



**CONSOLIDATED
FINANCIAL
STATEMENTS**

At 31 December 2022

Contents

Key figures and significant events of the period	3
KEY FIGURES	3
SIGNIFICANT EVENTS OF THE PERIOD	3
EVENTS AFTER THE REPORTING PERIOD	4
Consolidated Financial Statements	5
Notes to the Consolidated Financial Statements	11
NOTE 1 - ACCOUNTING RULES AND METHODS	11
NOTE 2 - CONSOLIDATION SCOPE	12
NOTE 3 - SEGMENT REPORTING	14
NOTE 4 - OPERATIONAL DATA	16
NOTE 5 - EXPENSES AND EMPLOYEE BENEFITS	24
NOTE 6 - INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	27
NOTE 7 - OTHER OPERATING ITEMS	31
NOTE 8 - PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	33
NOTE 9 - PROVISIONS AND CONTINGENT LIABILITIES	40
NOTE 10 - FINANCIAL INSTRUMENTS, NET DEBT AND NET COST OF FINANCING	43
NOTE 11 - CORPORATE INCOME TAXES	51
NOTE 12 - EQUITY, DIVIDENDS AND EARNINGS PER SHARE	54
NOTE 13 - RELATIONS WITH THE SHAREHOLDERS	55
Statutory auditors' opinion on the consolidated financial information at 31 December 2022	56

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

<i>(In millions of dirhams)</i>	<i>Note</i>	<i>FY 2022</i>	<i>FY 2021</i>
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
<i>Including Group share</i>	27,580	15,496
<i>Including non-controlling interests' share</i>	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

Consolidated Financial Statements

(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

<i>(In millions of dirhams)</i>	<i>Issued capital</i>	<i>Paid-in capital</i>	<i>Actuarial gains or losses ⁽¹⁾</i>	<i>Hybrid securities ⁽²⁾</i>	<i>Other consolidated reserves</i>
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.

<i>Translation difference</i>	<i>Financial assets at fair value by OCI ⁽³⁾</i>	<i>Share of gains and losses recognized in equity (CFH variation) ⁽⁴⁾</i>	<i>Net profit (loss)</i>	<i>Total equity - Group share</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
(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

<i>(In millions of dirhams)</i>	<i>Note</i>	<i>FY 2022</i>	<i>FY 2021</i>
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
<i>Inventories</i>		(11,030)	(1,206)
<i>Trade receivables</i>		(2,183)	(4,476)
<i>Trade payables</i>		(846)	1,894
<i>Other current assets and liabilities</i>		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 repayment	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
Phosboucrââ	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 Phosboucrââ	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 m³ of drinking water in 2023 and 110 million m³ 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 (Youssofia et Benguéir – Safi) and Phosboucrââ:** this axis hosts:

- The integrated phosphate chemical processing hub. The phosphate extracted at Youssofia and Benguéir is transported by rail to Safi, where it is processed into phosphoric acid and fertilizer. The finished products are exported from OCP port at Safi.
- Phosboucrââ'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)	Northern axis		Central axis & Phosboucrââ		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 receivables 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-current 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.

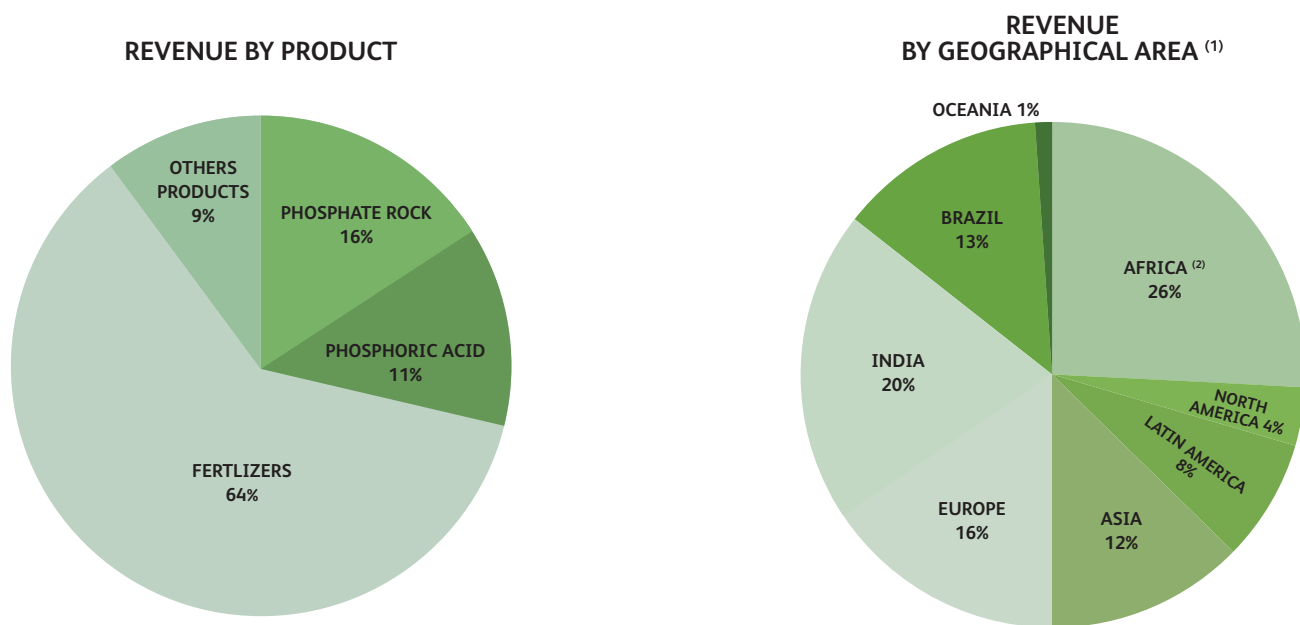
The northern axis recorded an increase of 66 % in its operating expenses, with a variation of MAD 22.5 billion, observed in raw material purchases. The operating expenses of the central axis have also increased by MAD 2.5 billion, also due to raw material purchases.

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 AREA

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:



⁽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	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Main markets						
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

Notes to the Consolidated Financial Statements

(In millions of dirhams)	Phosphates		Phosphoric Acid		Fertilizers	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Break down by third parties						
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
Joins 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

<i>(In millions of dirhams)</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
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:

<i>(In millions of dirhams)</i>	<i>Depreciation at 1st January</i>	<i>Net dotations</i>	<i>Currency effect and other changes</i>	<i>Depreciation at 31 December</i>
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:

<i>(In millions of dirhams)</i>	<i>Unmatured receivables</i>	<i>Matured receivables</i>			<i>Total</i>
		<i>< 30 days</i>	<i>30 - 180 days</i>	<i>more than 180 days</i>	
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:

<i>(In millions of dirhams)</i>	FY 2022	FY 2021
Purchases of materials and supplies	(2,815)	(1,666)
Purchases of raw materials	(44,191)	(21,346)
<i>Sulfur</i>	<i>(19,533)</i>	<i>(10,589)</i>
<i>Ammonia</i>	<i>(19,941)</i>	<i>(6,904)</i>
<i>Sulfuric acid</i>	<i>(2,829)</i>	<i>(2,460)</i>
<i>Back acid</i>	<i>(1,300)</i>	<i>(860)</i>
<i>Other raw materials</i>	<i>(587)</i>	<i>(533)</i>
Energy consumption	(2,947)	(2,687)
<i>Electric energy</i>	<i>(1,200)</i>	<i>(1,246)</i>
<i>Fuel</i>	<i>(966)</i>	<i>(925)</i>
<i>Diesel</i>	<i>(656)</i>	<i>(404)</i>
<i>Heating gas</i>	<i>(105)</i>	<i>(89)</i>
<i>Gasoline</i>	<i>(13)</i>	<i>(13)</i>
<i>Steam and others</i>	<i>(7)</i>	<i>(11)</i>
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.

Notes to the Consolidated Financial Statements

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:

<i>(In millions of dirhams)</i>	FY 2022	FY 2021
Transport	(6,320)	(6,652)
<i>ONCF transport on sales</i>	(651)	(955)
<i>Shipping on sales-Freight</i>	(4,772)	(4,838)
<i>Truck phosphates transport</i>	(320)	(309)
<i>Personal transport</i>	(98)	(95)
<i>Other operating transport</i>	(478)	(456)
Consulting and fees	(598)	(433)
Contributions and donations	(1,513)	(413)
Maintenance and repairs	(1,573)	(1,027)
Leases and 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-executives	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:

<i>(In millions of dirhams)</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
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:

<i>(In millions of dirhams)</i>	<i>FY 2022</i>	<i>FY 2021</i>
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:

<i>(En millions de dirhams)</i>	<i>FY 2022</i>	<i>FY 2021</i>
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

<i>(In millions of dirhams)</i>	<i>FY 2022</i>	<i>FY 2021</i>
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

<i>(In millions of dirhams)</i>	<i>31 December 2022</i>			<i>31 December 2021</i>		
	<i>Gross</i>	<i>Depreciation</i>	<i>Net</i>	<i>Gross</i>	<i>Depreciation</i>	<i>Net</i>
Receivables from suppliers, advances and payments on account	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

Notes to the Consolidated Financial Statements

The category of 'State (excluding corporate income tax)' mainly includes VAT, the phosphate exploitation fee, and other taxes and duties. The increase noted in the 'State' category is due to three factors: an increase of MAD 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:

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

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

Leases

Since January 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)
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)
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 Mm³/year at Jorf Lasfar and 5 Mm³ 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)
Amortization 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.

Notes to the Consolidated Financial Statements

(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)
Amortization 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

<i>(In millions of dirhams)</i>	<i>FY 2022</i>	<i>FY 2021</i>
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:

<i>(In millions of dirhams)</i>	<i>31 December 2021</i>	<i>Increase</i>	<i>Reversals</i>		<i>Other changes</i>	<i>31 December 2022</i>
			<i>Used</i>	<i>Unused</i>		
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

<i>(In millions of dirhams)</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
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:

<i>(In millions of dirhams)</i>	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:

<i>(In millions of dirhams)</i>	<i>Interest rate</i>	<i>Weighted average interest rate</i>	<i>Weighted average residual maturity</i>	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:

<i>(in millions of dirhams)</i>	<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

<i>(In millions of dirhams)</i>	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

<i>(In millions of dirhams)</i>	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.

<i>(In millions of dirhams)</i>	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

<i>(In millions of dirhams)</i>	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:

<i>(In millions of dirhams)</i>	31 Decembre 2022	31 Decembre 2021
Net change in cash	(10,554)	(1,577)
Change in marketable securities	2,029	(2,532)
Insurance / 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

<i>(In millions of dirhams)</i>	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 assets at 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				
	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	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

<i>(In millions of dirhams)</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
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.

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

<i>(In millions of dirhams)</i>	<i>FY 2022</i>	<i>FY 2021</i>
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

<i>(In millions of dirhams)</i>	<i>FY 2022</i>	<i>FY 2021</i>
+ 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
Theoretical 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		
<i>current tax</i>	(5,937)	(3,076)
<i>deferred tax</i>	(185)	(1,088)

11.4. DEFERRED TAX ASSETS AND LIABILITIES

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

<i>(In millions of dirhams)</i>	<i>31 December 2021</i>	<i>Activity changes in income</i>	<i>Change in consolidation scope</i>	<i>31 December 2022</i>
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

Notes to the Consolidated Financial Statements

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

<i>(In millions of dirhams)</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
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

<i>(In millions of dirhams)</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
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.

<i>(In number of shares)</i>	<i>Actions ordinaires</i>
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.

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

12.3. EARNINGS PER SHARE

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

<i>(In millions of dirhams)</i>	<i>FY 2022</i>	<i>FY 2021</i>
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 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 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:

<i>(In millions of dirhams)</i>	FY 2022		FY 2021	
	<i>State and State-controlled enterprises</i>	<i>BCP</i>	<i>State and State-controlled enterprises</i>	<i>BCP</i>
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	

<i>(In millions of dirhams)</i>	31 December 2022		31 December 2021	
	<i>State and State-controlled enterprises</i>	<i>BCP</i>	<i>State and State-controlled enterprises</i>	<i>BCP</i>
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



Building a better
working world

37, Bd Abdellatif Ben Kaddour
20 050 Casablanca
Maroc

Deloitte.

Bd Sidi Mohammed Benabdellah
Bâtiment C – Tour Ivoire 3 – 3^{ème} étage
La Marina
Casablanca - Maroc

Aux Actionnaires de la société
OCP S.A.
2, Rue Al Abtal - Hay Erraha - Immeuble OCP
Casablanca

RAPPORT D'AUDIT SUR LES ETATS FINANCIERS CONSOLIDES EXERCICE DU 1^{ER} JANVIER 2022 AU 31 DECEMBRE 2022

Opinion

Nous avons effectué l'audit des états financiers consolidés de la société OCP S.A. et de ses filiales (le « Groupe »), qui comprennent l'état consolidé de la situation financière au 31 décembre 2022, ainsi que le compte de résultat consolidé et l'état consolidé du résultat global, l'état consolidé des variations des capitaux propres et le tableau consolidé des flux de trésorerie pour l'exercice clos à cette date, ainsi que les notes annexes, y compris un résumé des principales méthodes comptables. Ces états financiers consolidés font ressortir un montant de capitaux propres consolidés de MMAD 111.150 dont un bénéfice net consolidé de MMAD 28.233.

Nous certifions que les états financiers consolidés cités au premier paragraphe ci-dessus, sont réguliers et sincères et donnent dans tous leurs aspects significatifs, une image fidèle de la situation financière consolidée du groupe au 31 décembre 2022, ainsi que de sa performance financière consolidée et de ses flux de trésorerie consolidés pour l'exercice clos à cette date, conformément aux Normes Internationales d'Information Financière (IFRS) telles qu'adoptées dans l'Union Européenne.

Fondement de l'opinion

Nous avons effectué notre audit selon les Normes de la Profession au Maroc. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités de l'auditeur à l'égard de l'audit des états financiers consolidés » du présent rapport. Nous sommes indépendants du groupe conformément aux règles de déontologie qui s'appliquent à l'audit des états financiers consolidés au Maroc et nous nous sommes acquittés des autres responsabilités déontologiques qui nous incombent selon ces règles. Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

Questions clés de l'audit

Les questions clés de l'audit sont les questions qui, selon notre jugement professionnel, ont été les plus importantes dans l'audit des états financiers consolidés de la période considérée. Ces questions ont été traitées dans le contexte de notre audit des états financiers consolidés pris dans leur ensemble et aux fins de la formation de notre opinion sur ceux-ci, et nous n'exprimons pas une opinion distincte sur ces questions.

Questions clés de l'audit	Notre réponse
<p>Evaluation des immobilisations corporelles et incorporelles (cf. note 8.1 « traitement comptable des immobilisations », 8.2 « variations des immobilisations corporelles » et 8.3 « variation des immobilisations incorporelles »)</p> <p>Au 31 décembre 2022, les valeurs nettes comptables des immobilisations corporelles et incorporelles s'élèvent respectivement à MMAD 129.547 et MMAD 4.533 (soit 59% du total des actifs).</p> <p>Les immobilisations incorporelles et corporelles sont comptabilisées à leur coût historique d'acquisition, de production ou d'entrée dans le Groupe, diminué des amortissements et des pertes de valeur éventuelles. Ce coût est augmenté des coûts d'emprunt encourus pendant la phase de construction des actifs concernés. Elles sont amorties selon les modalités définies en annexe. Leur durée d'utilité est réexaminée à chaque clôture pour que celle-ci reflète les durées d'utilisation prévues.</p> <p>Le Groupe procède à des tests de perte de valeur :</p> <ul style="list-style-type: none"> - des actifs corporels à durée de vie déterminée lorsqu'il existe des indices de perte de valeur tels que définis dans les annexes. - au moins une fois par an pour les actifs incorporels à durée de vie indéterminée. <p>Ces actifs sont testés au niveau des unités génératrices de trésorerie (UGT) définies par le Groupe, sur la base de l'actualisation des flux de trésorerie futurs.</p> <p>Nous avons considéré que l'évaluation des immobilisations corporelles et incorporelles est un point clé de l'audit en raison :</p> <ul style="list-style-type: none"> - du poids de ces actifs dans les comptes du Groupe, et de la poursuite par le Groupe de son programme d'investissements ; - du fait de l'impact significatif des dates de mise en service effectives sur les amortissements de la période et sur la valeur nette de l'immobilisation corporelle. - de l'importance des jugements et l'utilisation de l'estimation par la Direction dans : <ul style="list-style-type: none"> • La définition des durées d'utilité retenues par composants ; • La détermination des flux de trésorerie futurs actualisés, des taux d'actualisation et de croissance à long terme, utilisés pour les tests de dépréciation. 	<p>Les travaux que nous avons effectués ont principalement consisté à :</p> <ul style="list-style-type: none"> ▪ prendre connaissance et tester l'efficacité des procédures de contrôle interne relatives à la comptabilisation des immobilisations incorporelles et corporelles, à la capitalisation des investissements et à la mise en service des immobilisations, à l'estimation de la durée d'utilité des actifs amortissables ainsi qu'à leur évaluation et leur dépréciation ; ▪ tester l'efficacité des contrôles clés relatifs à ces procédures, en particulier ceux relatifs à la mise en service des immobilisations incorporelles et corporelles, à la durée et à la date de début de leur amortissement ; ▪ nous avons également, sur la base d'échantillonnage, procédé à un examen des dates effectives de mise en service des immobilisations incorporelles et corporelles et de leurs durées d'amortissement en consultant la documentation disponible et en nous entretenant avec des chefs de projet ; ▪ nous avons procédé à un examen critique de l'existence éventuelle d'indices de pertes de valeur au 31 décembre 2022 à travers l'analyse des indicateurs de production et de performance industrielle et commerciale par rapport aux capacités de production et aux performances historiques ; ▪ pour les tests de dépréciation réalisés par le Groupe durant l'exercice, nous avons examiné la documentation relative à la détermination de la valeur recouvrable, et la cohérence des projections des flux de trésorerie validées par la Direction et des hypothèses retenues par rapport aux performances historiques et perspectives de marchés. Nous avons également effectué nos propres calculs de sensibilité, pour corroborer les analyses effectuées par la Direction.

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

<p>Provision pour avantages au personnel (cf. note 5.3.1 « Présentation générale des régimes existant au sein du Groupe et traitement comptable »)</p> <p>Le Groupe dispose de plusieurs régimes d'avantages postérieurs à l'emploi à cotisations et prestations définies.</p> <p>Une partie significative est constituée de régimes à prestations définies, pour lesquels le Groupe est engagé sur un niveau de prestations. Ces régimes comprennent notamment : l'allocation décès, les indemnités de fin de carrière et la couverture médicale post-emploi.</p> <p>La valeur actuarielle des avantages du personnel accumulés liés à ces engagements s'élève à MMAD 5.066 au 31 décembre 2022.</p> <p>Les régimes à prestations définies font l'objet d'une évaluation actuarielle de l'engagement selon la méthode des unités de crédit projetées, prenant en compte des hypothèses démographiques et financières et dont les hypothèses actuarielles sont revues sur un rythme annuel. Les différences liées aux changements d'hypothèses actuarielles et les ajustements liés à l'expérience constituent des écarts actuariels comptabilisés en capitaux propres non recyclables conformément aux dispositions de la norme IAS 19 révisée.</p> <p>L'évaluation des passifs des engagements au titre des avantages au personnel ainsi que de la charge actuarielle de l'exercice, requiert du jugement pour déterminer les hypothèses appropriées à retenir telles que les taux d'actualisation et d'inflation, la date prévisionnelle de basculement vers l'AMO (Assurance Maladie Obligatoire), le taux d'évolution des coûts médicaux, les futures augmentations de salaires, les tables de mortalité...</p> <p>Il est à noter que le Groupe OCP a prévu le basculement du régime maladie vers l'AMO en 2024.</p> <p>La variation de certaines de ces hypothèses pourrait avoir une incidence significative sur la détermination du passif comptabilisé ainsi que sur le résultat du Groupe. De ce fait, nous avons considéré l'évaluation de la provision pour avantages au personnel comme un point clé de l'audit.</p>	<p>Nous avons pris connaissance du processus d'évaluation des engagements au titre des avantages postérieurs à l'emploi appliqué par le Groupe.</p> <p>Avec l'assistance de nos experts en actuariat, nos travaux ont notamment consisté à :</p> <ul style="list-style-type: none"> ▪ procéder à un examen des principales hypothèses retenues, notamment les taux d'actualisation et d'inflation au regard des conditions de marché ; ▪ apprécier la cohérence des hypothèses relatives notamment aux évolutions de salaires et aux données démographiques (tables de mortalité, taux d'inflation des coûts médicaux) avec les spécificités des régimes et celles de l'entité ; ▪ examiner les calculs préparés par le Groupe, notamment ceux étayant la sensibilité de la dette aux variations du taux d'actualisation et aux variations du taux d'évolution des coûts médicaux ; ▪ analyser l'hypothèse relative au basculement du régime maladie vers l'AMO en 2024, au regard de l'évolution des textes réglementaires ; ▪ examiner, sur base de sondages, la correcte transcription dans le calcul des engagements effectué par le Groupe des données individuelles et des hypothèses actuarielles et démographiques retenues par la Direction ; ▪ examiner la cohérence des analyses de sensibilité présentées notamment dans les notes de l'annexe aux états financiers consolidés.
--	---

Responsabilités de la Direction et des responsables de la gouvernance à l'égard des états financiers consolidés

La Direction est responsable de la préparation et de la présentation fidèle des états financiers consolidés conformément aux IFRS, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états financiers consolidés exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

Lors de la préparation des états financiers consolidés, c'est à la Direction qu'il incombe d'évaluer la capacité du groupe à poursuivre son exploitation, de communiquer, le cas échéant, les questions se rapportant à la continuité de l'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si la Direction a l'intention de liquider le groupe ou de cesser son activité ou si aucune autre solution réaliste ne s'offre à elle.

Il incombe aux responsables de la gouvernance de surveiller le processus d'information financière du groupe.

Responsabilités de l'auditeur à l'égard de l'audit des états financiers consolidés

Nos objectifs sont d'obtenir l'assurance raisonnable que les états financiers consolidés pris dans leur ensemble sont exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs et de délivrer un rapport de l'auditeur contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes de la profession au Maroc permettra toujours de détecter toute anomalie significative qui pourrait exister. Les anomalies peuvent résulter de fraudes ou d'erreurs et elles sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce que, individuellement ou collectivement, elles puissent influencer sur les décisions économiques que les utilisateurs des états financiers consolidés prennent en se fondant sur ceux-ci.

Dans le cadre d'un audit réalisé conformément aux normes de la profession au Maroc, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique tout au long de cet audit. En outre :

- Nous identifions et évaluons les risques que les états financiers consolidés comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, concevons et mettons en œuvre des procédures d'audit en réponse à ces risques, et réunissons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative résultant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- Nous acquérons une compréhension des éléments du contrôle interne pertinents pour l'audit afin de concevoir des procédures d'audit appropriées aux circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne du Groupe ;
- Nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la Direction, de même que des informations y afférentes fournies par cette dernière ;
- Nous tirons une conclusion quant au caractère approprié de l'utilisation par la Direction du principe comptable de continuité d'exploitation et, selon les éléments probants obtenus, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité du groupe à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport sur les informations fournies dans les états financiers au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants obtenus jusqu'à la date de notre rapport. Des événements ou situations futurs pourraient par ailleurs amener le groupe à cesser son exploitation ;
- Nous évaluons la présentation d'ensemble, la structure et le contenu des états financiers consolidés, y compris les informations fournies dans les notes, et apprécions si les états financiers consolidés représentent les opérations et événements sous-jacents d'une manière propre à donner une image fidèle ;

- Nous obtenons des éléments probants suffisants et appropriés concernant les informations financières des entités et activités du groupe pour exprimer une opinion sur les états financiers consolidés. Nous sommes responsables de la Direction, de la supervision et de la réalisation de l'audit du groupe. Nous assumons l'entière responsabilité de l'opinion d'audit.

Nous communiquons aux responsables de la gouvernance notamment l'étendue et le calendrier prévus des travaux d'audit et nos constatations importantes, y compris toute déficience importante du contrôle interne que nous aurions relevée au cours de notre audit.

Casablanca, le 27 mars 2023

Les Auditeurs Contractuels

ERNST & YOUNG



ERNST & YOUNG
91, Boulevard Abdellatif Ben Kaddour
CASABLANCA -
Tél : (212-2) 2 95.79.00 - Fax : (212-2) 2 39.02.26

Abdeslam BERRADA ALLAM
Associé

DELOITTE AUDIT



DELOITTE Audit
Bou Sidi Mohammed Benabdellah
Bâtiment "C" - Itouire 3, La Marina
Casablanca
Tél: 0522 22 40 25 / 05 22 22 47 34
Fax: 05 22 22 40 78 / 47 59

Sakina BENSOUDA- KORACHI
Associée



2 4, rue Al Abtal Hay Erraha 20 200 Casablanca Maroc
www.ocpgroup.ma
