Joint Lead Manager	**2034 Notes Principal Amount**	**2054 Notes Principal Amount**
BNP Paribas	U.S.$416,600,000	U.S.$250,000,000
Citigroup Global Markets Limited	U.S.$416,600,000	U.S.$250,000,000
J.P. Morgan Securities plc	U.S.$416,800,000	U.S.$250,000,000
Total	**U.S.$1,250,000,000**	**U.S.$750,000,000**

General

No action has been or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Joint Lead Managers have agreed to offer the Notes only to persons who they reasonably believe to be QIBs in reliance on Rule 144A and outside the United States to persons other than U.S. persons in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the respective meanings given to them by Regulation S.

The Notes are being offered and sold by the Joint Lead Managers outside the United States in accordance with Regulation S. The Subscription Agreement provides that the Joint Lead Managers may through their respective U.S. affiliates resell a portion of the Notes within the United States only to QIBs in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in reliance on Rule 144A or another available exemption from registration under the Securities Act.

UK

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following: (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Joint Lead Manager has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For these purposes the expression "retail investor" means a person who is one (or more) of the following: (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Morocco

Each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes to the public in Morocco, and that it will not distribute this Prospectus or any other offering material relating to the Notes to the public in Morocco.

Hong Kong

Each Joint Lead Manager has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than: (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); (ii) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to any Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Joint Lead Manager has acknowledged that this Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Notes, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA; or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Switzerland

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

United Arab Emirates (excluding Dubai International Financial Centre)

Each Joint Lead Manager has represented and agreed that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Joint Lead Manager has represented and agreed that it has not offered and will not offer the Notes to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the rulebook of the Dubai Financial Services Authority (the "**DFSA Rulebook**"); and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA Rulebook.

TRANSFER RESTRICTIONS

Rule 144A Notes

Each purchaser of Rule 144A Notes, by accepting delivery of this Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) a QIB, (b) acting for its own account, or for the account of a QIB, (c) not formed for the purpose of investing in the Issuer, and (d) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has the full power to make the foregoing representations, agreements and acknowledgements on behalf of each such account.

2. It understands that (1) the Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (d) pursuant to an effective registration statement under the Securities Act or (e) to the Issuer or any of its affiliates and (2) it will, and each subsequent holder of the Rule 144A Notes is required to, notify any purchaser of the Rule 144A Notes from it of the resale restrictions applicable to the Rule 144A Notes.

3. The Issuer has the right to refuse to honour the transfer of an interest in the Rule 144A Notes in the U.S. to a person who is not a QIB.

4. It understands that the Rule 144A Notes, unless otherwise agreed between the Issuer and the Fiscal Agent in accordance with applicable law, will bear a legend to substantially the following effect:

   THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "**QIB**"), THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR RESALES OF THE NOTES.

5. It acknowledges that the Issuer, the Registrar, the Joint Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Rule 144A Notes is no longer accurate, it shall promptly notify the Issuer and the Joint Lead Managers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

6. It understands that the Rule 144A Notes will be evidenced by the Restricted Global Certificate. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Unrestricted Global Certificate, it will be required to provide a Paying and Transfer Agent with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws.

7. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of the Regulation S Notes, by accepting delivery of this Prospectus and the Notes, will have been deemed to have represented, agreed and acknowledged that:

1. It is, or at the time the Regulation S Notes are purchased will be, the beneficial owner of such Regulation S Notes and (a) that it is not a U.S. person and it is purchasing the Regulation S Notes in an offshore transaction (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

2. It understands that such Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) until the expiration of the "40-day distribution compliance period" within the meaning of Rule 903 of Regulation S, any offer or sale of the Notes shall not be made to a U.S. person or for the account or benefit of U.S. person within the meaning of Rule 902 of Regulation S except in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of one or more QIBs or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

3. It understands that Regulation S Notes will be evidenced by an Unrestricted Global Certificate. Before any interest in an Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the corresponding Restricted Global Certificate, it will be required to provide a Paying and Transfer Agent with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws.

4. It acknowledges that the Issuer, the Registrar, the Joint Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of the Regulation S Notes are no longer accurate, it shall promptly notify the Issuer and the Joint Lead Managers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it

represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

GENERAL INFORMATION

1. Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Morocco in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the Board of Directors of the Issuer dated 15 April 2024 and the terms and conditions of the Notes were authorised by resolutions of the Board of Directors of the Issuer dated 24 April 2024.

2. Board of Directors' Approval

Under Article 294 of the SA Law, the Board of Directors' meeting has the sole authority to decide or authorise the issue of notes.

In accordance with the aforementioned article, the issue of the Notes has been authorised at a meeting of the Board of Directors of the Issuer on 15 April 2024 and the terms and conditions of the Notes were authorised by resolutions of the Board of Directors of the Issuer dated 24 April 2024.

3. AMMC

Under article 9 of Law No. 44-12 on public offerings and information required from legal persons and organisations making public offerings, as amended from time to time, any person considered as making a public offering who intends to perform a public offering operation outside Morocco is required to inform the AMMC thereof within 15 business days before the launch of the operation. The Issuer notified the AMMC regarding the issuance of the Notes on 3 April 2024.

4. Clearing Systems

The Notes have been accepted for clearance through Euroclear, Clearstream and DTC. The Common Code and International Securities Identification Number ("**ISIN**") for the Regulation S Notes and the Common Code, ISIN and CUSIP for the Rule 144A Notes are as follows:

2034 Notes

Regulation S Notes	***Rule 144A Notes***
ISIN: XS2810168737	ISIN: US67091TAF21
Common Code: 281016873	CUSIP: 67091T AF2

2054 Notes

Regulation S Notes	***Rule 144A Notes***
ISIN: XS2810168810	ISIN: US67091TAG04
Common Code: 281016881	CUSIP: 67091T AG0

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, NY 10041, United States of America.

5. Admission to Trading

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on the regulated market of Euronext Dublin on the Issue Date.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the regulated market of Euronext Dublin.

The total expenses related to the admission to trading of the Notes are expected to be approximately €7,940.

6. Significant or Material Adverse Change

There has been no significant change in the financial position or performance of the Group since 31 December 2023 and no material adverse change in the prospects of the Issuer since 31 December 2023.

7. Litigation

Save as disclosed in this Prospectus on pages 175-176, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer and/or the Group.

8. Documents on Display

For so long as any of the Notes are outstanding, copies of the following documents may be inspected at the specified offices of each of the Paying and Transfer Agents during normal business hours. The Issuer's charter may be viewed on the Issuer's website (*https://www.ocpgroup.ma/Capital-Market-Documentation*). The Issuer's charter, the Financial Statements, the Agency Agreement in respect of each Series and this Prospectus and any supplements thereto may be viewed on the Issuer's website (*https://www.ocpgroup.ma/en/investors*).

In addition, the Prospectus is available, in electronic format, on the website of Euronext Dublin (https://live.euronext.com/).

9. Auditors

The Financial Statements have been prepared in accordance with IFRS and have been audited by EY and Deloitte Audit, who issued an unqualified opinion on such financial statements of the Group for each of these years, which is included in this Prospectus. The address of EY is 37, Bd Abdellatif Benkaddour, 20050 Casablanca, Morocco and are members of the *Ordre des experts comptables du Maroc* and registered auditors qualified to practise in Morocco. The address of Deloitte Audit is 2 Bd Sidi Mohammed Benabdellah, Bâtiment C, Tour Ivoire 3, 3ème étage, La Marina, Casablanca, Morocco and are members of the *Ordre des experts comptables du Maroc* and registered auditors qualified to practise in Morocco.

10. Joint Lead Managers Transacting with the Issuer

The Joint Lead Managers may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Joint Lead Managers of their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Save for any fees payable to the Joint Lead Managers pursuant to the Subscription Agreement as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the issue or the Notes has an interest material to the issue.

11. Temporary Representative of the Noteholders

The SA Law provides that the Noteholders are automatically grouped in a Masse endowed with legal personality for the defence of their common interests.

Pending the General Assembly which will appoint the initial Representative, the Board of Directors of the Issuer has appointed Mr. Mohamed Hdid as a temporary representative of the Noteholders (*mandataire provisoire*), in accordance with article 300 of the SA Law. The SA Law prohibits directors or officers of an issuer and any person providing services to the issuer from serving as a representative of Noteholders.

12. Subscription

Article 298 of the SA Law provides that the issue of the notes shall be fully subscribed otherwise the subscription will be considered as void.

13. Legal Entity Identifier

The legal entity identifier (LEI) code of the Issuer is 213800D26TAPVTCVWG40.

14. Foreign Text

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law

APPENDIX I—GLOSSARY OF FREQUENTLY USED DEFINED TERMS

2011 Constitution	The constitution of Morocco approved by a vote of the Moroccan people in a referendum on 1 July 2011.
AfDB..	African Development Bank.
AMMC	*Autorité marocaine du marché des capitaux.*
BCP...	Banque Centrale Populaire S.A.
CAGR...	Compound annual growth rate.
CAP	The EU's Common Agriculture Policy.
Central Bank of Morocco	*Bank Al-Maghrib*, the Moroccan Central Bank.
Conditions..	The terms and conditions of the Notes.
Dh or **Dirham**...	The Moroccan Dirham, the lawful currency of the Kingdom of Morocco.
EMAPHOS	Euro-Maroc Phosphore, a joint venture among the Issuer, Prayon and Chemische Fabrik Bundenheim for the production of purified phosphoric acid. The Issuer owns 50% of the share capital of EMAPHOS (of which directly 33.33% and the remaining interest indirectly through Prayon).
EU	European Union.
EUR, **Euros** or **€**...	The currency of the participating member states in the third stage of the Economic and Monetary Union of the Treaty establishing the European community.
Financial Statements.....................................	The Group's audited consolidated financial statements as at and for each of the years ended 31 December 2023, 2022 and 2021 (together with the accompanying notes thereto).
GDP	Gross domestic product.
Government	The Government of the Kingdom of Morocco.
Group	The Issuer together with its consolidated subsidiaries and joint ventures.
IFA..	The International Fertiliser Industry Association.
IFAC...	International Federation of Accountants.

IFRS	The International Financial Reporting Standards as promulgated by the International Accounting Standards Board as adopted by the European Union.
IMACID	Indo Maroc Phosphore, a joint venture among the Issuer, Chambal Fertiliser-Ind and Tata Chemicals Ltd-Inde for the production of phosphoric acid. The Issuer owns 33.33% of the share capital of IMACID.
Issuer	OCP S.A.
JFC V	Jorf Fertiliser Company V (originally Bunge Maroc Phosphore, a 50/50 joint venture with the Bunge group), a 60% owned subsidiary of the Issuer, producing phosphoric acid, MAP, DAP and TSP at Jorf Lasfar.
Joint Lead Managers	BNP Paribas, Citigroup Global Markets Limited and J.P. Morgan Securities plc.
Morocco	The Kingdom of Morocco.
Notes	The Notes of the Issuer offered pursuant to this Prospectus.
OCP	The Issuer.
OCP Law	Law No 46-07 promulgated on 26 February 2008, pursuant to which the Issuer became a *société anonyme*.
ONCF	*Office National des Chemins de Fer*, the Moroccan state-owned railway company.
PMP	Pakistan Maroc Phosphore, a 50/50 joint venture between the Issuer and the Fauji group for the production of phosphoric acid.
PPL	Paradeep Phosphates Limited, a joint venture in which the Issuer indirectly owns 28.05% through ZPML, which produces DAP and NPK fertilisers in India using phosphate rock and phosphoric acid produced by the Group.
Prayon	Prayon S.A., a 50/50 joint venture among the Issuer and *Société Régionale d'Investissement de Wallonie—Belgique* and *Société Prayon technologie* for the production of fertilisers, phosphoric acid and other chemical products, which is located in Belgium.

R&D	Research and development.
S&P..	S&P Global Rating Europe Limited.
SA Law..	Law No 17-95 of 30 August 1996 relating to *sociétés anonymes*, as amended from time to time.
SADV...	*Société d'Aménagement et de Développement Vert*.
Securities Act..	The U.S. Securities Act of 1933, as amended.
Stabilisation Manager....................................	J.P. Morgan Securities plc.
U.S.$ or **U.S. Dollar**	The lawful currency of the United States of America.
USGS	U.S. Geological Survey.
WTO..	The World Trade Organisation.
ZMPPL..	Zauri Maroc Phosphates Limited, a 50/50 joint venture between the Issuer and ZACL (Zuari Agro Chemicals Limited)).

APPENDIX II—GLOSSARY OF MEASUREMENT AND TECHNICAL TERMS

Certain Abbreviations and Related Terms

km	kilometre
km^2	square km
m	metre
mm	millimetres

Certain Terminology

ASP	Ammonium sulphate phosphate, a fertiliser used primarily in alkaline soils.
beneficiation	The treatment of raw material to improve physical or chemical properties prior to processing.
BPL	Bone Phosphate of Lime, reference to the amount (by percentage of weight) of calcium phosphate contained in phosphate rock or phosphate ore. A higher BPL corresponds to a higher percentage of calcium phosphate.
Btu	British thermal unit.
CFR	Cost and Freight (named port). The Group regularly enters into CFR contracts with customers.
COA	Contract of affreightment. The Group makes certain sales on COA terms.
DAP	Diammonium phosphate, a type of multi-nutrient fertiliser containing 18% nitrogen and 46% P_2O_5. Production of DAP is based on the neutralisation of phosphoric acid with ammonia and subsequent drying and granulating.
DCP	Di-calcium Phosphate, phosphate and calcium-based animal feed supplements used to manufacture mixed feed for farm animals.
FOB	Free on Board (named loading port). The Group regularly enters into FOB contracts with customers.
MAP	Monoammonium phosphate, a type of multi-nutrient fertiliser containing 11% nitrogen and 46% P_2O_5. Production of MAP is based on the neutralisation of phosphoric acid with ammonia and subsequent drying and granulating.

MDCP.. Mono Di-calcium Phosphate, Feed phosphates strengthen bones and accelerate farm animal growth.

NPK.. Nitrogen-phosphorus-potassium, a type of multi-nutrient fertiliser containing nitrogen, phosphorus and potassium. Production of NPK is based on the neutralisation of phosphoric acid with ammonia, potassium chloride is then added to the finished product.

NPS... A fertiliser comprised of phosphoric acid mixed with ammonia and sulphuric acid developed by the Group.

phosphoric acid .... H_3PO_4.

purified phosphoric acid.......................... Phosphoric acid that has been purified so as to be of food-grade for human consumption.

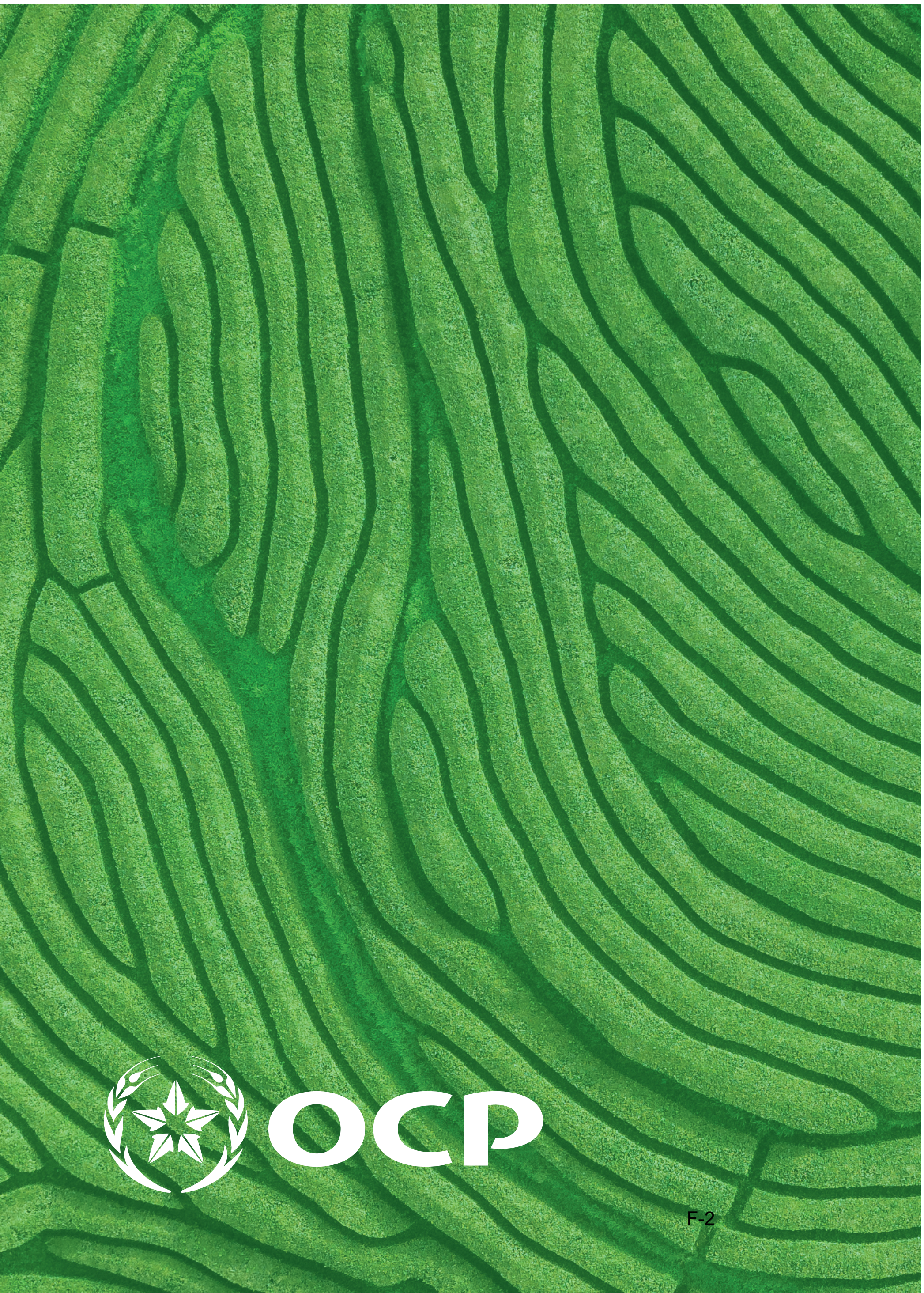
Teractiv© .... A fertiliser comprised of phosphate rock and gypsum developed by the Group.

TSP .... Triple superphosphate, a type of fertiliser produced through the decomposition of phosphate rock using phosphoric acid, which results in a fertiliser with a double concentrate of phosphate.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2023



www.ocpgroup.ma

Contents

Key figures

(In millions of dirhams)	Note	FY 2023	FY 2022
Revenue	4.1.1.2	**91,277**	**114,574**
Profit (loss) from joint ventures	6.2	774	1,887
EBITDA		**29,396**	**50,076**
Operating profit (loss) before exceptional items		21,002	41,640
Cost of net financial debt	10.1.5	(2,615)	(2,286)
Net profit (loss) - Group share		**14,369**	**28,185**
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)
Basic and diluted earnings per share (in dirhams)	12.3	**169.53**	**338.41**
Dividend per share (in dirhams)	12.2	**112.23**	**98.50**

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 1st, 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

(In millions of dirhams)	Note	FY 2023	FY 2022
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
EBITDA		**29 396**	**50 076**
Amortization, depreciation and operating provisions	8.4 - 9.2	(8 394)	(8 435)
Operating profit (loss) before exceptional items		**21 002**	**41 640**
Other non-recurring operating income and expenses	7.2	(2 135)	(1 258)
Operating profit (loss)		**18 866**	**40 382**
Cost of gross financial debt		(3 141)	(2 508)
Financial income from cash investments		526	222
Cost of net financial debt	10.1.5	**(2 615)**	**(2 286)**
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)
Financial profit (loss)		**(2 465)**	**(6 026)**
Profit (loss) before tax		**16 401**	**34 356**
Corporate Income Tax	11.2 - 11.3	(2 105)	(6 122)
Net profit (loss) for the period		**14 296**	**28 233**
Net profit (loss) - Group share		14 369	28 185
Net profit (loss) - Non-controlling interests		(72)	49
Basic and diluted earnings per share in dirhams	12.3	**169,53**	**338,41**

Consolidated Statement of Comprehensive Income

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

(*) 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*
ASSETS			
Current assets			
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
Total current assets		**80,940**	**83,652**
Non-current assets			
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
Total non-current assets		**168,998**	**142,359**
Total Assets		**249,937**	**226,012**

(In millions of dirhams)	Note	31 December 2023	31 December 2022
LIABILITIES			
Current liabilities			
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
Total current liabilities		**60,205**	**47,982**
Non-current liabilities			
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
Total non-current liabilities		**69,801**	**66,880**
Equity - Group share			
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
Equity - Group share		**117,051**	**108,052**
Non-controlling interests		2,879	3,098
Total equity		**119,930**	**111,150**
Total liabilities and equity		**249,937**	**226,012**

Consolidated Statement of Changes in Equity

(In millions of dirhams)	*Issued capital*	*Paid-in capital*	*Actuarial gains or losses* (1)	*hybrid securitie* (2)	*Other consolidated reserves*
Equity as at 1st January 2022	**8,288**	**18,698**	**(3,926)**	**8,272**	**39,005**
Allocation of profit (loss) for FY 2021					16,326
Consolidated comprehensive income for FY 2022			**(32)**		
Subordinated debt's coupons				(385)	
Change in scope					2,192
Dividends paid					(8,091)
Others					556
Equity as at 31 December 2022	**8,288**	**18,698**	**(3,959)**	**7,886**	**49,988**
Allocation of profit (loss) for FY 2022					28,185
Consolidated comprehensive income for FY 2023			**(214)**		
Subordinated debt				5,000	
Subordinated debt's coupons				(442)	
Change in scope					
Dividends paid					(9,219)
Others(5)					(598)
Equity as at 31 December 2023	**8,288**	**18,698**	**(4,173)**	**12,444**	**68,355**

(1) Defined benefit plans are subject to a provision, determined on the basis of an actuarial valuation of the commitment using the projected unit credit method 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.

(2) 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.

Translation difference	Financial assets at fair value by OCI (3)	Share of gains and losses recognized in equity (CFH variation) (4)	Net profit (loss)	Total equity - Group share	Non-controlling interests	Total equity
(426)	**(521)**	**484**	**16,326**	**86,200**	**2,654**	**88,854**
			(16,326)			
405		**(978)**	**28,185**	**27,580**	**49**	**27,629**
				(385)		(385)
				2,192	565	2,757
				(8,091)	(170)	(8,261)
				556		556
(21)	**(521)**	**(493)**	**28,185**	**108,052**	**3,098**	**111,150**
			(28,185)			
(361)		**465**	**14,369**	**14,259**	**(72)**	**14,187**
				5,000		5,000
				(442)		(442)
					51	51
				(9,219)	(198)	(9,417)
				(598)		(598)
(381)	**(521)**	**(29)**	**14,369**	**117,051**	**2,880**	**119,930**

(3) It represents the depreciation of the Group's investment in Heringer.

(4) 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).

(5) 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

(In millions of dirhams)	*Note*	*FY 2023*	*FY 2022*
EBITDA		**29,396**	**50,076**
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 [(1)]		(4,754)	(2,133)
Funds from operations		**22,987**	**45,470**
Impact of the change in WRC		**1,784**	**(13,596)**
Inventories		*9,057*	*(11,030)*
Trade receivables		*(3,480)*	*(2,183)*
Trade payables		*1,389*	*(846)*
Other current assets and liabilities		*(5,183)*	*462*
Taxes paid		(6,421)	(4,637)
Total net cash flows related to operating activities		**18,350**	**27,244**
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 [(2)]	8.3	(1,447)	(51)
Acquisitions of financial assets	10.2.2	(765)	(285)
Disposal of financial assets			3,025
Dividends received		343	380
Total net cash flows related to investing activities		**(28,424)**	**(14,849)**
Loan issue	10.1.2.4	18,689	12,848
Loan repayement		(6,623)	(3,640)
Variation TSDI [(3)]		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)
Total net cash flows related to financing activities		**4,221**	**(1,968)**
Impact of changes in exchange rates on cash and cash equivalents		(60)	126
Net increase/(decrease) in cash and cash equivalents		**(5,912)**	**10,554**
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
Change in net cash		**(5,912)**	**10,554**

(1) 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.

(2) Including the acquisition of 49% of SAEDM's hares to reach a 100% stake for a price of 1.6 billion dirhams.

(3) 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 1st April 2012, the consolidated financial statements of OCP Group are prepared in accordance with the standards and interpretations drawn up by the International Accounting Standards Board (IASB) and the IFRS Interpretation Committee respectively, and adopted by the European Union. The reporting currency for the consolidated financial statements is the Moroccan dirham.

The consolidated 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 1ST 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**
Phosboucraâ	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 - SEEFCO*	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 Phosboucraâ	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 Benguérir*	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-SEEFCO, 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 Benguérir 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 Benguérir. 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 Benguérir.

- 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 Benguérir – Safi) and Phosboucraâ:** this axis hosts:

- The integrated phosphate chemical processing hub. The phosphate extracted at Youssoufia and Benguérir is transported by rail to Safi, where it is processed into phosphoric acid and fertilizer. The finished products are exported from 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 3rd S-Curve, OCP is changing its Operating model towards a multi-business Group, made up of performance units that are coherent in terms of strategy and end-to-end responsible for their P&L (i.e. Strategic Business Units / Business Units), as well as a reinvented Corporate function at their service.

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)	*Nortern axis*		*Central axis & Phosboucraa*		*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 recevables and payables	(53)	259	(34)	73	(609)	679			(697)	1,010
Other operating income and expenses	(81)	206			224	788	145	(523)	287	471
EBITDA	**28,469**	**42,562**	**6,009**	**9,964**	**(5,083)**	**(2,449)**			**29,396**	**50,075**
Amortization, depreciation and operating provisions	(4,536)	(4,773)	(859)	(874)	(2,999)	(2,789)			(8,394)	(8,435)
Current operating profit (loss)	**23,933**	**37,789**	**5,150**	**9,090**	**(8,082)**	**(5,238)**			**21 002**	**41,641**
Other non-curent operating income and expenses	(406)	(299)	(170)	(365)	(1,559)	(594)			(2,136)	(1,258)
Operating profit (loss)	**23,527**	**37,490**	**4,980**	**8,725**	**(9,641)**	**(5,833)**			**18,866**	**40,382**

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.

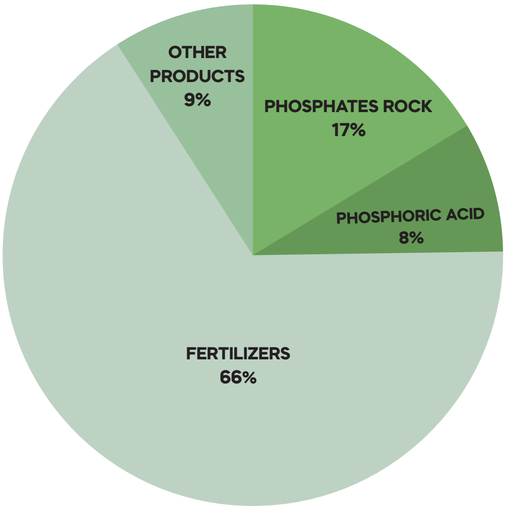
The Group's EBITDA amounted to MAD 29.4 billion, registering a decrease of 41% compared to 2022, impacted by less favorable market conditions in 2023.

3.2. REVENUE BY PRODUCT AND BY GEOGRAPHICAL AREA

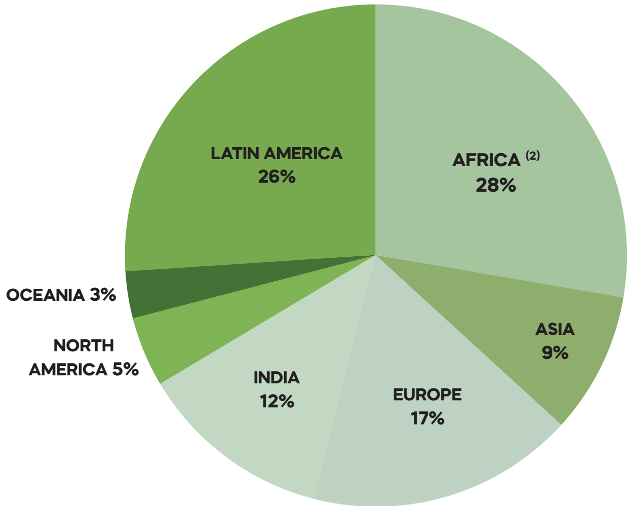
In 2023, the revenue from ordinary activities amounted to MAD 91.277 million, representing a decrease of 20.2% compared to 2022. It is also worth noting that 95% of the consolidated assets are located in Morocco.

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

REVENUE BY PRODUCT



REVENUE BY GEOGRAPHICAL AREA [1]



[1] Revenue Phosphates, Phosphoric acid and fertilizer.
[2] 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
Revenue	**91,277**	**114,574**

(In millions of dirhams)	Phosphates		Phosphoric Acid		Fertilizers	
Main markewwts	*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
Total	**15,241**	**18,492**	**7,312**	**12,272**	**60,441**	**73,851**

(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*
Revenue	**18,432**	**29,909**	**7,312**	**12,272**	**76,923**	**88,130**
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
Eliminations	**3,191**	**11,416**			**16,482**	**14,279**
Total	**15,241**	**18,492**	**7,312**	**12,272**	**60,441**	**73,851**

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)
Net trade receivables	**18,718**	**15,481**

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 1st January 2023*	*Net dotations*	*Currency effect and other changes*	*Depreciation at 31 December 2023*
2023	1,687	(40)	(8)	1,638
2022	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*	
Net trade receivables	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 2023 amounted to MAD 91.3 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*
Purchases of materials and supplies	**(3,636)**	**(2,815)**
Purchases of raw materials	**(21,918)**	**(44,191)**
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)*
Energy comsumption	**(2,831)**	**(2,947)**
Electric energy	*(1,303)*	*(1,200)*
Fuel	*(892)*	*(966)*
Diesel	*(532)*	*(656)*
Heating gas	*(87)*	*(105)*
Gasoline	*(12)*	*(13)*
Steam and others	*(5)*	*(7)*
Spare parts	**(811)**	**(795)**
Purchases of works, studies and services	**(2,654)**	**(2,141)**
Water supply	**(83)**	**(145)**
Auxiliary materials and othe purchases	**(1,816)**	**(1,561)**
Purchased consumables of materials and supplies	**(33,750)**	**(54,596)**

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 ans 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 personal outside the company	(365)	(233)
Other external expenses	(884)	(481)
External expenses	**(9,671)**	**(11,754)**

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
Total Inventories	**20,153**	**(1,881)**	**18,272**	**28,044**	**(2,054)**	**25,990**

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.

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

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

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)
Personnel expenses	**(11,518)**	**(11,615)**

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-excecutives	6,344	4,816
Technicians, Supervisors and Administrative executives	8,707	7,650
Manual workers and Clerical staff	6,119	8,121
Number of employees	**21,170**	**20,587**

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 2022.
- 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*
Discount rate		
Pension supplement	5.10%	3.99%
Medical plans	4.91%	3.92%
Expected salary increase rate	**5.10%**	**5.10%**
Rate of increase in medical costs	**2.00%**	**2.00%**

The discount rates are determined by reference to market yields on bonds issued by the Moroccan State, to which is added a basic risk premium to estimate the market yields on high quality corporate bonds over equivalent durations to those of the plans.

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

Moreover, regarding the outsourcing of health insurance plan to the AMO, OCP had fixed 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*		
Net obligations recognized at 31 December 2021	**615**	**4,255**	**989**	**5,858**	**103**	**5,964**
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
Net obligations recognized at 31 December 2022	**560**	**3,958**	**546**	**5,064**	**102**	**5,169**
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)
Net obligations recognized at 31 December 2023	**472**	**3,967**		**4,439**	**102**	**4,544**

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*
Discount rate Impact on the current value of gross obligations at 31 December	-14%	-9%	-15%	-11%
Rate of change in medical costs 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*
Discount rate Impact on the current value of gross obligations at 31 December	17%	12%	19%	14%
Rate of change in medical costs 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
Total management compensation	**169**	**176**

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
Participations in joint ventures	**7,545**	**7,076**

(*) 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
Profit (Loss) from joint ventures	**774**	**1,887**

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

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

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

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

Statement of Financial Position

(In millions of dirhams)	*PRAYON*	*EMAPHOS*	*IMACID*	*PMP*	*PPL*	*Others*
ASSETS						
Current assets						
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
Total current assets	**4,165**	**1,836**	**3,273**	**3,813**	**3,892**	**7,022**
Non-current assets						
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
Total non-current assets	**776**	**1,819**	**518**	**515**	**1,843**	**4,112**
TOTAL ASSETS	**4,942**	**3,655**	**3,791**	**4,329**	**5,735**	**11,134**

(In millions of dirhams)	PRAYON	EMAPHOS	IMACID	PMP	PPL	Others
LIABILITIES						
Current liabilities						
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
Total current liabilities	**(779)**	**1,088**	**1,787**	**2,098**	**3,763**	**6,386**
Non-current liabilities						
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)					
Total non-current liabilities	**(195)**	**891**	**2**	**3**	**29**	**5**
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
Total equity	**5,916**	**1,676**	**2,002**	**2,227**	**1,942**	**4,743**
TOTAL LIABILITIES AND EQUITY	**4,942**	**3,655**	**3,791**	**4,329**	**5,735**	**11,134**

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
EBITDA	**1,830**	**251**	**385**	**98**	**858**	**689**
Amortization, depreciation and operating provisions	(407)	(64)	(49)	(36)	(249)	(36)
Operating profit (loss) before exceptional items	**1,423**	**187**	**336**	**62**	**608**	**653**
Other non-current operating income and expenses		(41)	(32)	(41)		(116)
Operating profit (loss)	**1,423**	**146**	**304**	**21**	**608**	**536**
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
Financial profit (loss)	**(138)**	**(21)**	**52**	**29**	**(430)**	**14**
Profit (loss) before tax	**1,285**	**125**	**356**	**51**	**178**	**551**
Corporate tax	(218)	(38)	(98)	(30)	(70)	(287)
Net profit (loss) for the period	**1,067**	**87**	**258**	**21**	**108**	**264**

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
Other non-current operating income and expenses	**(2,135)**	**(1,258)**

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
Total other current assets	**31,342**	**(48)**	**31,294**	**23,187**	**(71)**	**23,116**

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
Total	**10,645**	**2,910**	**3,563**	**98**	**4,073**

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
Total other current liabilities	**10,644**	**16,953**

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:

Property, plant and equipment	*Duration*
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, fitings	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.

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*
Gross amount:							
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
Total gross amount	**215,049**	**29,305**		**(538)**	**(13)**	**503**	**244,305**
Depreciations:							
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)
Impairment losses							
Land	(123)		(47)				(169)
Buildings	(2)						(2)
Total depreciation and impairment losses	**(85,501)**		**(7,370)**	**640**	**4**	**(194)**	**(92,421)**
Net carrying amount	**129,547**	**29,305**	**(7,370)**	**102**	**(9)**	**309**	**151,884**

(In millions of dirhams)	*31 December 2021*	*Aquisitions*	*Provisions*	*Reductions / Reversals*	*Translation difference*	*Other changes*	*31 December 2022*
Gross amount:							
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
Total gross amount	**195,982**	**19,666**		**(1,358)**	**35**	**723**	**215,049**
Depreciations:							
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)
Impairment losses							
Land	(133)			11			(123)
Buildings	(2)						(2)
Total depreciation and impairment losses	**(79,045)**		**(7,498)**	**1,204**	**(7)**	**(163)**	**(85,501)**
Net carrying amount	**116,938**	**19,666**	**(7,498)**	**(154)**	**29**	**560**	**129,547**

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 Benguérir 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 Fquih 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*
Gross amount:							
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
Total gross amount	**6,666**	**771**		**(65)**	**(347)**	**2,728**	**9,753**
Amortization:							
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)
Amortizaiton of other intangible assets	(1,064)		(336)	60			(1,340)
Impairment losses							
Goodwill depreciation	(296)						(296)
Total amortization and impairment losses	**(2,134)**		**(493)**	**68**	**3**	**(1)**	**(2,557)**
Net carrying amount	**4,532**	**771**	**(493)**	**3**	**(344)**	**2,727**	**7,197**

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.

(In millions of dirhams)	31 December 2021	Aquisitions	Dotations	Decreases / Reversals	Reclassification	Other variations	31 December 2022
Gross amount:							
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
Total gross amount	**5,858**	**884**		**(17)**	**(65)**	**5**	**6,666**
Amortization:							
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)
Amortizaiton of other intangible assets	(823)		(243)		1		(1,064)
Impairment losses							
Goodwill depreciation			(296)				(296)
Total amortization and impairment losses	**(1,473)**		**(656)**			**(4)**	**(2,134)**
Net carrying amount	**4,385**	**884**	**(656)**	**(17)**	**(65)**	**2**	**4,532**

8.4. NET DEPRECIATION AND AMORTIZATION

(In millions of dirhams)	FY 2023	FY 2022
Net depreciation and amortization	**(7,519)**	**(8,111)**

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
Net provisions	**(875)**	**(324)**

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		Other changes	31 December 2023
			Used	Unused		
Non-current provisions	**6,400**	**757**	**(116)**		**(593)**	**6,448**
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
Current provisions	**587**	**356**	**(38)**		**6**	**919**
Other current provisions	587	356	(38)		6	919
Total provisions	**6,987**	**1 112**	**(154)**		**(586)**	**7,366**

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 N2O 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

(In millions of dirhams)	*31 December 2023*	*31 December 2022*
Letters of credit	551	1,232
Miscellaneous rights and commitments	624	614
Total Commitments given	**1,175**	**1,846**

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*
Current financial debts		
Bank loans	12,000	9,897
Finance leases	242	240
Bond issue	7,463	
Total current financial debts	**19,706**	**10,136**
Non-current financial debts		
Bank loans	34,099	23,558
Bond issue	25,893	34,928
Finance leases	1,242	1,389
Total non-current financial debts	**61,234**	**59,875**
Total financial debts	**80,940**	**70,011**

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*
Bank loans				**12,000**
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
Accured interest not yet due				412
Other credits				5,544
Finance lease debts				
Denominated in MAD	3,80%	3,80%		242
Bond issue				**7,463**
Denominated in USD	[3,75%-6,88%]	5,63%		7,252
Accured interest not yet due				212
Total current financial debts				**19,706**
Bank loans, portion due in more than one year				**34,099**
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
Finance lease debts				
Denominated in MAD	3,80%	3,80%	3	1,242
Bond issue				**25,893**
Denominated in USD	[3,75%-6,88%]	5,14%	13	25,893
Total non-current financial debts				**61,234**
Total financial debts				**80,940**

10.1.2.3 FINANCIAL DEBT MATURITIES

The table below shows the maturities of financial debts as at 31 December 2023:

(In millions of dirhams)	*<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
Total financial debts	**19,705**	**34,947**	**26,287**	**80,940**

10.1.3 ANALYSE DES ACTIFS FINANCIERS

10.1.3.1 CASH AND CASH EQUIVALENT

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

10.1.3.2 CASH MANAGEMENT FINANCIAL ASSETS

(In millions of dirhams)	*31 December 2023*	*31 December 2022*
Cash financial assets	11	509
Total	**11**	**509**

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.

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

10.1.4 ANALYSIS OF NET DEBT

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

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

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

10.1.5 COST OF NET DEBT

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

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

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 December2022*		
	Gross	*Revaluation*	*Net*	*Gross*	*Revaluation*	*Net*
Financial assets at fair value by OCI	1,889	(583)	1,306	1,060	(604)	457
Financial assetsat 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
Total non-current financial assets	**2,909**	**(588)**	**2,321**	**1,687**	**(609)**	**1,078**

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
Other financial income and expenses	**150**	**(3,740)**

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 MAD664 million corresponds to the recognition, during 2023, of an additional net provision of MAD63 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*				
Balance sheet captions and instrument classes	*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
Total financial assets	**13,979**	**13,979**	**12,644**	**11**	**1,324**	**19,540**	**19,540**	**18,556**	**509**	**474**
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	
Total financial liabilities	**80,940**	**82,130**	**26,477**	**55,653**		**70,011**	**64,819**	**30,462**	**34,358**	

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 5.3 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

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

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 1st, 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

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

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
Consolidated accounting income before tax	**15,627**	**32,468**
+/- Permanent differences	1,755	1,096
= Consolidated taxable income	**17,383**	**33,564**
Theorical tax rate	35.00%	35.00%
=Theoretical tax	**(6,084)**	**(11,747)**
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)
= Corporate income tax	**(2,105)**	**(6,122)**
including		
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				
Net deferred tax assets	**125**	**(73)**		**52**
Deferred tax liabilities	**590**	**1,454**	**66**	**2,110**

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

(In millions of dirhams)	*31 December 2023*	*31 December 2022*
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)
Total deferred tax assets	**52**	**125**

(In millions of Dirhams)	*31 December 2023*	*31 December 2022*
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)
Total deferred tax liabilities	**2,110**	**590**

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.

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

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.

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

12.3. EARNINGS PER SHARE

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

	FY 2023	*FY 2022*
Net profit, Group share (in millions of dirhams)*	**13,926**	**27,799**
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
Number of shares used for the calculation of income	**82,145,700**	**82,145,700**
Basic and diluted net earnings per share (in dirhams)	**169.53**	**338.41**

(*) 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 :

(In millions of dirhams)	*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	

(In millions of dirhams)	*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

This is a free translation into English of the statutory audit report issued in French and it is provided solely for the convenience of English-speaking users.

OCP S.A.

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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To the Shareholders of
OCP S.A.
2, Rue Al Abtal - Hay Erraha - Immeuble OCP
Casablanca

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2023

We have audited the consolidated financial statements of OCP S.A. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information. These consolidated financial statements show an amount of consolidated shareholders' equity of MMAD 119,930 including a consolidated net profit of MMAD 14,296.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Code of Ethics for Accountants' (including international standards of independence) published by *the International Ethics Standards Board for Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, established under the conditions referred above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our audit response :
Valuation of tangible and intangible assets: *(Refer to note 8.1 «Accounting treatment of assets», 8.2 «Property, Plant & Equipment variation» and 8.3 «Intangible assets variation»)* As of December 31, 2023, the net book value of the Property, Plant & Equipment and intangible assets amounts respectively to MMAD 151.884 and MMAD 7.197 (64% of total assets). Tangible and intangible assets are recognized at their historical acquisition cost, production cost or entry cost to the Group, less depreciation and possible loss of value. This cost includes the borrowing costs incurred during the construction of these assets. Tangible and intangible assets are depreciated according to the methods defined in the notes. Their useful life is reviewed at each closing so that it reflects the expected useful lives. The Group performs impairment tests: - on tangible assets with a finite useful life when there are indications of impairment as defined in the notes. - at least once a year for intangible assets with an indefinite useful life. These assets are tested at the cash generating units (CGUs), as defined by the Group, based on the discounted future cash flows. We considered that the valuation of tangible fixed assets is a key audit matter due to: - The weight of these assets in the Group's accounts, the continuation by the Group of its investment program; - The significant impact of the effective capitalization dates on the depreciation of the period and on the net value of the asset; - the fact that the valuation of these assets requires management to exercise judgment and use estimates in: ▪ The definition of the useful lives used by components; ▪ The determination of discounted future cash flows, discount rates and long-term growth rate used for impairment tests.	The work that we carried out mainly consisted in: ▪ Gaining an understanding of the internal control procedures relating to the accounting of tangible and intangible assets, the capitalization of investments and the commissioning of tangible and intangible assets, the estimation of the useful life of depreciable assets as well as their valuation and their depreciation; ▪ Testing the effectiveness of the key controls relating to these procedures, in particular those relating to the capitalization of tangible and intangible assets, to the duration and to the starting date of their depreciation; ▪ Also, on the basis of sampling, we carried out a review of the effective dates of commissioning of tangible and intangible assets and their depreciation periods by consulting the available documentation and by interviewing project managers; ▪ We carried out a critical examination of the possible existence of impairment indicators as of December 31, 2023 through the analysis of production, industrial and commercial performance indicators versus production capacities, budgets, and historical performances. ▪ For assets / CGUs showing indicators of impairment, we examined the impairment tests performed by the Group during the financial year, through the analysis of the documentation relating to the determination of the recoverable value, and the assessment of the consistency of the cash flow projections established by the Management and of the assumptions retained in relation to historical performance and market prospects. We have also performed our own sensitivity calculations to corroborate the analyses performed by Management.
Exchange rate hedge accounting *(Refer to note 4.1.3 «Management of exchange risk and credit risks»)* As part of its activities, the Group realizes the majority of its sales in dollars and has issued two bonds in dollars respectively in April 2014 and April 2015, redeemable at maturity for respectively 1.25 billion dollars and 1 billion dollars. At each closing, these debts used to generate an exchange rate effect in income under IAS 21. In order to limit this impact, the Group put in place starting from September 1st 2018, a cash flow hedge (CFH) between the highly probable future	The work that we carried out mainly consisted in: ▪ Performing a critical examination of the hedging relationship documentation prepared by the Group with regard to the requirements of IAS 39. ▪ Examining in particular : - The eligibility to hedge accounting for future sales as a hedged item in accordance with IAS 39, and in

sales in dollars (hedged item) and the two bonds issues in dollars (hedging instrument). The hedged item corresponds to the amounts of future sales which would be made respectively from April 2024 and October 2025, dates on which the bond debts mature. Under this hedge accounting, a prospective test is performed by the Group at each closing in order to control the highly probable nature of future sales designated as hedged item, as well as a prospective effectiveness test in accordance with the requirements of IAS 39. This hedging strategy, in application of the principles of IAS 39, results in: ▪ The recognition in OCI (*Other Comprehensive Income*), for the effective part, of the exchange effect on the debt until maturity ▪ The recognition in the P&L for the ineffective part ▪ The recycling in the P&L of OCI accumulated at the maturity of the debt. We considered this topic as a key audit matter given the significant impacts of changes in exchange rates on the Group's earnings and equity.	particular their highly probable nature in view of historical achievements and budgets; - The existence of the debts and their validity as a hedging instrument for currency risk in accordance with IAS 39. ▪ Analysing the effectiveness tests of the hedging relationship. ▪ Examining the accounting impacts of this hedge accounting on the financial statements for the effective part and for the ineffective part.
Provision for employee benefits *(Refer to note 5.3.1 «General presentation of schemes existing within the Group and accounting treatment»)* The Group has several post-employment benefit plans with defined contributions and benefits. These plans include in particular: death benefit and post-employment medical coverage. The actuarial value of the accumulated employee benefits related to these commitments amount to MMAD 4.440 as of December 31, 2023. Defined benefit plans are subject to an actuarial valuation of the commitment using the projected unit credit method, taking into account demographic and financial assumptions and which actuarial assumptions are reviewed on an annual basis. Differences related to changes in actuarial assumptions and adjustments related to experience constitute actuarial differences recognized in non-recyclable equity in accordance with IAS 19 revised. The assessment of the liabilities of the commitments for employee benefits as well as the actuarial charge for the financial year requires judgment to determine the appropriate assumptions to be retained such as the discount and inflation rates, the projected date of changeover to AMO (Assurance Maladie Obligatoire : Compulsory Health Insurance), the rate of change in medical costs, future salary increases, mortality tables ... It should be noted that OCP Group has planned the changeover from the health insurance plan to AMO in 2026.	We gained an understanding of the process for evaluating commitments for post-employment benefits applied by the Group. With the assistance of our actuarial experts, our work included: ▪ Examining the main assumptions used, in particular the discount and inflation rates in light of market conditions; ▪ Assessing the consistency of the assumptions relating in particular to salary developments and demographic data (mortality tables, inflation rate of medical costs) with the specific features of the plans and those of the entity; ▪ Examining the calculations prepared by the Group, in particular those supporting the sensitivity of the liability to changes in the discount rate and to changes in the rate of change in medical costs; ▪ Analyzing the hypothesis relating to the changeover from the health insurance plan to AMO in 2026, with regards to the evolution of regulatory texts; ▪ Examining, on the basis of samplings, the correct transcription in the calculation of commitments made by the Group of individual data and actuarial and demographic assumptions adopted by Management; ▪ Examining the consistency of the sensitivity analysis presented in particular in the notes to the consolidated financial statements.

The variation of some of these assumptions could have a significant impact on the determination of the recognized liability as well as on the Group's result. Therefore, we considered the evaluation of the provision for employee benefits as a key audit matter.	

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control ;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Casablanca, March 26, 2024

The independent auditors

ERNST & YOUNG	**DELOITTE AUDIT**
French original signed by	French original signed by
Abdeslam BERRADA ALLAM **Partner**	**Sakina BENSOUDA KORACHI** **Partner**

CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2022

Contents

Key figures

(In millions of dirhams)	Note	FY 2022	FY 2021
Revenue	4.1.1.2	**114,574**	**84,300**
Profit (loss) from joint ventures	6.1	1,887	1,185
EBITDA		**50,076**	**36,269**
Operating profit (loss) before exceptional items		41,640	27,254
Cost of net financial debt	10.1.5	(2,286)	(2,223)
Net profit (loss) - Group share		**28,185**	**16,326**
Consolidated equity - Group share		108,052	86,200
Net financial debt		50,945	45,076
Net operating investments		(20,011)	(13,135)
Basic and diluted earnings per share (in dirhams)	12.4	**338.41**	**193.96**
Dividend per share (in dirhams)	12.2	**98.50**	**61.85**

Significant events of the period

- **Acquisition from Koch Ag & Energy Solutions of a 50% stake in Jorf Fertilizers Company III**

  In June 2022, OCP Group and Koch Ag & Energy Solutions (KAES), a global provider of value-added solutions for the agriculture, energy and chemical markets, finalized the acquisition by KAES, through a subsidiary, of a 50 % stake in the capital of Jorf Fertilizers Company III (JFC III) from OCP, thus creating a joint venture equally owned by the two companies. The joint venture born from this acquisition will rely on the customer network and logistic capacities of OCP Group and KAES in order to strengthen and enrich the phosphate fertilizers offer in the world.

  In parallel to the transfer contract, commercial contracts have been signed between the two parties whereby OCP S.A. will have the highest exposure to the variable returns of the JFC 3 activity.

  Thus, in accordance with the provisions of IFRS 10, this entity remains under the control of OCP S.A. Additionally, the transfer contract includes liability guarantee clauses committed to KAES.

  In this regard, OCP does not anticipate any significant impact on its accounts as of December 31, 2022.

- **Impact of the war in the Ukraine region on OCP Group**

  In the current context of the conflict between Russia and Ukraine, the ammonia market has experienced a challenging period that resulted in the cessation of Russian and Ukrainian exports from the Black Sea ports. This has deprived the global trade of over 15 % of its supply.

  However, OCP Group responded promptly when Russian exports were interrupted in March by ensuring the supply of volumes from various sources (Egypt, Libya, Argentina, the Middle East, Indonesia, etc.), thereby diversifying its ammonia suppliers.

  Furthermore, it is worth noting that the ammonia market is regionalized due to the high cost of logistics. As a result, Morocco's advantageous geographical location has enabled the Group to be well located compared to the world's leading ammonia exporters.

- **The investment program**

  Launch of an investment program for the period 2023-2027 involving a budget of 130 billion dirhams.

  This program aims to increase fertilizer production capacity while committing to achieving carbon neutrality by 2040, with the following objectives:

  - Increasing the production capacity from the current 12 million tons of fertilizer to 20 million tons by 2027.
  - Expanding the mining capacity from the current 44 million tons of rock to 77 million tons by 2027.
  - Supplying all industrial units with green energy by 2027 to enable OCP to be self-sufficient in terms of the supply of green ammonia and renewable energy.
  - Achieving 100 % use of non-conventional water by 2024 to meet the Group's needs as well as the drinking water and irrigation needs of the areas surrounding the sites.

- **Fertilizers donation for the benefit of the African continent**

  In the context of food insecurity induced by the effects of the Russian-Ukrainian conflict and the Covid-19 crisis, OCP Group has decided, through its subsidiary OCP Africa, to contribute to bringing solutions to mitigate the impact of this crisis. Consequently, OCP Group has developed a support plan for various Sub-Saharan African countries, which would consist of supplying nearly 550 KT of fertilizers either in the form of a donation (182 KT) or by adopting affordable prices to satisfy the willingness-to-pay of countries (364 KT). OCP Group estimates that nearly 4.2 million farmers will benefit from these adapted fertilizers.»

- **Outsourcing the AFDR commitment**

  A Group Retirement Savings contract in a funded pension system with defined contributions was concluded in July 2022, aiming at outsourcing the AFDR (Lump-sum retirement allowance) benefit. This benefit corresponds to the end-of-career indemnity paid by OCP at the time of retirement for its statutory employees. The outsourcing includes the following payments:

  - A partial payment of the acquired rights at the end of December 2022 for MAD 465 million.
  - A complementary payment of the acquired rights planned during 2023.
  - A payment of a monthly contribution starting from January 2023 for the constitution of future rights.

Events after the reporting period

There were no post-closing events.

Consolidated Statement of Profit and Loss

(In millions of dirhams)	*Note*	*FY 2022*	*FY 2021*
Revenue	4.1.1.2	114,574	84,300
Production held as inventory	4.2.4	10,403	278
Purchases consumed	4.2.2	(54,596)	(29,360)
External expenses	4.2.2	(11,754)	(9,969)
Personnel expenses	5.1	(11,615)	(10,550)
Taxes		(306)	(278)
Profit (loss) from joint ventures	6.1 - 6.2	1,887	1,185
Exchange gains and losses on operating receivables and payables		1,010	620
Other operating income and expenses		471	44
EBITDA		**50,076**	**36,269**
Amortization, depreciation and operating provisions	8.4 - 9.2	(8,435)	(9,016)
Operating profit (loss) before exceptional items		**41,640**	**27,254**
Other non-recurring operating income and expenses	7.2	(1,258)	(1,454)
Operating profit (loss)		**40,382**	**25,799**
Cost of gross financial debt		(2,508)	(2,384)
Financial income from cash investments		222	161
Cost of net financial debt	10.1.5	**(2,286)**	**(2,223)**
Exchange gains and losses on financial receivables and payables	10.2.3	(3,366)	(899)
Other financial income and expenses	10.2.3	(374)	(2,178)
Financial profit (loss)		**(6,026)**	**(5,299)**
Profit (loss) before tax		**34,356**	**20,500**
Corporate Income Tax	11.2 - 11.3	(6,122)	(4,164)
Net profit (loss) for the period		**28,233**	**16,336**
Net profit (loss) - Group share		28,185	16,326
Net profit (loss) - Non-controlling interests		49	10
Basic and diluted earnings per share in dirhams	12.3	**338.41**	**193.96**

Consolidated Statement of Comprehensive Income

(In millions of dirhams)	*FY 2022*	*FY 2021*
Net profit (loss) for the period	**28,233**	**16,336**
Actuarial gains or losses	(47)	(552)
Taxes	15	109
Items that will not be reclassified to profit or loss	**(32)**	**(443)**
Translation differences	405	(25)
Share of gains and losses recognized in equity for equity-accounted (CFH variation)*	(1,504)	(464)
Taxes	526	103
Items that may be reclassified to profit or loss	**(572)**	**(387)**
Income and expenses for the period, recognized directly in equity	**(605)**	**(830)**
Consolidated comprehensive income	**27,629**	**15,506**
Including Group share	*27,580*	*15,496*
Including non-controlling interests' share	*49*	*10*

(*) 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 2022*	*31 December 2021*
ASSETS			
Current assets			
Cash and cash equivalents	10.1.3.1	18,556	8,001
Cash financial assets		509	2,538
Inventories	4.2.4	25,990	14,804
Trade receivables	4.1.2.2	15,481	13,184
Other current assets	7.3	23,116	15,765
Total current assets		**83,652**	**54,293**
Non-current assets			
Non-current financial assets	10.2.2	1,078	708
Investments in equity-accounted companies	6.1	7,076	5,518
Deferred tax assets	11.4	125	156
Property, plant and equipment	8.2	129,547	116,938
Intangible assets	8.3	4,532	4,385
Total non-current assets		**142,359**	**127,705**
Total Assets		**226,012**	**181,998**

(In millions of dirhams)	Note	31 December 2022	31 December 2021
LIABILITIES			
Current liabilities			
Current loans and financial debts	10.1.2.1 - 10.1.2.2.	10,136	4,662
Current provisions	9.2	587	556
Trade payables	4.2.5	20,306	18,141
Other current liabilities	7.4	16,953	10,104
Total current liabilities		**47,982**	**33,463**
Non-current liabilities			
Non-current loans and financial debts	10.1.2.1 - 10.1.2.2.	59,877	50,954
Non-current provisions for employee benefits	9.2	5,169	5,964
Other non-current provisions	9.2	1,231	1,131
Deferred tax liabilities	11.4	590	1,633
Other non-current liabilities		12	
Total non-current liabilities		**66,880**	**59,681**
Equity - Group share			
Issued capital	12.1	8,288	8,288
Paid-in capital		18,698	18,698
Consolidated reserves - Group share		52,882	42,888
Net profit (loss) - Group share		28,185	16,326
Equity - Group share		**108,052**	**86,200**
Non-controlling interests		3,098	2,654
Total equity		**111,150**	**88,854**
Total liabilities and equity		**226,012**	**181,998**

Consolidated Statement of Changes in Equity

(In millions of dirhams)	*Issued capital*	*Paid-in capital*	*Actuarial gains or losses [1]*	*Hybrid securities [2]*	*Other consolidated reserves*
Equity as at 1st January 2021	**8,288**	**18,698**	**(3,484)**	**8,665**	**40,820**
Allocation of profit (loss) for FY 2020					3,231
Consolidated comprehensive income for FY 2021			**(443)**		
Subordinated debt's coupons				(393)	
Change in scope					
Dividends paid					(5,081)
Others					35
Equity as at 31 December 2021	**8,288**	**18,698**	**(3,926)**	**8,272**	**39,005**
Equity as at 1st January 2022	**8,288**	**18,698**	**(3,926)**	**8,272**	**39,005**
Allocation of profit (loss) for FY 2021					16,326
Consolidated comprehensive income for FY 2022			**(32)**		
Subordinated debt's coupons				(385)	
Change in scope					2,192
Dividends paid					(8,091)
Others					556
Equity as at 31 December 2022	**8,288**	**18,698**	**(3,959)**	**7,886**	**49,988**

[1] Defined benefit plans are subject to a provision, determined on the basis of an actuarial valuation of the commitment using the projected unit credit method 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.

[2] OCP SA closed two perpetual subordinated bond issue with early repayment and deferred payment options for a total amount of MAD 10 billion issued in five tranches. Given the characteristics of this hybrid issue, the financing is recognized in equity according to IFRS 9.

Translation difference	*Financial assets at fair value by OCI* [3]	*Share of gains and losses recognized in equity (CFH variation)* [4]	*Net profit (loss)*	*Total equity - Group share*	*Non-controlling interests*	*Total equity*
(401)	**(521)**	**846**	**3,231**	**76,143**	**1,448**	**77,590**
			(3,231)			
(25)		**(362)**	**16,326**	**15,496**	**10**	**15,506**
				(393)		(393)
					1,372	1,372
				(5,081)	(173)	(5,254)
				35	(2)	33
(426)	**(521)**	**484**	**16,326**	**86,200**	**2,654**	**88,854**
(426)	**(521)**	**484**	**16,326**	**86,200**	**2,654**	**88,854**
			(16,326)			
405		**(978)**	**28,185**	**27,580**	**49**	**27,629**
				(385)		(385)
				2,192	565	2,758
				(8,091)	(170)	(8,261)
				556		556
(21)	**(521)**	**(493)**	**28,185**	**108,052**	**3,098**	**111,150**

[3] It represents the depreciation of the Group's investment in Heringer.

[4] 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).

Consolidated Statement of Cash Flows

(In millions of dirhams)	*Note*	*FY 2022*	*FY 2021*
EBITDA		**50,076**	**36,269**
Subsidies and donations	7.1	(988)	(997)
Other non-current operating income and expenses		24	(16)
Other non-current operating income and expenses- prior period		386	(65)
Profit or loss of associates and joint ventures		(1,887)	(1,185)
Other movements		(2,133)	(2,274)
Funds from operations		**45,470**	**31,732**
Impact of the change in WRC:		**(13,596)**	**2,091**
Inventories		*(11,030)*	*(1,206)*
Trade receivables		*(2,183)*	*(4,476)*
Trade payables		*(846)*	*1,894*
Other current assets and liabilities		*462*	*5,880*
Taxes paid		(4,637)	(1,656)
Total net cash flows related to operating activities		**27,244**	**32,167**
Acquisitions of PP&E and intangible assets	8.2 - 8.3	(20,011)	(13,135)
Disposals of PP&E and intangible assets		141	156
Net financial investments		1,952	(2,663)
Impact of changes in scope		(51)	(54)
Acquisitions of financial assets		(285)	(69)
Disposal of financial assets		3,025	
Dividends received		380	106
Total net cash flows related to investing activities		**(14,849)**	**(15,658)**
Loan issue	10.1.4	12,848	17,500
Loan repayement	10.1.4	(3,640)	(22,980)
Hybrid securities coupons		(385)	(393)
Net financial interest payments		(2,529)	(3,815)
Dividends paid to Group shareholders	12.2	(8,091)	(5,081)
Dividends paid to minority shareholders		(170)	(173)
Total net cash flows related to financing activities		**(1,968)**	**(14,941)**
Impact of changes in exchange rates on cash and cash equivalents		126	10
Net increase/(decrease) in cash and cash equivalents		**10,554**	**1,577**
Opening cash and cash equivalents	10.1.3.1	8,003	6,425
Closing cash and cash equivalents	10.1.3.1	18,557	8,003
Change in net cash		**10,554**	**1,577**

Note 1 - Accounting rules and methods

1.1. BASES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

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

The consolidated financial statements of OCP Group on 31 December 2022 were approved by the Board of Directors on 14 March 2023.

The accounting principles and methods adopted for the preparation of the consolidated accounts of Group OCP as at 31 December 2022 are identical to those used for the year ended 31 December 2021. These financial statements are prepared in accordance with the IFRS as adopted in the European Union.

1.2. STANDARDS AND INTERPRETATIONS APPLIED AT 1ST JANUARY 2022

Amendment to IAS 37 onerous contracts – Cost of fulfilling a contract

These amendments clarify the costs to include to calculate the cost of fulfilling a contract when assessing whether a contract is onerous. These amendments do not apply to the Group.

Amendment to IAS 16 «Property, Plant and Equipment – Proceeds before intended use

These amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to its operating location or preparing that asset for its intended use. Instead, a company will recognise such sales proceeds and related production cost in profit or loss. These amendments do not apply to the Group.

Annual improvements to IFRS (2018-2020 cycle)

As part of the annual improvement to IFRS, the IASB published minor changes to IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IFRS 9 “Financial Instruments”, IAS 41 “Agriculture” and IFRS 16 “Leases”.

These changes have no significant impact on the Group financial statements.

Note 2 - Consolidation scope and scope change

2.1. CONSOLIDATION SCOPE

Entity	Country of location	31 December 2022		31 December 2021	
		Consolidation method	% Interest	Consolidation method	% Interest
Industrial activity-Mine					
OCP SA - Holding	**Morocco**	**Parent company (Full)**	**100.00**	**Parent company (Full)**	**100.00**
Phosboucraâ	Morocco	Full	100.00	Full	100.00
Industrial activity-Chemical					
Nutricrops SA* - Holding	**Morocco**	**Parent company (Full)**	**100.00**		
Jorf Fertilizer Company I - JFC I	Morocco	Full	100.00	Full	100.00
Jorf Fertilizer Company II - JFC II	Morocco	Full	100.00	Full	100.00
Jorf Fertilizer Company III - JFC III	Morocco	Full	50.00	Full	100.00
Jorf Fertilizer Company IV - JFC IV	Morocco	Full	100.00	Full	100.00
Jorf Fertilizer Company V - JFC V	Morocco	Full	60.00	Full	60.00
Euro Maroc Phosphore- EMA	Morocco	Equity method	33.33	Equity method	33.33
Indo Maroc Phosphore - IMA	Morocco	Equity method	33.33	Equity method	33.33
Pakistan Maroc Phosphore - PMP	Morocco	Equity method	50.00	Equity method	50.00
Paradeep Phosphates Ltd. - PPL	India	Equity method	28.05	Equity method	50.00
Fertinagro Biotech	Spain	Equity method	20.00	Equity method	20.00
Groupe PRAYON	Belgium	Equity method	50.00	Equity method	50.00
Trading					
Black Sea Fertilizer Trading Company	Turkey	Full	100.00	Full	100.00
OCP AFRICA	Morocco	Full	100.00	Full	100.00
OCP Fertilizantes	Brazil	Full	100.00	Full	100.00
OCP North America	USA	Full	100.00	Full	100.00
SAFTCO	Suiss	Full	100.00	Full	100.00
Energy					
OCP Green Energy*	Morocco	Full	100.00		
OCP Green Water*	Morocco	Full	100.00		
Engineering and consulting					
Dupont Ocp Operations Consulting - DOOC	Morocco	Full	100.00	Full	100.00
Jacobs Engineering - JESA	Morocco	Equity method	50.00	Equity method	50.00
OCP Solutions	Morocco	Full	100.00	Full	100.00
TEAL Technology & Services - TTS	Morocco	Equity method	49.00	Equity method	49.00
VALYANS*	Morocco	Equity method	22.00		
Foundations - Education and R&D					
Fondation OCP	Morocco	Full	100.00	Full	100.00
Université Mohammed VI Polytechnique - UM6P	Morocco	Full	100.00	Full	100.00
Université Mohammed VI Polytechnique Endowment Holding - UM6PEH	Morocco	Full	100.00	Full	100.00
Université Mohammed VI Polytechnique France - UM6PF*	Morocco	Full	100.00		
Fondation Phosboucraâ	Morocco	Full	100.00	Full	100.00
Association pour la Promotion de l'Enseignement d'Excellence - APEE	Morocco	Full	100.00	Full	100.00
Foncière Endowment 1 - FE1	Morocco	Full	100.00	Full	100.00
Moroccan Foundation For Advanced Science, Innovation and Research- MASCIR	Morocco	Full	100.00	Full	100.00
Hotel					
OCP Hospitality	Morocco	IG	100.00	Full	100.00
Maghreb Hospitality Company SA-MHC	Morocco	IG	75.61	Full	61.50
Société Foncière de la Lagune-SFL	Morocco	IG	61.84	Equity method	30.80
Société La Mamounia- SLM	Morocco	IG	39.37	Full	32.00
Société Palais Jamai- SPJ	Morocco	IG	75.61	Full	61.50
Urban development					
Société d'Aménagement et de Développement Vert - SADV	Morocco	Full	100.00	Full	100.00
Société d'Aménagement et de Développement de Mazagan - SAEDM	Morocco	Equity method	51.00	Equity method	51.00
Others					
OCP Innovation Fund For Agriculture - OIFFA	Morocco	Full	100.00	Full	100.00
OCP International	Netherlands	Full	100.00	Full	100.00
OCP International SAS	France	Full	100.00	Full	100.00
Société de Transports Régionaux - SOTREG	Morocco	Full	100.00	Full	100.00
Compagnie Marocaine de Transport et d'Affretments Maritimes - COMATAM*	Morocco	Full	100.00		
Centre d'Etudes et de Recherches des Phosphates Minéraux - CERPHOS	Morocco	Full	100.00	Full	100.00

* New integration in the consolidation scope.

2.2. SCOPE CHANGE

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

- Creation of Nutricrops brings together Jorf Fertilizers Company 1 to 5, with the aim of accelerating the execution of the Group's growth strategy in the field of customized fertilization solutions for soils and plants, and thus strengthen the Group's current position on a global scale.
- The Group has launched a new energy program which has led to the creation of two new subsidiaries: OCP Green Water and OCP Green Energy. OCP Green Water will produce and market non-conventional water for industrial use and will also provide drinking water in El Jadida and Safi. The objective is to provide about 85 million m^3 of drinking water in 2023 and 110 million m^3 in 2026. For its part, OCP Green Energy will produce energy for the cities of Benguerir and Khouribga, thus covering the needs of the Khouribga and Gantour mines, as well as supplying the Safi Chemical Complex with electrical energy.
- COMATAM, which stands for Compagnie Marocaine de Transport et d'Affrètement Maritimes, has been fully integrated into the scope of consolidation. This subsidiary specializes in ship consignment, shipping agency, and chartering operations for all types of maritime and river transport.
- Mohammed VI Polytechnic University - UM6P has acquired a 22 % stake in the capital of the consulting firm Valyans Consulting S.A.
- OCP S.A. has sold 50 % of its stake in JFC 3 for an amount of MAD 3 billion. Despite this sale, OCP S.A. keeps a 50 % control on this entity.
- Paradeep Phosphates Limited-PPL went public In May 2022 with a capital increase. As it did not subscribe to this increase, OCP Group saw its participation reduced to 28.05 %. This dilution had a financial impact on OCP, which underwent a reduction of its participation as well as a decrease of its investment in PPL. The result of this dilution amounts to MAD 45 million.
- UM6P France SAS has been created to represent the French branch of Mohammed VI Polytechnic University, which focuses on applied research and innovation. The objective of UM6P France is to become a major player in talent training in France, with a focus on areas in which it has strong expertise, such as agriculture, agro-ecology, and economic development in Africa..

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 et Benguérir – Safi) and Phosboucraâ: this axis hosts:

- The integrated phosphate chemical processing hub. The phosphate extracted at Youssoufia and Benguérir is transported by rail to Safi, where it is processed into phosphoric acid and fertilizer. The finished products are exported from 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 3rd S-Curve, OCP is changing its Operating model towards a multi-business Group, made up of performance units that are coherent in terms of strategy and end-to-end responsible for their P&L (i.e. Strategic Business Units / Business Units), as well as a reinvented Corporate function at their service.

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: Industrial Facility Management, Rock Solutions, Fertilizers and Farmer Solutions, Innovation, R&D and learning, Specialty Chemicals. Consequently, the Group's segment information will be oriented, from the next years, towards this new organizational mode.

3.1. INFORMATION BY OPERATING SEGMENT

(In millions of dirhams)	*Nortern axis*		*Central axis & Phosboucraa*		*Head-office and other activities*		*Intersegment eliminations*		*TOTAL*	
	FY 2022	*FY 2021*	*FY 2022*	*FY 2021*	*FY 2022*	*FY 2021*	*FY 2022*	*FY 2021*	*FY 2022*	*FY 2021*
Revenue	94,462	65,827	21,098	17,207	13,576	9,383	(14,562)	(8,117)	114,574	84,300
Production held as inventory	3,645	(1,140)	912	298	5,846	1,120			10,403	278
Purchases consumed	(44,150)	(22,791)	(6,372)	(4,209)	(18,665)	(10,194)	14,591	7,836	(54,596)	(29,359)
External expenses	(7,120)	(6,386)	(2,280)	(2,218)	(2,831)	(1,791)	478	426	(11,753)	(9,969)
Personal expenses	(5,240)	(4,803)	(3,397)	(3,158)	(2,996)	(2,598)	17	7	(11,615)	(10,551)
Taxes	(115)	(126)	(71)	(77)	(120)	(75)			(306)	(278)
Income from joint ventures	614	817			1,273	368			1,888	1,185
Exchange gains and losses on operating recevables and payables	259	88	73	34	679	498			1,010	620
Other operating income and expenses	206	29			788	167	(523)	(152)	471	44
EBITDA	**42,562**	**31,516**	**9,964**	**7,877**	**(2,449)**	**(3,119)**			**50,075**	**36,269**
Amortization, depreciation and operating provisions	(4,773)	(5,133)	(874)	(1,325)	(2,789)	(2,555)			(8,435)	(9,017)
Current operating profit (loss)	**37,789**	**26,382**	**9,090**	**6,551**	**(5,238)**	**(5,674)**			**41,641**	**27,252**
Other non-curent operating income and expenses	(299)	(328)	(365)	(353)	(594)	(775)			(1,258)	(1,456)
Operating profit (loss)	**37,490**	**26,053**	**8,725**	**6,199**	**(5,833)**	**(6,450)**			**40,382**	**25,796**

The Group's revenue reached an all-time high of MAD 114.6 billion, up 36 % compared with 2021. This performance was achieved thanks to higher price levels in 2022.

Sales in the northern axis, which accounts for 82 % of the Group's total, reached MAD 94.5 billion, up 44 % compared to the previous year. The sales in this axis were driven by fertilizer prices, which increased by 55 % due to the surge in prices of sulfur and ammonia, particularly impacted by the disruptions caused by the Russia-Ukraine conflict.

Sales of the central axis have also increased compared to the previous year, mainly for phosphoric acid, for which prices have increased by 50 %.

The Group's operating expenses have increased by 56 % compared to the previous year, mainly due to raw materials which increased by MAD 22.8 billion.

The northern axis recorded an increase of 66 % in its operating expenses, with a variation of MAD 22.5 billion, observed in raw material purchases. The operating expenses of the central axis have also increased by MAD 2.5 billion, also due to raw material purchases.

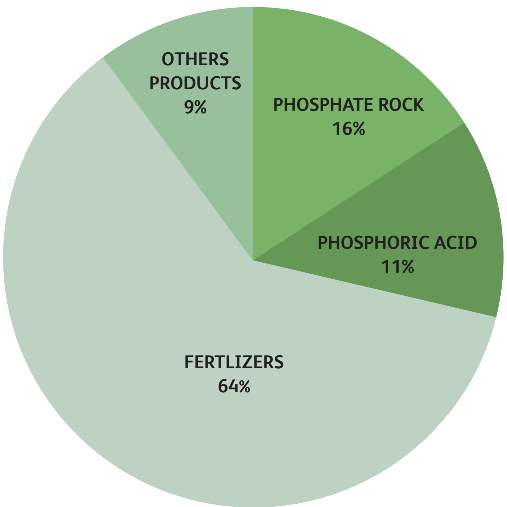
The Group's EBITDA shows an increase of MAD 13.8 billion, reaching MAD 50 billion in 2022, which represents a +38 % increase compared to the previous year. This performance has been achieved thanks to the favorable economic situation of the year, a flexible and efficient industrial tool, and controlled operating expenses.

3.2. REVENUE BY PRODUCT AND BY GEOGRAPHICAL AREAA

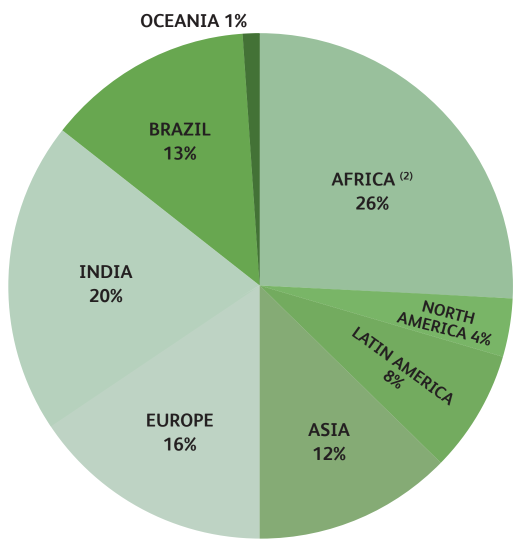
In 2022, the Group's revenue amounted to MAD 114,574 million, representing a 35.9 % increase compared to the previous year. It should also be noted that 90 % of the Group's consolidated assets are located in Morocco.

The breakdown of net consolidated sales by product and geographical area in FY 2022 is detailed as follows:

REVENUE BY PRODUCT



REVENUE BY GEOGRAPHICAL AREA [1]



(1) Revenue Phosphates, Phosphoric acid and fertilizer.

(2) 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 REVENUES

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

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

4.1.1.2 INFORMATION BY PRODUCT FAMILY

(In millions of dirhams)	*FY 2022*	*FY 2021*
Phosphates	18,492	12,216
Phosphoric Acid	12,272	12,209
Fertilizer	73,851	51,284
Other income	9,959	8,590
Revenue	**114,574**	**84,300**

(In millions of dirhams)	Phosphates		Phosphoric Acid		Fertilizers	
Main markets	*FY 2022*	*FY 2021*	*FY 2022*	*FY 2021*	*FY 2022*	*FY 2021*
Local sales	6,229	3,321	2,870	1,608	1,184	791
South America	3,371	1,692	1,956	1,706	16,974	17,981
Europe	3,992	3,466	5,842	5,606	8,314	8,210
Africa	1	5			13,383	5,698
North America				79	3,945	3,900
India	2,504	1,993	760	2,855	17,925	6,139
Asia	1,502	1,440	843	356	11,447	6,557
Oceania	893	298			678	2,008
Total	**18,492**	**12,216**	**12,272**	**12,209**	**73,851**	**51,284**

(In millions of dirhams)	Phosphates		Phosphoric Acid		Fertilizers	
Break down by third parties	*FY 2022*	*FY 2021*	*FY 2022*	*FY 2021*	*FY 2022*	*FY 2021*
Revenue	**29,909**	**19,372**	**12,272**	**12,209**	**88,130**	**58,747**
Outside the group	12,263	8,879	9,507	10,695	73,851	51,284
Joints ventures	6,229	3,337	2,766	1,515		
Intercompany sales	11,416	7,156			14,279	7,463
Eliminations	**11,416**	**7,156**			**14,279**	**7,463**
Total	**18,492**	**12,216**	**12,272**	**12,209**	**73,851**	**51,284**

Revenue recognized in 2022 is up 35.9 % compared to 2021.

- Phosphates sales increased by 51.4% between 2021 and 2022.

Overall, the significant increase in prices has more than offset the decline in export volumes. Specifically, rock prices increased from $100/T FOB in 2021 to $233/T FOB in the export market in 2022. This trend was supported by the bullish fertilizer and raw material price environment during the period.

The decline in volumes is explained in particular by the consequences of the Ukrainian conflict. Indeed, sales were down in Europe, India, Asia and Latin America.

On the domestic market, the decline in volumes is related to the reduction in phosphoric acid production at Pakistan Marco Phosphore-PMP and Indo Maroc Phosphore-IMACID.

- Phosphoric Acid sales remained almost stable between 2021 and 2022.

Phosphoric acid sales remained relatively stable between 2021 and 2022 due to the offsetting effect of lower volumes sold and higher prices. This increase in prices was mainly due to the ban on exports to China and the Ukrainian crisis, which resulted in an increase in input prices. In fact, the average export sales price rose from $1,024/T in 2021 to $1,536/T in 2022.

Furthermore, a decline in volume was observed in India due to the significant impact of the price increase, and in Europe, which experienced an overall decline in demand supported by the same factors.

- Fertilizer sales also recorded an increase of MAD 22.6 billion between 2021 and 2022 (+44.0%) .

The increase in sales in this segment can be attributed to the significant rise in fertilizer prices on the international market, driven by the increase in input prices, especially for ammonia, sulfuric acid, and sulfur. As a result, the international market price per ton increased from $533/T in 2021 to $824/T in 2022, which largely offset the lower volumes.

The decrease in volumes was first observed in Latin America, mainly in Brazil, and then in Europe, following the sharp drop in demand caused by high prices. In North America, particularly in Canada, the decline in demand was mainly due to drought.

However, an increase in sales volumes was noted in Africa, thanks to the Africa Relief Program launched by OCP. The program consists of fertilizer donations and subsidies to meet the needs and support the demand, which were strongly impacted by the price increase. In Asia, particularly in India, the increase in sales volumes is linked to the replenishment of depleted stocks in preparation for the next agricultural season (Kharif season).

- Others products.

The category of «Other Income» mainly includes the «Freight» activity and other ancillary products such as the sale of liquid sulphur, urea, ammonium nitrate, potassium chloride, among others. This line item amounted to MAD 10 billion in 2022, compared to MAD 8.6 billion recorded in 2021.

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 2022*	*31 December 2021*
Trade receivables invoiced	17,168	14,593
Depreciation - trade receivables	(1,687)	(1,409)
Net trade receivables	**15,481**	**13,184**

Trade receivables increased by MAD 2.3 billion between December 31, 2021, and December 31, 2022, representing a 17.4 % increase that correlates with the high level of sales during 2022.

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

(In millions of dirhams)	*Depreciation at 1st January*	*Net dotations*	*Currency effect and other changes*	*Depreciation at 31 December*
2022	1,409	244	34	1,687
2021	1,102	299	8	1,409

Net trade receivable maturities as at 31 December 2022 are as follows:

(In millions of dirhams)	*Unmatured receivables*	*Matured receivables*			*Total*
		< 30 days	*30 - 180 days*	*more than 180 days*	
Net trade receivables	9,984	2,593	522	2,383	15,481

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.
- 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 2022*	*FY 2021*
Purchases of materials and supplies	**(2,815)**	**(1,666)**
Purchases of raw materials	**(44,191)**	**(21,346)**
Sulfur	*(19,533)*	*(10,589)*
Ammonia	*(19,941)*	*(6,904)*
Sulfuric acid	*(2,829)*	*(2,460)*
Back acid	*(1,300)*	*(860)*
Other raw materials	*(587)*	*(533)*
Energy comsumption	**(2,947)**	**(2,687)**
Electric energy	*(1,200)*	*(1,246)*
Fuel	*(966)*	*(925)*
Diesel	*(656)*	*(404)*
Heating gas	*(105)*	*(89)*
Gasoline	*(13)*	*(13)*
Steam and others	*(7)*	*(11)*
Spare parts	**(795)**	**(706)**
Purchases of works, studies and services	**(2,141)**	**(1,568)**
Water supply	**(145)**	**(181)**
Auxiliary materials and othe purchases	**(1,561)**	**(1,206)**
Purchased consumables of materials and supplies	**(54,596)**	**(29,359)**

Purchases of raw materials have increased by MAD 22.8 billion between 2021 and 2022, mainly due to higher purchases of sulphur, ammonia, and sulfuric acid. The increase in ammonia purchases is explained by an increase in the price per ton, from $444/T CFR in 2021 to $1,096/T in 2022, due to international demand being higher than supply, accentuated by the Ukrainian crisis. Ammonia consumption increased by MAD 13 billion.

Similarly, sulfur purchases have also increased by MAD 8.9 billion due to the increase in the price per ton from $170/T CFR in 2021 to $301/T CFR in 2022, following the same upward trend. Consumption volumes are decreasing in line with the decrease in fertilizer production and due to the improvement of specific consumption ratios following the Group's efforts in operational excellence.

Sulfuric acid consumption also increased by MAD 369 million, due to an increase in the price per ton from $131/T CFR in 2021 to $224/T CFR in 2022, in line with the increase in the price of sulfur on the international market.

Energy consumption amounted to MAD 2.9 billion in 2022, up 10% compared to 2021. This increase is mainly due to the rise in diesel prices, with an impact of MAD +256 million, as well as that of fuel oil which had an impact of +263 million. These increases were mitigated by negative volume effects resulting from improved consumption ratios.

Services recorded an increase of MAD 572 million compared to 2021. This change is explained by the expansion in the scope of consolidation, in particular with the UM6P ecosystem and the return to normal pre-pandemic levels for several expense lines.

External expenses:

(In millions of dirhams)	*FY 2022*	*FY 2021*
Transport	(6,320)	(6,652)
ONCF transport on sales	*(651)*	*(955)*
Shipping on sales-Freight	*(4,772)*	*(4,838)*
Truck phosphates transport	*(320)*	*(309)*
Personal transport	*(98)*	*(95)*
Other operating transport	*(478)*	*(456)*
Consulting and fees	(598)	(433)
Contributions and donations	(1,513)	(413)
Maintenance and repairs	(1,573)	(1,027)
Leases ans lease expenses	(159)	(132)
Insurance premiums	(343)	(294)
Advertising, publications and public relations	(234)	(153)
Postal and telecommunications expenses	(186)	(191)
Study, analysis, research and documentation	(115)	(90)
Remuneration of personal outside the company	(233)	(186)
Other external expenses	(481)	(397)
External expenses	**(11,754)**	**(9,969)**

External expenses for 2022 amounted to MAD 11.4 billion, representing a 15% increase compared to 2021. This increase is particularly noticeable at the level of contributions and donations, with an impact of MAD 1.1 billion, especially following the distribution of fertilizer donations to sub-Saharan African countries for MAD 924 million in order to support their demand in the context of food insecurity. In addition, an increase of MAD 114 million in donations was recorded at the OCP Foundation, mainly for the national portfolio related to education, R&D support, and social innovation.

Maintenance and repair expenses in 2022 also increased by MAD 526 million compared to 2021. This is mainly due to a normal resumption of maintenance activity in 2022 but also to the expansion of the scope of maintenance works through the integration of new lines and industrial units.

4.2.3 RISKS RELATED TO RAW MATERIALS

Sulphur supplies

The sulfur market in 2022 experienced high price volatility. In the first half of the year, the market faced a supply decline due to the Russia-Ukraine conflict and reduced production in the Middle East, leading to significant uncertainty about volume availability and resulting in an upward price trend throughout the period. The prices reached a record high in June 2022 with a price of $485/t FOB Middle East. However, the second half of the year saw an improvement in supply, with maximum refinery utilization in North America and the Middle East, as well as a drop in demand from fertilizer and industrial producers. This allowed for increased availability of the product and a significant downward correction in prices.

In this context, the OCP Group ensured the necessary volumes for production throughout the year by relying mainly on long-term contracts that allowed competitive purchases, as well as the use of its strategic stocks.

Ammonia supplies

In 2022, the ammonia market experienced significant price volatility, largely impacted by the conflict between Russia and Ukraine. The export volumes from the Black Sea, representing 15 % of world supply, were suppressed, leading to a product shortage in the West Suez region and a price increase up to $1500/t FOB Caribbean. The rise in gas prices due to geopolitical tensions led to lower production in Europe, contributing to a tighter market and increased uncertainty about product availability and ammonia prices throughout the year.

However, the launch of new production capacity in the Middle East, notably in Saudi Arabia and Oman, as well as weak demand from fertilizer producers and industrialists, partially filled this gap with volume flows from East to West.

In this restrictive market environment, OCP Group managed to ensure the supply of growing ammonia needs and to replace the Russian volumes that constituted a large part of the Group's portfolio. To limit risks, OCP diversified its import sources by favoring East Suez origins such as Egypt, Libya, the Middle East, Indonesia, Argentina etc.

4.2.4 INVENTORIES

4.2.4.1 ACCOUNTING TREATMENT OF INVENTORIES

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

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

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

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

4.2.4.2 ANALYSIS OF THE INVENTORIES EVOLUTION

(In millions of dirhams)	*31 December 2022*			*31 December 2021*		
	Gross	*Depreciation*	*Net*	*Gross*	*Depreciation*	*Net*
Consumable materials and supplies	8,149	(1,552)	6,597	6,825	(1,557)	5,268
In-process inventory	7,355	(337)	7,018	6,148	(373)	5,775
Finished products	12,539	(165)	12,375	3,902	(140)	3,762
Total Inventories	**28,044**	**(2,054)**	**25,990**	**16,874**	**(2,070)**	**14,804**

(In millions of dirhams)	*Inventories as at 31 December 2020*	*Inventories as at 31 December 2021*	*Inventories as at 31 December 2022*	*production held as inventory 2021*	*production held as inventory 2022*
Rock	5,990	5,332	5,628	(658)	297
Acid	992	1,087	1,944	95	856
Fertilizers	1,923	1,965	6,634	42	4,668
Liquid sulfur	164	210	549	46	338
ACS	36	36	209		173
Margins & other				752	4,071
Total	**9,106**	**8,631**	**14,963**	**278**	**10,403**

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 2022 amounted to MAD 26.0 billion, an increase of MAD 11.2 billion compared to the end of December 2021. This increase is explained by the rise in fertilizer volumes, partially offset by the destocking of rock volumes. In fact, since 2021, the Group has implemented a recovery plan and valuation for its rock stocks, thus improving its yields and performance.

The increase in inventories is also explained by a price effect which is justified by the increase in the cost of raw materials.

4.2.5 TRADE PAYABLES

(In millions of dirhams)	*31 December 2022*	*31 December 2021*
Trade payables	6,000	6,894
Fixed assets liabilities	14,307	11,247
Trade payables	**20,306**	**18,141**

Trade payables correspond to payables related to trade and fixed asset liabilities. They recorded an 11.9 % increase at the end of December 2022 compared to the end of December 2021 due to the resumption of the industrial program, as well as the resumption of raw material supplies following the gradual decline in international prices observed during the second half of the year.

Note 5 - Expenses and employee benefits

5.1. PERSONNEL EXPENSES

(In millions of dirhams)	*FY 2022*	*FY 2021*
Employee remuneration and related social charges	(9,539)	(8,474)
Retirement benefits and medical cover	(1,380)	(1,356)
Other employee benefits	(696)	(720)
Personnel expenses	**(11,615)**	**(10,550)**

Personnel expenses in 2022 amounted to 11.6 billion dirhams. The change compared to 2021 is mainly explained by a scope effect, particularly with the UM6P ecosystem and the subsidiaries of the new hotel activity, as well as by the increase in elements of the payroll correlated to the Group's performance. This increase was partially offset by the impact of retirements during the year.

5.2. NUMBER OF EMPLOYEES

(In numbers)	*31 December 2022*	*31 December 2021*
Non-excecutives	4,816	4,085
Technicians, Supervisors and Administrative executives	7,650	7,098
Manual workers and Clerical staff	8,121	8,918
Number of employees	**20,587**	**20,101**

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 704 million in 2022 compared to MAD 666 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.

Outsourcing the commitment of the Lump-sum retirement allowance

A Group Retirement Savings contract in a funded pension system and with defined contributions was concluded in July 2022. Its objective was to outsource the AFDR (lump-sum retirement allowance) benefit, which corresponds to the end-of-career indemnity paid by OCP at the time of retirement for its statutory employees.

The contract included:

- A partial payment of the acquired rights at the end of December 2022 for MAD 465 million.
- A complementary payment of acquired rights planned during 2023.
- A payment of a monthly contribution as of January 2023 for the constitution of future rights.

- *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 2022	*31 December 2021*
Discount rate		
Pension supplement	3.99 %	3.30 %
Medical plans	3.92 %	3.30 %
Expected salary increase rate	**5.10%**	**5.10%**
Rate of increase in medical costs	**2.00%**	**2.00%**

The discount rates are determined by reference to market yields on bonds issued by the Moroccan State, to which is added a basic risk premium to estimate the market yields on high quality corporate bonds over equivalent durations to those of the plans.

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

Moreover, regarding the outsourcing of health insurance plan to the AMO, OCP had fixed 2024 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		
Net obligations recognized at 1st January 2021	**597**	**4,137**	**790**	**5,525**	**120**	**5,646**
Benefits paid	(18)	(684)	(37)	(739)	(17)	(756)
Service cost	2	60	61	123		123
Expenses related to discounting of obligations	21	145	27	193		193
Actuarial losses or (gains) for the period	(117)	521	148	552		552
Contributions		75		75		75
Other changes	131			131		131
Net obligations recognized at 31 December 2021	**615**	**4,255**	**989**	**5,858**	**103**	**5,964**
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
Outsourcing & 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
Net obligations recognized at 31 December 2022	**560**	**3,958**	**546**	**5,064**	**102**	**5,169**

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 2022		31 December 2021	
	Death benefit	Medical plans	Death benefit	Medical plans
Discount rate Impact on the current value of gross obligations at 31 December	-15 %	-11 %	-16 %	-12 %
Rate of change in medical costs Impact on the current value of gross obligations at 31 December		19 %		19 %

(as % of the item measured) Sensitivity analysis -1%)	31 December 2022		31 December 2021	
	Death benefit	Medical plans	Death benefit	Medical plans
Discount rate Impact on the current value of gross obligations at 31 December	19 %	14 %	21 %	16 %
Rate of change in medical costs Impact on the current value of gross obligations at 31 December		-15 %		-14 %

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 2022	FY 2021
Short-term employee benefits	153	137
Post-employment benefits	22	20
Termination benefits employment contract		2
Total management compensation	**176**	**159**

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 2022*	*31 December 2021*
Paradeep Phosphates Limited - PPL	1,320	1,375
Groupe Prayon	2,479	1,386
Pakistan Maroc Phosphore - PMP	1,084	1,064
Euro Maroc Phosphore - EMA	516	316
Indo Maroc Phosphore - IMA	722	695
Fertinagro Biotech [1]	593	387
Société d'Aménagement et de Développement de Mazagan - SAEDM [1]	284	287
Société Foncière la Lagune - SFL [1]		47
Teal Technology Services - TTS [1]	23	14
Valyans [1]	50	
Others [2]	4	(53)
Participations in joint ventures	**7,076**	**5,518**

[1] SAEDM, SFL and TTS being associated companies. It should be noted that in December 2022, OCP Group took control of Société Foncière de la Lagune-SFL by increasing its rate of control to 81.78 % of voting rights.
[2] Includes JESA and the new joint-venture Multi-Purpose Industrial Platform Limited- MIPL owned by OCPAFRICA.

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

(In millions of dirhams)	*FY 2022*	*FY 2021*
Paradeep Phosphates Limited - PPL	214	221
Groupe PRAYON	898	159
Pakistan Maroc Phosphore - PMP	270	394
Euro Maroc Phosphore - EMA	201	64
Indo Maroc Phosphore - IMA	144	358
Fertinagro Biotech	140	24
Société d'aménagement et de développement de la Mazagan - SAEDM	(2)	(1)
Société Foncière la Lagune - SFL		(61)
Teal Thechnology Services - TTS	9	3
Valyans	(1)	
Others	14	24
Profit (loss) from joint ventures	**1,887**	**1,185**

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

(En millions de dirhams)	*FY 2022*	*FY 2021*
Pakistan Maroc Phosphore - PMP	250	63
Indo Maroc Phosphore - IMA	117	33
Teal Technology Services - TTS		3
Total dividends from joint-ventures	**367**	**99**

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

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

Statement of Financial Position

(In millions of dirhams)	*PRAYON*	*EMAPHOS*	*IMACID*	*PMP*	*PPL*	*SAEDM*	*TTS*	*FERTINAGRO*	*VALYANS*	*Others*
ASSETS										
Current assets										
Cash and cash equivalents	(175)	203	197	83	264	103	53	1,126	1	1,055
Cash financial assets		7								
Inventories	(122)	694	241	300	2,414	1,376		1,719		
Trade receivables	3,393	291	1,250	1,352	3,514		111	1,840	84	3,324
Current tax receivables			11	50	105		4			65
Other current assets	(28)	572	895	1,318	1,250	165	23	76	2	2,112
Total current assets	**3,069**	**1,766**	**2,594**	**3,102**	**7,547**	**1,644**	**191**	**4,761**	**87**	**6,556**
Non-current assets										
Non-current financial assets	4				4			99	3	11
Investments in equity-accounted companies	246									
Equity securities						1		92	1	135
Deferred tax assets	133							59		
Property, plant and equipment	490	762	506	496	4,403	2	1	1,135		72
Intangible assets	(83)	381	24	27	100	3		100		43
Total non-current assets	**791**	**1,143**	**530**	**523**	**4,507**	**5**	**1**	**1,486**	**4**	**261**
TOTAL ASSETS	**3,860**	**2,909**	**3,124**	**3,625**	**12,054**	**1,649**	**193**	**6,247**	**91**	**6,817**

(In millions of dirhams)	*PRAYON*	*EMAPHOS*	*IMACID*	*PMP*	*PPL*	*SAEDM*	*TTS*	*FERTINAGRO*	*VALYANS*	*Others*
LIABILITIES										
Current liabilities										
Current loans and financial debts	(701)	2			3,410			525	34	
Current provisions	14		2		119			6	1	245
Trade payables	(76)	920	826	906	2,147	100	96	518	18	2,039
Current tax liabilities		120			111		5			183
Other current liabilities	(14)	(19)	46	507	365	265	45	1,745	21	2,936
Total current liabilities	**(777)**	**1,023**	**875**	**1,413**	**6,152**	**365**	**146**	**2,269**	**73**	**5,404**
Non-current liabilities										
Non-current loans and financial debts	207	294	4	6	1,270	723		968	8	
Non-current provisions for employee benefits	153							14		
Other non-current provisions	(770)				28	4				
Deferred tax liabilities	215				158			8		
Other non-current liabilities	(4)							24		
Total non-current liabilities	**(199)**	**294**	**4**	**6**	**1,456**	**727**		**1,014**	**8**	
Equity - Group share	556	347	620	800	1,051	608	15	681	36	51
Paid-in capital		110								
Reserves	75	506	287	846	2,968	(1)	1	1 578	(12)	8
Retained earnings	2,416		907			(46)	12		(7)	1,153
Net profit (loss) - Group share	1,789	630	431	561	428	(4)	19	705	(6)	200
Total equity	**4,836**	**1,592**	**2,245**	**2,206**	**4,447**	**558**	**47**	**2,963**	**10**	**1,413**
TOTAL LIABILITIES AND EQUITY	**3,860**	**2,909**	**3,124**	**3,625**	**12,054**	**1,649**	**193**	**6,247**	**91**	**6,817**

Income statement

(In millions of dirhams)	*PRAYON*	*EMAPHOS*	*IMACID*	*PMP*	*PPL*	*SAEDM*	*TTS*	*FERTINAGRO*	*VALYANS*	*Others*
Revenue	8,626	3,705	5,520	5,736	15,042		290	5,933	32	6,602
Production held as inventory	139	389	82	120		42	(2)	145		
Purchases consumed	(5,134)	(3,056)	(4,474)	(4,559)	(12,298)	(57)	(187)	(3,728)	(9)	(4,629)
External expenses	(1,138)	(186)	(507)	(487)		(3)	(5)	(965)	(5)	(326)
Personnel expenses	(669)			(9)	(254)	(12)	(72)	(496)	(20)	(986)
Taxes		(2)	(2)	(1)	(21)					(12)
Exchange gains and losses on operating receivables and payables		33	106	187	402					11
Other operating income and expenses	7	2	(13)	(45)	(1,794)	29		91		
EBITDA	**1,830**	**885**	**711**	**941**	**1,077**	**(2)**	**25**	**980**	**(2)**	**660**
Amortization, depreciation and operating provisions	(169)	(59)	(87)	(158)	(191)	(3)	(1)	(80)	(3)	(228)
Operating profit (loss) before exceptional items	**1,662**	**826**	**624**	**783**	**886**	**(5)**	**24**	**900**	**(5)**	**432**
Other non-current operating income and expenses	225	(13)	(69)	(55)						(41)
Operating profit (loss)	**1,887**	**813**	**554**	**728**	**886**	**(5)**	**24**	**900**	**(5)**	**392**
Cost of net financial debt	(27)	(5)	11	8	(328)	(34)		(13)	(1)	3
Exchange gains and losses on financial receivables and payables										(1)
Other financial income and expenses			(4)			34				
Financial profit (loss)	**(27)**	**(5)**	**7**	**9**	**(328)**	**1**		**(13)**	**(1)**	**3**
Results of joint ventures								20		
Profit (loss) before tax	**1,859**	**808**	**562**	**737**	**558**	**(4)**	**24**	**907**	**(6)**	**394**
Corporate tax	(70)	(178)	(130)	(177)	(130)		(5)	(202)		(194)
Net profit (loss) for the period	**1,789**	**630**	**431**	**561**	**428**	**(4)**	**19**	**705**	**(6)**	**200**

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 7,839 million in 2022 compared to MAD 3,894 million in 2021.

OCP also supplies phosphoric acid to its joint ventures EMAPHOS, PPL and PRAYON. In regard to these sales, OCP recorded a revenue of MAD 4,953 million in 2022 in comparison with MAD 3,340 million in 2021

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

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

In addition, OCP and Teal Technology & Services (TTS) have entered into a Master Services Agreement, through which TTS provides services such as data center management, digital transformation, and outsourcing of existing businesses.

Note 7 – Other operating items

7.1. ACCOUNTING TREATMENT OF THE OTHER OPERATING ITEMS

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

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

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

7.2. ANALYSIS OF OTHER OPERATING ITEMS

(In millions of dirhams)	*FY 2022*	*FY 2021*
Gains and losses on other assets	(95)	(67)
Granted subsidies, donations and liberalities	(911)	(1,065)
Social cohesion	(667)	(256)
Others	415	(66)
Other non-current operating income and expenses	**(1,258)**	**(1,454)**

During the 2022 financial year, the category of 'other non-recurring operating income and expenses' showed a negative result of MAD -1.3 billion, which is an improvement of MAD 196 million compared to the 2021 financial year. This variation can be attributed to a decrease in contributions and donations, which amounted to MAD 94 million less than in 2021. In addition, there was an increase in social cohesion expenses, partially offset by the impact of cleaning up certain provisions.

7.3. OTHER CURRENT ASSETS

(In millions of dirhams)	*31 December 2022*			*31 December 2021*		
	Gross	*Depreciation*	*Net*	*Gross*	*Depreciation*	*Net*
Receivables from suppliers, advances and payments on account	11,697		11,697	8,559		8,559
Personnel	82	(1)	81	65	(1)	64
Social organizations	390	(35)	355	373	(32)	340
State (excluding corporate income tax)	7,373		7,373	4,786		4,786
Tax receivables	2,968		2,968	1,311		1,311
Other receivables	677	(35)	642	740	(24)	704
Total other current assets	**23,187**	**(71)**	**23,116**	**15,835**	**(57)**	**15,765**

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 2.1 billion in the VAT credit, an increase of MAD 3.2 billion in supplier advances, and an increase of MAD 1.7 billion in the corporation tax claim (IS).

The tax receivable maturities as at 31 December 2022 are detailed in the table below:

(In millions of dirhams)	*Total*	*Unmatured*	*Matured*		
			<30 days	*30 - 120 days*	*> 120 days*
State, VAT	2,213	1,900	9	303	
VAT credit	4,752	1,517	*89*	586	2,560
State, other taxes	408	357		2	49
Total	**7,373**	**3,775**	**99**	**891**	**2,609**

7.4. OTHER CURRENT LIABILITIES

(In millions of dirhams)	*31 December 2022*	*31 December 2021*
Trade receivable credit balances, advances and payments on account	3,375	2,021
State, VAT	2,448	1,200
Social payables	1,946	1,884
Tax liabilities	5,786	2,879
Other creditors	3,399	2,121
Total other current liabilities	**16,953**	**10,104**

The category of 'Other current liabilities' shows an increase of MAD 6.8 billion between the end of 2021 and the end of 2022. This variation is primarily due to an increase in tax debt of MAD 2.9 billion, as well as advances and installments related to the granting of bonuses, adjustments, and commissions to foreign customers.

Note 8 – Property, plant & equipment and intangible assets

8.1. ACCOUNTING TREATMENT OF ASSETS

8.1.1 PROPERTY, PLANT & EQUIPMENT

Measurement and useful lives of operating assets

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

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

Depreciation

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

Property, plant and equipment	*Duration*
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, fitings	3 to 30 years

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

Leases

Since January 1st, 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 347 million in 2022, compared to MAD 262 million in 2021.

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 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 MAD 296 million, which was fully depreciated as a precautionary measure.

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, four main cash-generating units have been identified:

Industrial Facility Management, Rock Solutions, Fertilizers and Farmer Solutions, and Specialty Chemicals. In addition, a unit regrouping the Innovation, R&D and Learning activities has also been identified.

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.

Therefore, taking into account the group's performance recorded in 2022, the assets of the Group show no signs of impairment and no loss of value has been recorded as of December 31, 2022.

8.2. PROPERTY, PLANT AND EQUIPMENT VARIATION

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

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

The main increases during 2022 are relate to the following projects:

Capacity increase

- With an overall budget of MAD 5.4 billion dirhams, the construction works of the three new fertilizer lines D, E and F are in the finalization phase. Each of these three lines will have a capacity of 1 million metric tons of DAP equivalent per year.
- The construction work on the two sulfuric acid lines is also progressing. Each line provides a production capacity of 5,000 wet metric tons per day. The total expenditure allocated to these projects amounts to MAD 3.8 billion
- Progress has been made in the development of the chemical complex in Laâyoune, particularly with the launch of the basic studies and the construction of the power plant and sulfuric acid line. It should be noted that MAD 13.3 billion has been allocated for the completion of these projects
- Continuation of construction work on the PS4 sulfuric line as part of the MPH «M'zinda Phosphate Hub» program with total expenditure of MAD1.3 billion;
- The construction work on the mobile hopper at the Benguerir mine has been completed, and progress has been made on the construction of the washing plant at the same site after the completion of the study and engineering work. The overall investment dedicated to the construction of the mobile hopper amounts to MAD 1.8 billion, and MAD 2.4 billion is devoted to the construction of the washing plant
- Significant progress has been made in the construction of the washing plant at the Phosboucraa site, with the completion of the civil engineering works and the launch of deliveries and assembly of the main equipment.
- The construction work on the phosphoric line F has been completed and testing has commenced. This line will have a capacity of 1500 tons of P_2O_5 per day.

Logistics

- Construction work on the new phosphate port in Laâyoune continues.

Green energy

In a context characterized by drought and the drying up of the Oum Rabiaa River, which supplies drinking water to the regions of Safi and El Jadida, a State-OCP partnership was launched in 2022 as part of the Emergency Water Plan program. This program aims to achieve common objectives such as:

- Meeting all of the industrial water needs (35 Mm3) of the OCP sites of Safi and Jorf Lasfar by desalinating seawater;
- Ensuring the drinking water supply of the cities of Safi and El Jadida by desalinating seawater;
- Supplying all program units with green energy.

In 2022, a modular desalination capacity of 3.3 Mm^3/year at Jorf Lasfar and 5 Mm^3 at Safi was installed, and work on the commissioning of the Safi & Jorf Lasfar pipeline, to supply the two cities, is underway. As a result, the drinking water supply to the cities will be operational from mid-March 2023.

At the same time, the Group has initiated a program to build STEPs (wastewater treatment plants) in the cities of Safi, Fquih Bensaleh, Kasba Tadla, Béni Mellal, and the Khouribga extension for commissioning in 2023.

8.3. INTANGIBLE ASSETS VARIATION

(In millions of dirhams)	*31 December 2021*	*Aquisitions*	*Dotations*	*Decreases / Reversals*	*Reclassification*	*Other variations*	*31 December 2022*
Gross amount:							
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
Total gross amount	**5,858**	**884**		**(17)**	**(65)**	**5**	**6,666**
Amortization:							
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)
Amortizaiton of other intangible assets	(823)		(243)		1		(1,064)
Impairment losses							
Goodwill depreciation			(296)				(296)
Total amortization and impairment losses	**(1,473)**		**(656)**			**(4)**	**(2,134)**
Net carrying amount	**4,385**	**884**	**(656)**	**(17)**	**(65)**	**2**	**4,532**

OCP Group has conducted an evaluation of La Mamounia brand, using both quantitative and qualitative methods. The quantitative approach utilized the 'Price and Volume Premiums' and 'Discounted Royalties' methods, while the qualitative approach involved a survey conducted with the main national and international partners of La Mamounia. Both approaches enabled the Group to allocate the entire amount of goodwill, which amounts to MAD 1,884 million, to La Mamounia brand.

As a non-amortizable intangible asset, the Group is required to perform an impairment test for the brand by comparing its carrying amount to its recoverable amount. This test must be performed annually. Given the hotel's performance, no impairment test was conducted as of December 31, 2022..

Depreciation will be recorded if the recoverable value of the brand is lower than its book value.

(En millions de dirhams)	*31 December 2020*	*Aquisitions*	*Dotations*	*Decreases / Reversals*	*Reclassification*	*Other variations*	*31 December 2021*
Gross amount:							
Goodwill						1.886	1.886
R&D assets	115				96		210
Patents, trademarks, rights and similar items	155	7			1	53	216
Licences and software	1.972	119			19		2.109
Intangible asset of business		49				190	239
Other intangible assets	955	280		(102)	(24)	89	1.198
Total gross amount	**3.197**	**455**		**(102)**	**91**	**2.218**	**5.858**
Amortization:							
Amortization of R&D assets	(75)		(113)				(187)
Amortization of patents, trademarks, rights and similar items	(76)		(25)		3	(28)	(125)
Amortization of licences and software	(298)		(27)		(12)		(338)
Amortizaiton of other intangible assets	(274)		(531)	59	9	(86)	(823)
Total amortization and impairment losses	**(723)**		**(696)**	**59**		**(114)**	**(1.473)**
Net carrying amount	**2.474**	**455**	**(696)**	**(43)**	**91**	**2.104**	**4.385**

8.4. NET DEPRECIATION AND AMORTIZATION

(In millions of dirhams)	*FY 2022*	*FY 2021*
Net depreciation and amortization	**(8,111)**	**(7,915)**

Net depreciation and amortization expenses recorded during 2022 increased slightly by 2.85 % (MAD +196 million) compared to 2021. This increase is mainly due to the impairment of goodwill for SFL for MAD 296 million, resulting from the acquisition of an additional 31.8 % stake, which generated goodwill of MAD 296 million and was depreciated at 100 % as a precautionary measure.

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 2022*	*FY 2021*
Net provisions	**(324)**	**(1,099)**

Net provisions during 2022 amounted to 324 million dirhams. This year, the provision for the Heringer receivable at OCP Fertilizantes was reversed for an amount of 153 million dirhams following the settlement of the receivable. Also, an additional impairment of 262 million dirhams was recognized for Ethiopian Agricultural Businesses Corporation (EABC), bringing the total impairment of receivables over one year to 100 % .

9.3. PROVISIONS FOR LIABILITIES AND CHARGES

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

(In millions of dirhams)	*31 December 2021*	*Increase*	*Reversals*		*Other changes*	*31 December 2022*
			Used	*Unused*		
Non-current provisions	**7,095**	**226**	**(155)**		**(766)**	**6,400**
Provisions for employee benefits	5,964	112	(105)		(802)	5,169
Provisions for environmental risks & for site rehabilitation	474		(22)			452
Other non-current provisions	656	114	(28)		36	778
Current provisions	**556**	**73**	**(50)**		**(9)**	**587**
Other current provisions	556	73	(50)		(9)	587
Total provisions	**7,651**	**299**	**(205)**		**(774)**	**6,987**

Measurement of provisions for employee benefits

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

Measurement of provisions for site rehabilitation

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

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

Environmental risks:

- Governance of environmental risks:

The Board of Directors provides strategic direction and ensures oversight, while the Audit and Risk Committee assists in monitoring operations and reviewing financial and non-financial data, including information on climate-related risks. These bodies oversee the risk management team in understanding the key risks to the company, including environmental and climate-related risks, and consider climate risks and opportunities in monitoring the entity's strategy. The OCP Group's Sustainability Strategy «Towards 2040» integrates climate into the business strategy and permeates throughout 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.

- The Group's Climate Change Strategy and Response:

OCP has established a strategy to address climate-related risks and opportunities. This strategy involves identifying significant risks and opportunities that could affect its economic model, strategy, and cash flows in the short, medium, and long term. The four priority risks identified include the impact on revenue resulting from changes in fertilizer demand in OCP's major customer regions due to extreme weather conditions, as well as opportunities that could arise for expanding OCP's global product range to include green ammonia and higher volumes of green TSP based on market premiums, growing demand for green products, and the availability of green hydrogen.

However, climate scenarios predict a decrease in crop yields that could result in a significant annual income loss for the OCP group. To mitigate these risks, the 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 to come 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, solar potential mapping of sites, clean drying technologies development, «Green mining» project, and green mobility studies. The OCP group is committed to achieving carbon neutrality by 2040 and promoting sustainable development.

To address the water crisis, the OCP group has developed a water program based on circular economy principles. This program includes a comprehensive assessment of water scarcity risks and the use of unconventional water sources to reduce freshwater needs to zero by 2026. The group also accelerated its water program in 2021 with exceptional measures deployed for 2022 to cope with water scarcity.

The OCP group plans to replace imported ammonia, produced from fossil fuels, with green ammonia produced from renewable energy. In partnership with UM6P, they will build two pilot units for research and exclusive production of green ammonia. OCP also aims to promote sustainable and regenerative agriculture by supporting small farmers and developing programs using advanced 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

(In millions of dirhams)	*31 December 2022*	*31 December 2021*
Letters of credit	1,232	1,176
Miscellaneous rights and commitments	614	836
Total Commitments given	**1,846**	**2,012**

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

As of the end of December 2022, there was a decrease in the amount of commitments given by MAD 166 million, mainly recorded in the guarantees provided by OCP SA, as well as in multi-year commitments outside the scope of the OCP Foundation.

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 2022*	*31 December 2021*
Current financial debts		
Bank loans, portion due in less than one year	8,007	2,416
Finance leases, portion due in less than one year	240	237
Accrued interest not yet due	533	434
Other credits	1,357	1,575
Total current financial debts	**10,137**	**4,662**
Non-current financial debts		
Bank loans, portion due in more than one year	19,743	14,971
Bond issue	34,938	30,997
Finance leases, portion due in more than one year	1,389	1,507
Other credits	3,815	3,478
Total non-current financial debts	**59,875**	**50,954**
Total financial debts	**70,011**	**55,616**

10.1.2.2 ANALYSIS OF FINANCIAL DEBTS: RATES AND MATURITIES

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

(In millions of dirhams)	*Interest rate*	*Weighted average interest rate*	*Weighted average residual maturity*	*31 December 2022*
Bank loans, portion due in less than one year				**8,007**
Denominated in USD	[2.94 % -3.91 %]	3.59 %		743
Denominated in MAD	[3.00 % -5.62 %]	3.40 %		6,681
Denominated in EUR	[0.63 % -4.16 %]	1.15 %		583
Finance lease debts				
Denominated in MAD	3.80 %	3.80 %		240
Accrued interest not yet due				**533**
Other credits				**1,357**
Total current financial debts				**10,136**
Bank loans, portion due in more than one year				**19,743**
Denominated in USD	[2.94 % -3.91 %]	3.52 %	3	1,341
Denominated in MAD	[3,00 % -5,62 %]	3,51 %	5	10,618
Denominated in EUR	[0,63 % -4,16 %]	2,32 %	8	7,698
Denominated in other currencies				85
Finance lease debts				
Denominated in MAD	3.80 %	3.80 %	3	**1,389**
Bond issue				**34,928**
Denominated in USD	[3.75 % -6.88 %]	5.14 %	13	34,928
Other credits				**3,815**
Total non-current financial debts				**59,875**
Total financial debts				**70,011**

10.1.2.3 FINANCIAL DEBT MATURITIES

The table below shows the maturities of financial debts as at 31 December 2022:

(in millions of dirhams)	*<1 yr*	*1-5 yrs*	*> 5 yrs*	*Total at 31 December 2022*
Bank loans	8,007	15,578	4,165	27,749
Bond issue		13,453	21,476	34,928
Finance lease debts	239	318	1,070	1,628
Other credits	1,891	1,572	2,241	5,705
Total financial debts	**10,137**	**30,921**	**28,952**	**70,011**

10.1.3 ANALYSIS OF FINANCIAL ASSETS

10.1.3.1 CASH AND CASH EQUIVALENT

(In millions of dirhams)	*31 December 2022*	*31 December 2021*
Cash	8,923	3,925
Cash equivalents	9,633	4,076
Total cash and cash equivalents	**18,556**	**8,001**
Cash and cash equivalents in the consolidated statement of Cash Flows	**18,556**	**8,001**

10.1.3.2 CASH MANAGEMENT FINANCIAL ASSETS

(In millions of dirhams)	*31 December 2022*	*31 December 2021*
Cash financial assets	509	2,538
Total	**509**	**2,538**

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

10.1.3.3 MATURITIES AND FAIR VALUE OF FINANCIAL CASH ASSETS

Financial cash assets maturities

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

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

(In millions of dirhams)	*0-1 month*	*1-6 months*	*6-12 months*	*>1 year*	*Total*
Money market funds	6,473				6,473
Term deposit	2,000	1,669			3,669
Total	**8,473**	**1,669**			**10,142**

10.1.4 ANALYSIS OF NET DEBT

(In millions of dirhams)	*31 December 2022*	*31 December 2021*
Financial credits	25,945	18,374
Bonds	34,928	30,997
Other loans and assimilated debts	7,510	4,502
Gross financial and bond debt	**68,383**	**53,871**
Financial debts from IFRS 16 leases	1,628	1,744
Other Financial debts	**1,628**	**1,744**
Cash equivalents	9,633	4,076
Cash	8,923	3,925
Financial assets for cash management	509	2,538
Financial assets	**19,066**	**10,540**
Net financial and bond debt	**49,317**	**43,332**
Total Gross financial debt	**70,011**	**55,616**
Total Net financial debt	**50,945**	**45,076**

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

(In millions of dirhams)	*31 Decembre 2022*	*31 Decembre 2021*
Net change in cash	(10,554)	(1,577)
Change in marketable securities	2,029	(2,532)
Insuance / repayment of loans	13,962	(3,144)
Other variations	432	4
Change in net financial debt	**5,869**	**(7,248)**

10.1.5 COST OF NET DEBT

The cost of net debt can be broken down as follows

(In millions of dirhams)	*FY 2022*	*FY 2021*
Interest expenses	(2,508)	(2,384)
Cost of gross financial debt	**(2,508)**	**(2,384)**
Financial income from cash investments	79	81
Other financial income	143	80
Financial income from cash investments	**222**	**161**
Cost of net financial debt	**(2,286)**	**(2,223)**

The gross financial debt cost shows a slight increase of MAD 123 million between 2022 and 2021, explained by the rise in interest charges resulting from the repayment of loans taken in 2022.

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 NON-CURRENT FINANCIAL ASSETS

(In millions of dirhams)	*31 December 2022*			*31 December 2021*		
	Gross	*Revaluation*	*Net*	*Gross*	*Revaluation*	*Net*
Financial assets at fair value by OCI	1,060	(604)	457	726	(579)	147
Financial assetsat fair value through profit or loss	17		17	22		22
Receivables from fixed assets disposals	94	(5)	89	77	(5)	72
Other financial receivables	515	(1)	515	466	(1)	466
Total non-current financial assets	**1,687**	**(609)**	**1,078**	**1,292**	**(584)**	**708**

Financial assets revalued at fair value through equity correspond to non-consolidated securities held by OCP SA and its subsidiaries, notably OCP International. This item shows an increase of 370 million dirhams, mainly due to the capital increase of UM6P Ventures, a subsidiary of UM6P, and OCP Fertinagro Advanced Solutions.

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

10.2.3 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses are as follows:

(In millions of dirhams)	*FY 2022*	*FY 2021*
Exchange income from financing operations	(3,366)	(899)
Revenue from financial receivables	(421)	(2,079)
Other	48	(98)
Other financial income and expenses	**(3,740)**	**(3,076)**

Exchange result from financing operations decreased by MAD 2.5 billion compared to 2021, which can be explained by the impact of the change in exchange rates on borrowings and financial debts denominated in foreign currencies. The MAD/USD exchange rate fell from 9.28 on December 31, 2021, to 10.45 on December 31, 2022.

Additionally, the net financial expense of 421 million dirhams includes the recognition, during 2022, of an additional net provision of 87 million dirhams related to the signing of financing agreements for the VAT credit through non-recourse factoring. The discounting of the remaining VAT credit resulted in a financial expense of 334 million dirhams as of December 2022.

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 2022*					*At 31 December 2021*				
Balance sheet captions and instrument classes	*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 ans cash equivalents	18,556	18,556	18,556			8,001	8,001	8,001		
Cash financial assets	509			509		2,538	2,538		2,538	
Financial assets at fair value by OCI	457				457	147	147			147
Financial assets at fair value through profit or loss	17				17	22	22			22
Total financial assets	**19,540**	**18,556**	**18,556**	**509**	**474**	**10,709**	**10,709**	**8,001**	**2,538**	**170**
Current loans and financial debts	10,136	10,136		10,136		4,662	4,662		4,662	
Non-current loans and financial debts	59,875	54,684	30,462	24,222		50,954	49,401	29,796	19,605	
Total financial liabilities	**70,011**	**64,819**	**30,462**	**34,358**		**55,616**	**54,063**	**29,796**	**24,267**	

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 5.3 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 Zero Balancing Account mode which involves a daily resetting of balances and enables a global cash position of the entities integrated into the cash pooling to be viewed on a single account..

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

(In millions of dirhams)	*31 December 2022*	*31 December 2021*
Unused borrowings	10,739	10,631
Other commitments received for contracts	9,846	7,999
Total Commitments received	**20,585**	**18,630**

The other commitments received on contracts and agreements relate to commitments received from suppliers concerning advances paid in the context of industrial programs undertaken by the Group.

As of December 2022, the commitments received have increased by MAD 1.8 billion compared to the end of 2021, mainly due to the increase in guarantees received by OCP SA and UM6P, partially offset by the decrease in outstanding amounts covered by trade instruments, notably irrevocable letters of credit from JFCs.

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 procedure:

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.

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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 1st, 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

(In millions of dirhams)	*FY 2022*	*FY 2021*
Current tax expense/current tax income	(5,937)	(3,076)
Deferred tax expense/deferred tax income	(185)	(1,088)
Corporate income tax	**(6,122)**	**(4,164)**

The current tax expense has increased by MAD 2.86 billion compared to 2021 due to the Group's increase in profit. The variation in deferred tax is explained, in particular, by the profitable results achieved by JFCs, which allowed for the reversal of a portion of the active deferred tax asset.

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

(In millions of dirhams)	*FY 2022*	*FY 2021*
+ Net income - Group share	28,184	16,326
+ Net income - Minorities' share	49	10
- Share of profit (loss) of equity-accounted companies	(1,887)	(1,185)
+/- Tax for the period	6,122	4,164
Consolidated accounting income before tax	**32,468**	**19,315**
+/- Permanent differences	1,096	1,444
= Consolidated taxable income	**33,564**	**20,758**
Theorical tax rate	35,00 %	22,09 %
= Theoretical tax	**(11,747)**	**(4,585)**
Difference in tax rate in relation to OCP SA (35 %)	3,006	(355)
Prior years' income taxes	(530)	(365)
Subsidiaries not subject to tax	4,097	
Change in scope	(882)	
Other items	(67)	1,142
= Corporate income tax	**(6,122)**	**(4,164)**
including		
current tax	*(5,937)*	*(3,076)*
deferred tax	*(185)*	*(1,088)*

11.4. DEFERRED TAX ASSETS AND LIABILITIES

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

(In millions of dirhams)	*31 December 2021*	*Activity changes in income*	*Change in consolidation scope*	*31 December 2022*
Gross deferred tax assets	156	(31)		125
Unrecognized deferred tax assets				
Net deferred tax assets	**156**	**(31)**		**125**
Deferred tax liabilities	**1,633**	**(216)**	**(826)**	**590**

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

(In millions of dirhams)	*31 December 2022*	*31 December 2021*
Temporary differences	2,279	1,920
Eliminations of intercompany transactions	1,400	636
Intangible assets	(674)	(226)
Tangible assets	20	20
Financial assets available for sale	49	49
Other asset items	(152)	(115)
Provisions for employee benefits	1,617	1,617
Other provisions	664	664
Other liabilities	10	0
Tax loss carryforwards	376	329
Offsetting	(5,464)	(4,739)
Total deferred tax assets	**125**	**156**

(In millions of dirhams)	*31 December 2022*	*31 December 2021*
Temporary differences	3	3
Eliminations of intercompany transactions	(244)	(224)
Intangible assets	218	159
Tangible assets	6,851	6,042
Financial assets at fair value by OCI	49	49
Inventories	399	399
Other assets items	(450)	(212)
Other provisions	(781)	224
Tax loss carryforwards	(326)	(358)
Other	335	290
Offsetting	(5,464)	(4,739)
Total deferred tax liabilities	**590**	**1,633**

Note 12 – Equity, dividends and earnings per share

12.1. ISSUED CAPITAL

As at 31 December 2022, 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.

(In number of shares)	*Actions ordinaires*
Outstanding at 1st January 2022	**82,875,000**
Issues of shares for cash in FY 2022	
Outstanding at 31 December 2022	**82,875,000**
Nominal value	**100 Dirhams**

12.2. DIVIDENDS

The MAD 8,091 million in dividends paid for FY 2022 corresponds to a net dividend per share of MAD 98.50.

(In millions of dirhams)	*31 December 2022*	*31 December 2021*
Amount of dividends (in millions of dirhams)	8,091	5,081
Dividend per share (in dirhams)	98.50	61.85

12.3. EARNINGS PER SHARE

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

(In millions of dirhams)	*FY 2022*	*FY 2021*
Net profit, Group share (in millions of dirhams)*	**27,799**	**15,933**
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
Number of shares used for the calculation of income	**82,145,700**	**82,145,700**
Basic and diluted net earnings per share (in dirhams)	**338.41**	**193.96**

(*) 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 -385 millions).

Note 13 – Relations with the sharholders

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 2022, the Moroccan State received dividends net of taxes amounting to MAD 7.68 billion in respect of the distributable profit for 2021. 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 2021 and 2022:

(In millions of dirhams)	*FY 2022*		*FY 2021*	
	State and State-controlled enterprises	*BCP*	*State and State-controlled enterprises*	*BCP*
Interest on investments	52	15	33	17
Utility costs	999		1,002	
Other operating expenses	202		267	
Interest on loans	11	45	39	121
Social charges	623		630	
Transport expenses ONCF	749		1,037	
Subscription ONCF / lump-sum contributions	400		400	
Assets and inventories purchases	85		66	

(In millions of dirhams)	*31 December 2022*		*31 December 2021*	
	State and State-controlled enterprises	*BCP*	*State and State-controlled enterprises*	*BCP*
Trade payables	623		539	
Other receivables	396		493	
Cash and cash equivalents	1,151	919	269	931
Investments	2,500		2,000	
Loans	486	3,039	623	1,520

This is a free translation into English of the statutory audit report issued in French and it is provided solely for the convenience of English-speaking users.

OCP S.A.

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

37, Bd Abdellatif Ben Kaddour
20 050 Casablanca
Maroc

La Marina Casablanca, Bâtiment C /
Ivoire III, Bd Sidi Mohammed Ben
Abdellah, 27223 Casablanca
Maroc

To the Shareholders of
OCP S.A.
2, Rue Al Abtal - Hay Erraha - Immeuble OCP
Casablanca

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

We have audited the consolidated financial statements of OCP S.A. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. These consolidated financial statements show an amount of consolidated shareholders' equity of MMAD 111,150 including a consolidated net profit of MMAD 28,233.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Code of Ethics for Accountants' (including international standards of independence) published by *the International Ethics Standards Board for Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, established under the conditions referred above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>Our audit response :</th></tr>
<tr><td>

Valuation of tangible and intangible assets:
(Refer to note 8.1 «Accounting treatment of assets», 8.2 «Property, Plant & Equipment variation» and 8.3 «Intangible assets variation»)

As of December 31, 2022, the net book value of the Property, Plant & Equipment and intangible assets amounts respectively to MMAD 129.547 and MMAD 4.533 (59% of total assets).

Tangible and intangible assets are recognized at their historical acquisition cost, production cost or entry cost to the Group, less depreciation and possible loss of value. This cost includes the borrowing costs incurred during the construction of these assets.

Tangible and intangible assets are depreciated according to the methods defined in the notes. Their useful life is reviewed at each closing so that it reflects the expected useful lives.

The Group performs impairment tests:

on tangible assets with a finite useful life when there are indications of impairment as defined in the notes.
at least once a year for intangible assets with an indefinite useful life.

These assets are tested at the cash generating units (CGUs), as defined by the Group, based on the discounted future cash flows.

We considered that the valuation of tangible fixed assets is a key audit matter due to:

The weight of these assets in the Group’s accounts, the continuation by the Group of its investment program;
The significant impact of the effective capitalization dates on the depreciation of the period and on the net value of the asset;
the fact that the valuation of these assets requires management to exercise judgment and use estimates in:

The definition of the useful lives used by components;
The determination of discounted future cash flows, discount rates and long-term growth rate used for impairment tests.

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The work that we carried out mainly consisted in:

Gaining an understanding of the internal control procedures relating to the accounting of tangible and intangible assets, the capitalization of investments and the commissioning of tangible and intangible assets, the estimation of the useful life of depreciable assets as well as their valuation and their depreciation.
Testing the effectiveness of the key controls relating to these procedures, in particular those relating to the capitalization of tangible and intangible assets, to the duration and to the starting date of their depreciation.
Also, on the basis of sampling, we carried out a review of the effective dates of commissioning of tangible and intangible assets and their depreciation periods by consulting the available documentation and by interviewing project managers.
We carried out a critical examination of the possible existence of impairment indicators as of December 31, 2022 through the analysis of production, industrial and commercial performance indicators versus production capacities, budgets, and historical performances.
For assets / CGUs showing indicators of impairment, we examined the impairment tests performed by the Group during the financial year, through the analysis of the documentation relating to the determination of the recoverable value, and the assessment of the consistency of the cash flow projections established by the Management and of the assumptions retained in relation to historical performance and market prospects. We have also performed our own sensitivity calculations to corroborate the analyses performed by Management.

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Exchange rate hedge accounting (Refer to note 4.1.3 «Management of exchange risk and credit risks»)

As part of its activities, the Group realizes the majority of its sales in dollars and has issued two bonds in dollars respectively in April 2014 and April 2015, redeemable at maturity for respectively 1.25 billion dollars and 1 billion dollars. At each closing, these debts used to generate an exchange rate effect in income under IAS 21.

In order to limit this impact, the Group put in place starting from September 1st 2018, a cash flow

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The work that we carried out mainly consisted in:

Performing a critical examination of the hedging relationship documentation prepared by the Group with regard to the requirements of IAS 39.
Examining in particular :

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hedge (CFH) between the highly probable future sales in dollars (hedged item) and the two bonds issues in dollars (hedging instrument). The hedged item corresponds to the amounts of future sales which would be made respectively from April 2024 and October 2025, dates on which the bond debts mature. Under this hedge accounting, a prospective test is performed by the Group at each closing in order to control the highly probable nature of future sales designated as hedged item, as well as a prospective effectiveness test in accordance with the requirements of IAS 39. This hedging strategy, in application of the principles of IAS 39, results in: ▪ The recognition in OCI (*Other Comprehensive Income*), for the effective part, of the exchange effect on the debt until maturity ▪ The recognition in the P&L for the ineffective part ▪ The recycling in the P&L of OCI accumulated at the maturity of the debt. We considered this topic as a key audit matter given the significant impacts of changes in exchange rates on the Group's earnings and equity.	- The eligibility to hedge accounting for future sales as a hedged item in accordance with IAS 39, and in particular their highly probable nature in view of historical achievements and budgets; - The existence of the debts and their validity as a hedging instrument for currency risk in accordance with IAS 39. ▪ Analysing the effectiveness tests of the hedging relationship. ▪ Examining the accounting impacts of this hedge accounting on the financial statements for the effective part and for the ineffective part.
Provision for employee benefits *(Refer to note 5.3.1 «General presentation of schemes existing within the Group and accounting treatment»)* The Group has several post-employment benefit plans with defined contributions and benefits. A significant part is made up of defined benefit plans, for which the Group is committed to a level of benefits. These plans include in particular: death benefit, end-of-career benefits and post-employment medical coverage. The actuarial value of the accumulated employee benefits related to these commitments amount to MMAD 5.066 as of December 31, 2022. Defined benefit plans are subject to an actuarial valuation of the commitment using the projected unit credit method, taking into account demographic and financial assumptions and which actuarial assumptions are reviewed on an annual basis. Differences related to changes in actuarial assumptions and adjustments related to experience constitute actuarial differences recognized in non-recyclable equity in accordance with IAS 19 revised. The assessment of the liabilities of the commitments for employee benefits as well as the actuarial charge for the financial year requires judgment to determine the appropriate assumptions to be retained such as the discount and inflation rates, the projected date of changeover to AMO (Assurance Maladie Obligatoire : Compulsory Health Insurance), the rate of change in medical costs, future salary increases, mortality tables ...	We gained an understanding of the process for evaluating commitments for post-employment benefits applied by the Group. With the assistance of our actuarial experts, our work included: ▪ Examining the main assumptions used, in particular the discount and inflation rates in light of market conditions; ▪ Assessing the consistency of the assumptions relating in particular to salary developments and demographic data (mortality tables, inflation rate of medical costs) with the specific features of the plans and those of the entity; ▪ Examining the calculations prepared by the Group, in particular those supporting the sensitivity of the liability to changes in the discount rate and to changes in the rate of change in medical costs; ▪ Analyzing the hypothesis relating to the changeover from the health insurance plan to AMO in 2024, with regards to the evolution of regulatory texts; ▪ Examining, on the basis of samplings, the correct transcription in the calculation of commitments made by the Group of individual data and actuarial and demographic assumptions adopted by Management; ▪ Examining the consistency of the sensitivity analysis presented in particular in the notes to the consolidated financial statements.

It should be noted that OCP Group has planned the changeover from the health insurance plan to AMO in 2024. The variation of some of these assumptions could have a significant impact on the determination of the recognized liability as well as on the Group's result. Therefore, we considered the evaluation of the provision for employee benefits as a key audit matter.	

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control ;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Casablanca, March 27, 2023

The independent auditors

ERNST & YOUNG	**DELOITTE AUDIT**
French original signed by	French original signed by
Abdeslam BERRADA ALLAM **Partner**	**Sakina BENSOUDA KORACHI** **Partner**

CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2021

Contents

Key figures

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

Significant events of the period

- On June 23, 2021, OCP Group successfully issued an international bond loan of $ 1.5 billion, including $ 750 million over 10 years at a rate of 3.75 % per year and $ 750 million over 30 years at a rate of 5.125 % per year.

  This operation was accompanied by the partial redemption of the 2014 10-year bond at 41.36 % and the 2015 - 10.5 year bond at 44.44 % for respectively 517 and 444 milion dollars. A redemption premium of $95 million was paid.

- In the second half of 2021, OCP Group, through its subsidiary OCP Hospitality - OCPH, increased its stake in the Maghrib Hospitality Company - MHC entity, by subscribing alone to the capital increase of MHC. This subscription enabled OCPH to hold the majority of MHC's voting rights, and therefore to exercise control within the meaning of IFRS 10 over this entity.

- During 2021, an agreement was concluded between the Moroccan State and a consortium of Moroccan banks, in the presence of OCP Group, for the reimbursement by way of factoring without recourse, of the amount of the VAT credit of MAD 6.5 billion. The total cost of the operation is MAD 1.1 billion.

Events after the reporting period

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

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

- **Agreement signing with Koch Ag & Energy Solutions**

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

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

Consolidated Statement of Profit and Loss

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

Consolidated Statement of Comprehensive Income

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

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

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

Consolidated Statement of Financial Position

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

(In millions of dirhams)	Note	31 December 2021	31 December 2020
LIABILITIES			
Current liabilities			
Current loans and financial debts	10.1.2.1 -10.1.2.2	4,662	11,795
Current provisions	9.2	556	448
Trade payables	4.2.5	18,141	15,332
Other current liabilities	7.4	10,104	5,661
Total current liabilities		**33,463**	**33,236**
Non-current liabilities			
Non-current loans and financial debts	10.1.2.1 -10.1.2.2	50,954	46,964
Non-current provisions for employee benefits	9.2	5,964	5,646
Other non-current provisions	9.2	1,131	591
Deferred tax liabilities	11.4	1,633	1,295
Other non-current liabilities			3
Total non-current liabilities		**59,681**	**54,500**
Equity - Group share			
Issued capital	12.1	8,288	8,288
Paid-in capital		18,698	18,698
Consolidated reserves - Group share		42,888	45,927
Net profit (loss) - Group share		16,326	3,231
Equity - Group share		**86,200**	**76,143**
Non-controlling interests		2,654	1,447
Total equity		**88,854**	**77,591**
Total liabilities and equity		**181,998**	**165,326**

Consolidated Statement of Changes in Equity

(In millions of dirhams)	*Issued capital*	*Paid-in capital*	*actuarial gains or losses* [1]	*hybrid securities* [2]	*Other consolidated reserves*
Equity as at 1st January 2020	**8,288**	**18,698**	**(3,244)**	**9,075**	**42,618**
Allocation of profit (loss) for FY 2020					2,843
Consolidated comprehensive income for FY 2020			**(239)**		
Subordinated debt's coupons				(410)	
Change in scope					
Dividends paid					(4,461)
Others					(180)
Equity as at 31 December 2020	**8,288**	**18,698**	**(3,484)**	**8,665**	**40,820**
Equity as at 1st January 2021	**8,288**	**18,698**	**(3,484)**	**8,665**	**40,820**
Allocation of profit (loss) for FY 2021					3,231
Consolidated comprehensive income for FY 2021			**(443)**		
Subordinated debt's coupons				(393)	
Change in scope					
Dividends paid					(5,081)
Others					35
Equity as at 31 December 2021	**8,288**	**18,698**	**(3,926)**	**8,272**	**39,005**

(1) Defined benefit plans are subject to a provision, determined on the basis of an actuarial valuation of the commitment using the projected unit credit method 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.

(2) OCP SA closed two perpetual subordinated bond issue with early repayment and deferred payment options for a total amount of MAD 10 billion issued in five tranches. Given the characteristics of this hybrid issue, the financing is recognized in equity according to IFRS 9.

Translation difference	financial assets at fair value by OCI [3]	Share of gains and losses recognized in equity (CFH variation) [4]	Net profit (loss)	Total equity - Group share	Non-controlling interests [5]	Total equity
(273)	**(521)**	**(293)**	**2,843**	**77,191**	**1,436**	**78,627**
			(2,843)			
(128)		**1,139**	**3,231**	**4,002**	**160**	**4,162**
				(410)		(410)
				(4,461)	(170)	(4,631)
				(180)	22	(158)
(401)	**(521)**	**846**	**3,231**	**76,143**	**1,447**	**77,591**
(401)	**(521)**	**846**	**3,231**	**76,143**	**1,447**	**77,591**
			(3,231)			
(25)		**(362)**	**16,326**	**15,496**	**10**	**15,506**
				(393)		(393)
					1,372	1,372
				(5,081)	(173)	(5,254)
				35	(2)	33
(426)	**(521)**	**484**	**16,326**	**86,200**	**2,654**	**88,854**

[3] It represents the depreciation of the Group's investment in Heringer..

[4] 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).

[5] This represents non-controlling interests in JFCV, Maghrib Hospitality Company and Société La Mamounia.

Consolidated Statement of Cash Flows

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

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

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

Note 1 - Accounting rules and methods

1.1. BASES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

1.2. STANDARDS AND INTERPRETATIONS APPLIED AT 1ST JANUARY 2021

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

Note 2 - Consolidation scope and scope change

2.1. CONSOLIDATION SCOPE

Entity	Country of location	Currency	31 December 2021		31 December 2020	
			Consolidation method	% Interest	Consolidation method	% Interest
Industrial						
OCP SA - Holding	**Morocco**	**MAD**	**Parent company (Full)**	**100.00**	**Parent company (Full)**	**100.00**
Fertinagro Biotech	Spain	EUR	Equity method	20.00	Equity method	20.00
Groupe PRAYON	Belgium	EUR	Equity method	50.00	Equity method	50.00
Jorf Fertilizer Company I - JFC I	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company II - JFC II	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company III - JFC III	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company IV - JFC IV	Morocco	MAD	Full	100.00	Full	100.00
Jorf Fertilizer Company V - JFC V	Morocco	MAD	Full	60.00	Full	60.00
Euro Maroc Phosphore- EMA	Morocco	MAD	Equity method	33.33	Equity method	33.33
Indo Maroc Phosphore - IMA	Morocco	MAD	Equity method	33.33	Equity method	33.33
Pakistan Maroc Phosphore - PMP	Morocco	MAD	Equity method	50.00	Equity method	50.00
Paradeep Phosphates Ltd. - PPL	India	INR	Equity method	50.00	Equity method	50.00
Phosboucraa	Morocco	MAD	Full	100.00	Full	100.00
Trading						
Black Sea Fertilizer Trading Company	Turkey	TRY	Full	100.00	Full	100.00
OCP AFRICA	Morocco	MAD	Full	100.00	Full	100.00
OCP Fertilizantes	Brazil	BRL	Full	100.00	Full	100.00
OCP North America	USA	USD	Full	100.00	Full	100.00
SAFTCO	Swiss	USD	Full	100.00	Full	100.00
Others						
Association pour la Promotion de l'Enseignement d'Excellence - APEE*	Morocco	MAD	Full	100.00	Full	100.00
Centre d'Etudes et de Recherches des Phosphates Minéraux -CER	Morocco	MAD	Full	100.00	Full	100.00
Dupont Ocp Operations Consulting - DOOC	Morocco	MAD	Full	100.00	Equity method	50.00
Foncière Endowment 1 - FE1	Morocco	MAD	Full	100.00	Full	100.00
Fondation OCP	Morocco	MAD	Full	100.00	Full	100.00
Fondation PB	Morocco	MAD	Full	100.00	Full	100.00
Jacobs Engineering - JESA	Morocco	MAD	Equity method	50.00	Equity method	50.00
Moroccan Foundation For Advanced Science, Innovation and Research- MASCIR**	Morocco	MAD	Full	100.00		
Moroccan Hospitality Company SA-MHC	Morocco	MAD	Full	61.50	Equity method	50.00
OCP Innovation Fund For Agriculture - OIFFA	Morocco	MAD	Full	100.00	Full	100.00
OCP International	Netherlands	USD	Full	100.00	Full	100.00
OCP International SAS	France	EUR	Full	100.00	Full	100.00
OCP Hospitality	Morocco	MAD	Full	100.00	Full	100.00
OCP Solutions (Ex SMESI)	Morocco	MAD	Full	100.00	Full	100.00
Société d'Aménagement et de Développement de Mazagan - SAEDM	Morocco	MAD	Equity method	51.00	Equity method	51.00
Société d'Aménagement et de Développement Vert - SADV	Morocco	MAD	Full	100.00	Full	100.00
Société Foncière de la Lagune-SFL	Morocco	MAD	Equity method	30.80		
Société La Mamounia- SLM	Morocco	MAD	Full	32.00		
Société Palais Jamai- SPJ	Morocco	MAD	Full	61.50		
Société de Transports Régionaux - SOTREG	Morocco	MAD	Full	100.00	Full	100.00
Université MED6 polytechnique Endowment Holding - UM6PEH	Morocco	MAD	Full	100.00	Full	100.00
Université MED6 polytechnique - UM6P	Morocco	MAD	Full	100.00	Full	100.00
TEAL Technology & Services - TTS	Morocco	MAD	Equity method	49.00	Equity method	49.00

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

** New integration in the consolidation scope.

2.2. SCOPE CHANGE

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

- OCP Group increased its stake in the entity Dupont OCP Opérations Consulting to hold 100 % of its capital. This entity is now controlled by OCP and fully consolidated. The impacts of the integration of this entity are not significant.

- In July 2021, the OCP Group subscribed alone to the capital increase of its subsidiary Maghrib Hospitality Company – MHC. Then, increasing its stake to 61.5 %. MHC is now fully consolidated. The Hassan II Fund has become a minority shareholder within MHC.

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

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

Note 3 - Segment reporting

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

- Northern Axis (Khouribga – Jorf Lasfar): this axis hosts the integrated phosphate chemical processing hub. Phosphate extracted at Khouribga is transported by slurry pipeline to Jorf Lasfar, where it is processed into phosphoric acid and fertilizers. The finished products are exported from OCP port at Jorf Lasfar.

- Central Axis (Youssoufia and Benguérir – Safi) and Phosboucraâ: this axis hosts:

- The integrated phosphate chemical processing hub. The phosphate extracted at Youssoufia and Benguérir is transported by rail to Safi, where it is processed into phosphoric acid and fertilizer. The finished products are exported from OCP port at Safi.
- Phosboucraâ's extraction site. The phosphate that is extracted there is transported by conveyers to the processing center at Laâyoune, then exported by sea from Laâyoune port.

- Head office and other activities: it hosts the corporate activities and the activities of international entities.

3.1. INFORMATION BY OPERATING SEGMENT

(In millions of dirhams)	Nortern axis		Central axis & Phosboucraa		Head-office and other activities		Intersegment eliminations		TOTAL	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenue	65,827	44,021	17,207	10,666	9,383	5,590	(8,117)	(4,095)	84,300	56,182
Production held as inventory	(1,140)	(1,651)	298	(13)	1,120	31			278	(1,633)
Purchases consumed	(22,791)	(13,617)	(4,209)	(2,692)	(10,194)	(5,705)	7,836	3,893	(29,360)	(18,123)
External expenses	(6,386)	(4,752)	(2,218)	(2,253)	(1,791)	(1,651)	426	432	(9,969)	(8,224)
Personal expenses	(4,803)	(4,263)	(3,158)	(2,732)	(2,598)	(2,114)	7	11	(10,550)	(9,099)
Taxes	(126)	(167)	(77)	(80)	(75)	(59)			(278)	(306)
Income from joint ventures	817	157			368	185			1,185	342
Exchange gains and losses on operating recevables and payables	88	(133)	34	(39)	498	(262)			620	(435)
Other operating income and expenses	29	36			167	156	(152)	(240)	44	(48)
EBITDA	**31,516**	**19,630**	**7,877**	**2,856**	**(3,119)**	**(3,830)**			**36,269**	**18,657**
Amortization, depreciation and operating provisions	(5,133)	(5,532)	(1,325)	(940)	(2,555)	(1,724)			(9,016)	(8,196)
Current operating profit (loss)	**26,382**	**14,099**	**6,551**	**1,917**	**(5,674)**	**(5,554)**			**27,254**	**10,461**
Other non-curent operating income and expenses	(328)	(207)	(353)	(94)	(775)	(3,898)			(1,454)	(4,199)
Operating profit (loss)	**26,053**	**13,891**	**6,199**	**1,822**	**(6,450)**	**(9,452)**			**25,799**	**6,262**

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

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

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

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

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

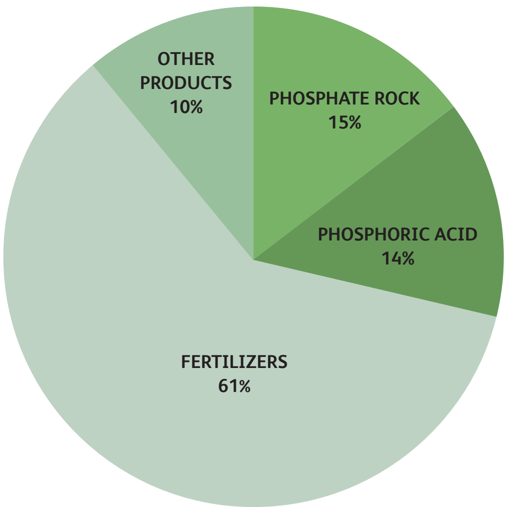
The Northern axis recorded a 50 % increase in its operating expenses, ie a variation of MAD 11.3 billion, observed in the purchase of the raw materials. The operating expenses of the Central axis are also increasing, by MAD 1.9 billion, in the purchase of raw materials as well.

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

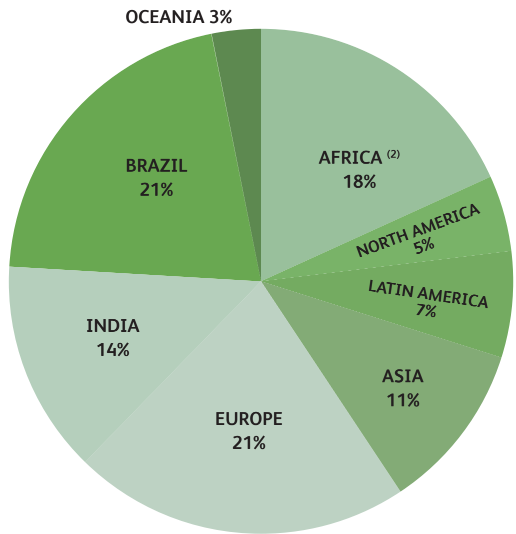
3.2. REVENUE BY PRODUCT AND BY GEOGRAPHICAL AREA

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

REVENUE BY PRODUCT



REVENUE BY GEOGRAPHICAL AREA [1]



[1] Revenue of Phosphate, Phosphoric acid and fertilizer.
[2] Including sales in local market.

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

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

Note 4 - Operational data

4.1. OPERATING REVENUE

4.1.1 REVENUE

4.1.1.1 ACCOUNTING TREATMENT OF REVENUES

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

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

4.1.1.2 INFORMATION BY PRODUCT FAMILY

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

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

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

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

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

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

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

The sales reduction in North America is explained by a higher shipped level during the first half of 2020 following the closure of the Bayovar mine due to the spread of the Covid-19 pandemic.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **Others products.**

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

4.1.2 TRADE RECEIVABLES

4.1.2.1 ACCOUNTING TREATMENT OF TRADE RECEIVABLES

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

4.1.2.2 ANALYSE DES CRÉANCES CLIENTS

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

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

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

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

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

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

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

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

4.1.3 MANAGEMENT OF EXCHANGE RISK AND CREDIT RISKS

4.1.3.1 EXCHANGE RISK

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

4.1.3.2 FOREIGN EXCHANGE RISK ON FINANCING FLOWS

Setting up exchange rate hedge accounting:

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

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

In this particular context of the Covid-19 observed during 2020, OCP affirms that the circumstances of the pandemic will not be likely to reduce the level of activity and Group revenue. Thus, the Group achieved during 2021 a revenue of $ 9.4 billion (MAD 84.3 billion) in 2021 up 50 % compared to 2020. Consequently, the assumptions validating the effectiveness of the hedging relationship remain fully maintained and the hedging documentation is still verified. According to the strategy initially described, OCP expects the hedge to be highly effective; it must be regularly tested over the life of the transaction and must be between 80 % and 125 %.

Since the partial redemption of the bond issues on June 23, 2021, for respectively 41.36 % of the 2024 tranche ($517 million) and 44.44 % of the 2025 tranche (MAD 444.4 million), the hedging reserves cumulative cash flows corresponding to this operation will be maintained in other comprehensive income for a total amount of MAD 496 million and will be gradually recycled in the P&L when the revenue is realized starting from April 2024 for the 2024-tranche and from October 2025 for the 2025-tranche. The rest of these non-repurchased tranches continue to serve as hedging instruments for future revenue that would be realizable in 2024 and 2025.

4.1.3.3 CREDIT RISKS

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

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

Credit risk management is based on the following elements:

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

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

4.2. PURCHASES CONSUMED AND EXTERNAL CHARGES

4.2.1 ACCOUNTING TREATMENT OF OPERATING CHARGES

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

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

4.2.2 ANALYSIS OF PURCHASES CONSUMED AND EXTERNAL EXPENSES

Purchases consumed:

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

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

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

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

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

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

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

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

External expenses:

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

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

4.2.3 RISKS RELATED TO RAW MATERIALS

Sulphur supplies

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

Ammonia supplies

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

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

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

4.2.4 INVENTORIES

4.2.4.1 ACCOUNTING TREATMENT OF INVENTORIES

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

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

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

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

4.2.4.2 ANALYSIS OF THE INVENTORIES EVOLUTION

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

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

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

4.2.5 TRADE PAYABLES

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

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

Note 5 - Expenses and employee benefits

5.1. PERSONNEL EXPENSES

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

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

5.2. NUMBER OF EMPLOYEES

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

5.3. POST-EMPLOYMENT BENEFIT AND OTHER BENEFITS

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

OCP Group has three types of benefits schemes:

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

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

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

5.3.2 MAIN ACTUARIAL ASSUMPTIONS

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

	31 December 2021	*31 December 2020*
Discount rate		
Pension supplement	3.30 %	3.50 %
Medical plans	3.30 %	3.50 %
Expected salary increase rate	**5.10%**	**5.10%**
Rate of increase in medical costs	**2.00%**	**2.00%**

The discount rates are determined by reference to market yields on bonds issued by the Moroccan State, to which is added a basic risk premium to estimate the market yields on high quality corporate bonds over equivalent durations to those of the plans.

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

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

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

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

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

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

5.3.3 OBLIGATIONS RELATED TO SOCIAL LIABILITIES

(In millions of dirhams)	Post-employment benefits				Other long-term benefits	Total employee benefits
	Pension supplement	Medical plans	Fixed retirement allocation	Total post-employment benefits		
Net obligations recognized at 1st January 2020	**526**	**3,986**	**748**	**5,260**	**120**	**5,380**
Benefits paid	(11)	(574)	(41)	(625)		(625)
Service cost	2	49	61	112		112
Expenses related to discounting of obligations	21	141	28	190		190
Actuarial losses or (gains) for the period	60	247	(6)	301		301
Contributions		289		289		289
Other changes	(1)			(1)		(1)
Net obligations recognized at 31 December 2020	**597**	**4,137**	**790**	**5,525**	**120**	**5,646**
Benefits paid	(18)	(684)	(37)	(739)	(17)	(756)
Service cost	2	60	61	123		123
Expenses related to discounting of obligations	21	145	27	193		193
Actuarial losses or (gains) for the period	(117)	521	148	552		552
Contributions		75		75		75
Other changes	131			131		131
Net obligations recognized at 31 December 2021	**615**	**4,255**	**989**	**5,858**	**103**	**5,964**

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

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

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

5.4. KEY MANAGEMENT COMPENSATION

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

(In millions of dirhams)	*FY 2021*	*FY 2020*
Short-term employee benefits	137	134
Post-employment benefits	20	21
Termination benefits employment contract	2	
Total management compensation	**159**	**156**

Note 6 - Investments in Joint Ventures and associates

6.1. ANALYSIS OF INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

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

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

(1) SAEDM, SFL and TTS being associated companies.
(2) Maghreb Hospitality Company has been controlled by OCP since the second half of 2021.
(3) Includes JESA.

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

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

(*) For 2021, the MHC result corresponds to the share relating to the first semester given that the entity is controlled from July 2021.

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

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

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

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

Statement of Financial Position

(In millions of dirhams)	*PRAYON*	*EMAPHOS*	*IMACID*	*PMP*	*PPL*	*SAEDM*	*Fertinagro*	*Others*
ASSETS								
Current assets								
Cash and cash equivalents	485	28	201	46	103	2	781	910
Cash financial assets		5			1,194			
Inventories	1,903	350	166	241	1,827	1,319	977	2
Trade receivables	566	303	1,341	1,435	2,310		1,352	1,551
Current tax receivables								49
Other current assets	130	234	975	798	1,045	121	34	667
Total current assets	**3,084**	**920**	**2,683**	**2,519**	**6,479**	**1,442**	**3,143**	**3,179**
Non-current assets								
Non-current financial assets	11				533		193	7
Investments in equity-accounted companies	860							
Equity securities	16				5	1		135
Deferred tax assets	125				16			
Property, plant and equipment	2,047	225	499	538	1,936	4	899	90
Intangible assets	101	226	19	19	1	7	98	35
Total non-current assets	**3,161**	**451**	**518**	**558**	**2,490**	**11**	**1,190**	**267**
TOTAL ASSETS	**6,245**	**1,371**	**3,201**	**3,077**	**8,969**	**1,453**	**4,333**	**3,446**

(In millions of dirhams)	*PRAYON*	*EMAPHOS*	*IMACID*	*PMP*	*PPL*	*SAEDM*	*Fertinagro*	*Others*
LIABILITIES								
Current liabilities								
Current loans and financial debts	1,169				2,314			
Current provisions	13		3		93			53
Trade payables	1,206	295	734	761	2,797	199		790
Current tax liabilities		30	247	159	74			59
Other current liabilities	397	(74)	54	2	197	165	2,387	1,302
Total current liabilities	**2,785**	**252**	**1,037**	**921**	**5,474**	**364**	**2,387**	**2,204**
Non-current liabilities								
Non-current loans and financial debts	738	157		9	614	527		
Non-current provisions for employee benefits	183				33			
Other non-current provisions	21						1	
Deferred tax liabilities	209				116			
Other non-current liabilities	10						12	
Total non-current liabilities	**1,161**	**157**		**9**	**763**	**527**	**12**	
Equity - Group share	524	347	620	800	718	608	642	66
Paid-in capital		110						
Reserves	1,459	305	266	559	1,576	(1)	987	9
Retained earnings			187			(43)	183	1,084
Net profit (loss) - Group share	317	201	1,090	787	440	(3)	122	83
Total equity	**2,299**	**962**	**2,164**	**2,146**	**2,734**	**562**	**1,934**	**1,242**
TOTAL LIABILITIES AND EQUITY	**6,245**	**1,371**	**3,201**	**3,077**	**8,969**	**1,453**	**4,333**	**3,446**

Income statement

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

6.3. SERVICES PROVIDED BY OCP TO ITS JOINT VENTURES

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

6.3.1 SUPPLY OF PHOSPHATE AND PHOSPHORIC ACID

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

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

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

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

6.3.2 SUPPLY OF SERVICES AND UTILITIES

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

6.3.3 LEASES

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

6.3.4 FINANCIAL AGREEMENT

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

6.3.5 OTHER SERVICES

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

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

6.3.6 BENEFITS PROVIDED BY JOINT VENTURES TO OCP

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

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

Note 7 – Other operating items

7.1. ACCOUNTING TREATMENT OF THE OTHER OPERATING ITEMS

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

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

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

7.2. ANALYSIS OF OTHER OPERATING ITEMS

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

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

7.3. OTHER CURRENT ASSETS

(In millions of dirhams)	*31 December 2021*			*31 December 2020*		
	Gross	*Depreciation*	*Net*	*Gross*	*Depreciation*	*Net*
Receivables from suppliers, advances and payments on account	8,559		8,559	8,003		8,003
Personnel	65	(1)	64	66	(1)	65
Social organizations	373	(33)	340	342	(32)	310
State (excluding corporate income tax)	4,786		4,786	8,963		8,963
Tax receivables	1,311		1,311	11		11
Other receivables	740	(36)	704	361	(24)	336
Total other current assets	**15,835**	**(70)**	**15,765**	**17,746**	**(57)**	**17,689**

"State (excluding corporate income tax)" mainly includes VAT, the phosphate exploitation fee and other taxes and duties. The decrease observed on the State line relates to the reimbursement of the VAT credit following the conclusion during 2021 of two new factoring contracts. Receivables relating to the VAT credit were reimbursed following the agreement signed between the State, the OCP Group and a consortium of Moroccan banks. These are non-recourse factoring contracts with transfer of all risks and rewards to the banks. These operations enabled the Group to derecognize the VAT credit for its current and non-current part totaling MAD 6,3 billion in return for the recognition of a gross financial debt of MAD 1.1 billion corresponding to the overall cost of factoring. This debt will be repaid over a 10-year schedule for OCP SA, JFC 1,2,3,4 and SADV for a total amount of MAD 6 billion and over a 5-year schedule for JFC 5 for an amount of MAD 262 million.

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

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

7.4. OTHER CURRENT LIABILITIES

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

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

Note 8 – Property, plant & equipment and intangible assets

8.1. ACCOUNTING TREATMENT OF ASSETS

8.1.1 PROPERTY, PLANT & EQUIPMENT

Measurement and useful lives of operating assets

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

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

Depreciation

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

Property, plant and equipment	*Duration*
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, fitings	3 to 30 years

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

Leases

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

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

Borrowing costs

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

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

8.1.2 INTANGIBLE ASSETS

Initial and subsequent measurement

Intangible assets are composed of patents, licenses, softwares, research and development costs. They are recognized t 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 MHC level in July 2021, new goodwill was calculated on Société La Mamounia entity for MAD 1,886 million.

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

8.1.3 IMPAIRMENT TESTS AND IMPAIRMENT LOSSES

Valuations used for impairment tests

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

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

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

- **Northern Axis (Khouribga – Jorf Lasfar):** this axis hosts the integrated phosphate chemical processing hub. Phosphate extracted at Khouribga is transported by slurry pipeline to Jorf Lasfar, where it is processed into phosphoric acid and fertilizer. The finished products are exported from the OCP port in Jorf Lasfar.
- **Central Axis (Youssoufia and Benguérir – Safi):** this axis hosts the integrated phosphate chemical processing hub. The phosphate extracted at Youssoufia and Benguérir is transported by rail to Safi, where it is processed into phosphoric acid and fertilizer. The finished products are exported from the OCP port at Safi.
- **Phosboucraâ Axis :** Phosboucraâ extraction site. The phosphate that is extracted there is transported by conveyers to the processing center at Laâyoune and then exported by sea.

The impairment tests for assets apply the following rules:

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

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

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

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

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

8.2. PROPERTY, PLANT AND EQUIPMENT VARIATION

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

(In millions of dirhams)	*31 December 2019*	*Aquisitions*	*Provisions*	*Reductions / Reversals*	*Reclassifi-ca-tion*	*Translation difference*	*Other changes*	*31 December 2020*
Gross amount:								
Land	6,201	100			180	1		6,482
Buildings	50,451	864		(19)	2,378			53,675
Technical installations, equipment and tools	97,110	708		(38)	1,582			99,362
Transport equipment	893	20		(20)	5			898
Furniture, office equipment and various fittings	3,325	138		(4)	145	(4)	2	3,602
Right of use of other tangible assets	4,116	95		(5)		(4)	63	4,266
Other property, plant and equipment	9,904	7,071		(110)	(4,828)	(1)	42	12,078
Total gross amount	**172,001**	**8,996**		**(196)**	**(538)**	**(8)**	**107**	**180,362**
Depreciations:								
Land	(1,121)		(23)					(1,145)
Buildings	(12,913)		(977)	5	26			(13,859)
Technical installations, equipment and tools	(45,017)		(4,961)	36	(29)			(49,971)
Transport equipment	(727)		(39)	20	(86)			(833)
Furniture, office equipment and various fittings	(1,452)		(238)	4	102	1		(1,583)
Right of use of other tangible assets	(1,505)		(458)					(1,963)
Other property, plant and equipment	(799)		(639)	79	(13)			(1,372)
Impairment losses								
Land			(141)					(141)
Buildings	(3)							(3)
Total depreciation and impairment losses	**(63,537)**		**(7,477)**	**152**	**(7)**			**(70,869)**
Net carrying amount	**108,464**	**8,996**	**(7,477)**	**(44)**	**(546)**	**(7)**	**107**	**109,493**

The main increases during 2021 are related to the mining, chemical and hotels activities and relate to the following projects:

Mining activities

- Commissioning of the second part of the flexible conveyor at the Béni Amir mine;
- Mobilization of the main contractors and progress to 48 % of the construction of the laundry in Benguerir. The objective is to ensure a production of 3 MT/year by 2020 and 9 MT/year by 2025 in order to meet the needs of the Safi site, while reducing the cost of transport by train to Youssoufia and Safi by the transport of the washed product floated instead of raw phosphate;
- Review of parcel plans and start of requests for authorization to pass for the Benguerir Slurry Pipeline;
- The Boucraâ mining site has seen several achievements, mainly the finalization of the earthmoving works of the storage halls and the civil engineering works of the storage tanks of the fertilizer complex. The purpose of this complex is to upgrade Boucraâ phosphates by producing phosphoric acid and fertilizers with an annual capacity of 1 MT of DAP/MAP equivalent fertilizer and 0.5 MT of P2O5. In addition, the site began in situ tests of the tubular piles for the access bridge to the new phosphate port and launched the first phase of development of the new electric substation;

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

Chemical activity

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

Hospitality

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

8.3. INTANGIBLE ASSETS VARIATION

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

Goodwill impairment test at Société La Mamounia – SLM

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

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

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

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

(In millions of dirhams)	*31 December 2019*	*Aquisitions*	*Dotations*	*Reclassifi-cation*	*31 December 2020*
Gross amount:					
R&D assets	100	7		8	115
Patents, trademarks, rights and similar items	76	10		69	155
Licences and software	642	1,321		10	1,972
Other intangible assets	849	(175)		281	955
Total gross amount	**1,668**	**1,163**		**367**	**3,197**
Amortization:					
Amortization of R&D assets	(55)		(20)		(75)
Amortization of patents, trademarks, rights and similar items	(59)		(20)	3	(76)
Amortization of licences and software	(268)		(31)		(298)
Amortizaiton of other intangible assets	(190)		(81)	(3)	(274)
Total amortization and impairment losses	**(572)**		**(151)**	**1**	**(723)**
Net carrying amount	**1,095**	**1,163**	**(151)**	**368**	**2,474**

8.4. NET DEPRECIATION AND AMORTIZATION

(In millions of dirhams)	*FY 2021*	*FY 2020*
Net depreciation and amortization	**(7,915)**	**(7,403)**

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

Note 9 – Provisions and contingent liabilities

9.1. ACCOUNTING TREATMENT OF PROVISIONS

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

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

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

9.2. NET PROVISIONS

(In millions of dirhams)	*FY 2021*	*FY 2020*
Net provisions	**(1,099)**	**(793)**

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

9.3. PROVISIONS FOR LIABILITIES AND CHARGES

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

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

Measurement of provisions for employee benefits

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

Measurement of provisions for site rehabilitation

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

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

Other provisions

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

9.4. CONTINGENT LIABILITIES

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

9.5. COMMITMENT GIVEN

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

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

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

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

10.1.1 DEFINITIONS AND ACCOUNTING TREATMENT

Financial liabilities

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

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

Cash and cash equivalents

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

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

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

Cash management financial assets

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

Net debt

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

Cost of net financial debt

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

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

10.1.2 ANALYSIS OF FINANCIAL DEBTS

10.1.2.1 BREAKDOWN OF FINANCIAL DEBTS BY TYPE

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

(In millions of dirhams)	*31 December 2021*	*31 December 2020*
Current financial debts		
Government credits		64
Bank loans, portion due in less than one year	2,416	10,142
Finance leases, portion due in less than one year	237	253
Accrued interest not yet due	434	572
Other credits	1,575	764
Total current financial debts	**4,662**	**11,795**
Non-current financial debts		
Government credits		244
Bank loans, portion due in more than one year	14,971	18,213
Bond issue	30,997	24,936
Finance leases, portion due in more than one year	1,507	1,569
Other credits	3,478	2,003
Total non-current financial debts	**50,954**	**46,964**
Total financial debts	**55,616**	**58,760**

10.1.2.2 ANALYSIS OF FINANCIAL DEBTS: RATES AND MATURITIES

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

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

10.1.2.3 FINANCIAL DEBT MATURITIES

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

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

10.1.3 ANALYSIS OF FINANCIAL ASSETS

10.1.3.1 CASH AND CASH EQUIVALENT

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

10.1.3.2 CASH MANAGEMENT FINANCIAL ASSETS

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

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

10.1.3.3 MATURITIES AND FAIR VALUE OF FINANCIAL CASH ASSETS

Financial cash assets maturities

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

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

(In millions of dirhams)	0-3 months	3-6 months	6-12 months	>1 year	Total
Money market funds	3,949				3,949
Term deposit		2,666			2,666
Total	**3,949**	**2,666**			**6,614**

10.1.4 ANALYSIS OF NET DEBT

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

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

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

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

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

(In millions of dirhams)	*31 Decembre 2021*	*31 Decembre 2020*
Net change in cash	(1,577)	7,051
Change in marketable securities	(2,532)	567
Insuance / repayment of loans	(3,144)	(800)
Other variations	4	8
Change in net financial debt	**(7,248)**	**6,826**

10.1.5 COST OF NET DEBT

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

(In millions of dirhams)	*FY 2021*	*FY 2020*
Interest expenses	(2,384)	(2,436)
Cost of gross financial debt	**(2,384)**	**(2,436)**
Financial income from cash investments	81	162
Other financial income	80	104
Financial income from cash investments	**161**	**266**
Cost of net financial debt	**(2,223)**	**(2,170)**

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

10.2. OTHER FINANCIAL ASSETS

10.2.1 DEFINITIONS AND ACCOUNTING TREATMENT

Other financial assets

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

Other financial income and expenses

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

10.2.2 ACTIFS FINANCIERS NON COURANTS

(In millions of dirhams)	*31 December 2021*			*31 December 2020*		
	Gross	*Revaluation*	*Net*	*Gross*	*Revaluation*	*Net*
Financial assets at fair value by OCI	726	(579)	147	628	(523)	105
Financial assetsat fair value through profit or loss	22		22	22		22
Receivables from fixed assets disposals	77	(5)	72	19	(5)	14
Other financial receivables	466	(1)	466	977	(1)	976
Total non-current financial assets	**1,292**	**(584)**	**708**	**1,646**	**(528)**	**1,118**

Financial assets revalued at fair value through equity correspond to non-consolidated securities held by OCP.SA and its subsidiaries, notably OCP International.

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

10.2.3 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses are as follows:

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

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

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

- The increase in the expense relating to the VAT credit following the recognition, during 2021, of an additional net allocation of MAD 747 million following the agreement to finance the VAT credit by way of factoring without recourse, and.

- The recognition of a financial charge of MAD 1.1 billion relating mainly to the premium for the partial redemption of the bond issues of 2014 and 2015 for an amount of MAD 844 million and the partial recycling in profit of the costs and the premium issue of said bond loans for MAD 206 million.

10.3. WEIGHT OF FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

10.3.1 WEIGHT OF FINANCIAL INSTRUMENTS

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

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

(In millions of dirhams)	*At 31 December 2021*					*At 31 December 2020*				
Balance sheet captions and instrument classes	*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 ans cash equivalents	8,001	8,001	8,001			6,428	6,428	6,428		
Cash financial assets	2,538	2,538		2,538		7	7		7	
Financial assets at fair value by OCI	147	147			147	539	539			539
Financial assets at fair value through profit or loss	22	22			22	27	27			27
Total financial assets	**10,709**	**10,709**	**8,001**	**2,538**	**170**	**7,001**	**7,001**	**6,428**	**7**	**566**
Current loans and financial debts	4,662	4,662		4,662		11,795	11,795		11,795	
Non-current loans and financial debts	50,954	49,401	29,796	19,605		46,964	52,832	25,816	27,017	
Total financial liabilities	**55,616**	**54,063**	**29,796**	**24,267**		**58,760**	**64,627**	**25,816**	**38,811**	

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

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

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

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

10.3.2.4 COUNTERPARTY RISK MANAGEMENT

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

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

Pre-qualifying counterparties

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

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

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

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

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

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

Diversifying the counterparties

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

Fixing limits by type of instruments held by counterparties

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

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

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

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

10.3.2.5 LIQUIDITY RISK

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

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

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

Note 11 – Corporate Income taxes

11.1. ACCOUNTING TREATMENT OF INCOME TAXES

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

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

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

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

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

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

11.2. ANALYSIS OF TAX EXPENSE

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

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

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

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

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

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

[1] The main permanent differences are the previous exercises' expenses, tax control expenses subsidies and non-deductible donations and income equity.

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

[3] Change in the deferred tax rate at JFCs following the end of the export exemption.

[4] The increase corresponds to tax savings due to the donation granted to the OCP Foundation to finance investment projects at its subsidiary UM6P.

11.4. DEFERRED TAX ASSETS AND LIABILITIES

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

(In millions of dirhams)	*31 December 2020*	*Activity changes in income*	*Change in consolidation scope*	*31 December 2021*
Gross deferred tax assets	620	(464)		156
Unrecognized deferred tax assets				
Net deferred tax assets	**620**	**(464)**		**156**
Deferred tax liabilities	**1,295**	**337**		**1,633**

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

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

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

Note 12 – Equity, dividends and earnings per share

12.1. ISSUED CAPITAL

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

(In number of shares)	*Actions ordinaires*
Outstanding at 1st January 2021	**82.875.000**
Issues of shares for cash in FY 2021	
Outstanding at 31 December 2021	**82.875.000**
Nominal value	**100 Dirhams**

12.2. DIVIDENDS

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

(In millions of dirhams)	*31 December 2021*	*31 December 2020*
Amount of dividends (in millions of dirhams)	5,081	4,461
Dividend per share (in dirhams)	61.85	54.30

12.3. EARNINGS PER SHARE

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

(In millions of dirhams)	*FY 2021*	*FY 2020*
Net profit, Group share (in millions of dirhams)*	**15,933**	**2,821**
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
Number of shares used for the calculation of income	**82.145.700**	**82.145.700**
Basic and diluted net earnings per share (in dirhams)	**193.96**	**34.34**

(*) In accordance with IAS 33.19 and 12, adjusted net profit includes the cost of the coupon attributable to holders of subordinated shares issued by the OCP Group (MAD -393 millions).

Note 13 – Relations with the sharholders

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

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

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

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

The following table shows the transactions performed with the State or with State-controlled companies for 2020 and 2021

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

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

This is a free translation into English of the statutory audit report issued in French and it is provided solely for the convenience of English-speaking users.

OCP S.A.

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

We have audited the consolidated financial statements of OCP S.A. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. These consolidated financial statements show an amount of consolidated shareholders' equity of MMAD 88,854 including a consolidated net profit of MMAD 16,336.

These consolidated financial statements have been adopted by the Board of Directors on March 15th, 2022 based on the information available at that date in an evolving context of the Covid-19 crisis.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Code of Ethics for Accountants' (including international standards of independence) published by *the International Ethics Standards Board for Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, established under the conditions referred above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our audit response :
Valuation of Property, Plant & Equipment and Goodwill *(Refer to note 8.1 «Accounting treatment of assets», 8.2 «Property, Plant & Equipment variation» and 8.3 «Intangible assets variation»)* As of December 31, 2021, the net book value of the Property, Plant & Equipment and Goodwill amounts respectively to MMAD 116.938 and MMAD 1.886 (65% of total assets). Property, Plant & Equipment are recognized at their historical acquisition cost, production cost or entry cost to the Group, less depreciation and possible loss of value. This cost includes the borrowing costs incurred during the construction of these assets. Property, Plant & Equipment are depreciated according to the methods defined in the notes. Their useful life is reviewed at each closing so that it reflects the expected useful lives. Goodwill is a non-amortised asset recognised at the date of acquisition which, in accordance with IFRS, is tested for impairment at least once a year and whenever there is an indication that it may be impaired. The Group performs impairment tests on tangible assets with a finite useful life when there are indications of impairment as defined in the notes. These assets are tested at the cash generating units (CGUs), as defined by the Group, based on the discounted future cash flows. We considered that the valuation of tangible fixed assets and goodwill is a key audit matter due to: - The weight of these assets in the Group's accounts, the continuation by the Group of its investment program; - The significant impact of the effective capitalization dates on the depreciation of the period and on the net value of the asset; - the fact that the valuation of these assets requires management to exercise judgment and use estimates in: ▪ The definition of the useful lives used by components; ▪ The determination of discounted future cash flows, discount rates and long-term growth rate used for impairment tests.	The work that we carried out mainly consisted in: ▪ Gaining an understanding of the internal control procedures relating to the accounting of Property, Plant & Equipment, the capitalization of investments and the commissioning of fixed assets, the estimation of the useful life of depreciable assets as well as their valuation and their depreciation. ▪ Testing the effectiveness of the key controls relating to these procedures, in particular those relating to the capitalization of Property, Plant & Equipment, to the duration and to the starting date of their depreciation. ▪ Also, on the basis of sampling, we carried out a review of the effective dates of commissioning of fixed assets and their depreciation periods by consulting the available documentation and by interviewing project managers. ▪ We carried out a critical examination of the possible existence of impairment indicators as of December 31, 2021 through the analysis of production, industrial and commercial performance indicators versus production capacities, budgets, and historical performances; ▪ For assets / CGUs showing indicators of impairment, and the CGUs to which goodwill has been allocated, we examined the impairment tests performed by the Group during the financial year, through the analysis of the documentation relating to the determination of the recoverable value, and the assessment of the consistency of the cash flow projections established by the Management and of the assumptions retained in relation to historical performance and market prospects. We have also performed our own sensitivity calculations to corroborate the analyses performed by Management.
Exchange rate hedge accounting *(Refer to note 4.1.3 «Management of exchange risk and credit risks»)* As part of its activities, the Group realizes the majority of its sales in dollars and has issued two bonds in dollars respectively in April 2014 and April 2015, redeemable at maturity for respectively 1.25 billion dollars and 1 billion dollars. At each closing,	The work that we carried out mainly consisted in: ▪ Performing a critical examination of the hedging relationship documentation prepared by the Group with regard to the requirements of IAS 39.

these debts used to generate an exchange rate effect in income under IAS 21. In order to limit this impact, the Group put in place starting from September 1st 2018, a cash flow hedge (CFH) between the highly probable future sales in dollars (hedged item) and the two bonds issues in dollars (hedging instrument). The hedged item corresponds to the amounts of future sales which would be made respectively from April 2024 and October 2025, dates on which the bond debts mature. Under this hedge accounting, a prospective test is performed by the Group at each closing in order to control the highly probable nature of future sales designated as hedged item, as well as a prospective effectiveness test in accordance with the requirements of IAS 39. This hedging strategy, in application of the principles of IAS 39, results in: ▪ The recognition in OCI (*Other Comprehensive Income*), for the effective part, of the exchange effect on the debt until maturity ▪ The recognition in the P&L for the ineffective part ▪ The recycling in the P&L of OCI accumulated at the maturity of the debt. We considered this topic as a key audit matter given the significant impacts of changes in exchange rates on the Group's earnings and equity.	▪ Examining in particular : - The eligibility to hedge accounting for future sales as a hedged item in accordance with IAS 39, and in particular their highly probable nature in view of historical achievements and budgets; - The existence of the debts and their validity as a hedging instrument for currency risk in accordance with IAS 39. ▪ Analysing the effectiveness tests of the hedging relationship. ▪ Examining the accounting impacts of this hedge accounting on the financial statements for the effective part and for the ineffective part.
Provision for employee benefits *(Refer to note 5.3.1 «General presentation of schemes existing within the Group and accounting treatment»)* The Group has several post-employment benefit plans with defined contributions and benefits. A significant part is made up of defined benefit plans, for which the Group is committed to a level of benefits. These plans include in particular: death benefit, end-of-career benefits and post-employment medical coverage. The actuarial value of the accumulated employee benefits related to these commitments amount to MMAD 5.862 as of December 31, 2021. Defined benefit plans are subject to an actuarial valuation of the commitment using the projected unit credit method, taking into account demographic and financial assumptions and which actuarial assumptions are reviewed on an annual basis. Differences related to changes in actuarial assumptions and adjustments related to experience constitute actuarial differences recognized in non-recyclable equity in accordance with IAS 19 revised. The assessment of the liabilities of the commitments for employee benefits as well as the actuarial charge for the financial year requires judgment to determine the appropriate assumptions to be retained such as the discount	We gained an understanding of the process for evaluating commitments for post-employment benefits applied by the Group. With the assistance of our actuarial experts, our work included: ▪ Examining the main assumptions used, in particular the discount and inflation rates in light of market conditions; ▪ Assessing the consistency of the assumptions relating in particular to salary developments and demographic data (mortality tables, inflation rate of medical costs) with the specific features of the plans and those of the entity; ▪ Examining the calculations prepared by the Group, in particular those supporting the sensitivity of the liability to changes in the discount rate and to changes in the rate of change in medical costs; ▪ Analyzing the hypothesis relating to the changeover from the health insurance plan to AMO in 2023, with regards to the evolution of regulatory texts; ▪ Examining, on the basis of samplings, the correct transcription in the calculation of commitments made by the Group of individual data and actuarial and demographic assumptions adopted by Management;

and inflation rates, the projected date of changeover to AMO (Assurance Maladie Obligatoire : Compulsory Health Insurance), the rate of change in medical costs, future salary increases, mortality tables ... It should be noted that OCP Group has planned the changeover from the health insurance plan to AMO in 2023. The variation of some of these assumptions could have a significant impact on the determination of the recognized liability as well as on the Group's result. Therefore, we considered the evaluation of the provision for employee benefits as a key audit matter.	▪ Examining the consistency of the sensitivity analysis presented in particular in the notes to the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control ;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Casablanca, March 18, 2022

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